



**ABN-Amro**  
Making more possible

# ABN AMRO Culture Driven Transformation

**Presentation by Team 2**

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# Executive Summary

- Successfully transformed to self-organizing teams to enable greater agility and continuous change
- Clear cultural principles and vision created top-down, not fully motivating across organization
- Business metrics like NPS, costs, engagement showing improvement since restructure
- COVID demonstrated flexibility to rapidly change operations under new model
- Concerns over team consistency, target setting, sick leave and career paths lingering
- No mechanisms detecting customer shifts, emerging competition, industry dynamics
- Resource allocation and funding still tied to legacy structures rather than fluid initiatives
- Lacks system to qualify initiatives on dimensions like risk, impact, readiness
- Missing operating model elements to sustain transformation without vision, governance, resources flows
- Despite cultural progress, architectural gaps remain that could limit change endurance
- Recommend pausing investment until transformation systems upgraded to fuel ongoing innovation. Thus GCI **should not invest in ABN AMRO**





# About Company

ABN AMRO is a personal bank in the digital age. A bank committed to playing a serious role in society. This digital age helps us to bring banking ever closer to our clients and what they need. Our areas of focus are inclusion, sustainability, social entrepreneurship, innovation, daily banking and more.

## CEO Profile

Kees van Dijkhuizen, the CEO, served as a catalyst for aggressive culture change and a visionary leader.

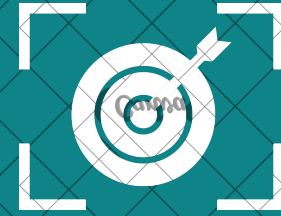


# Vision & Mission



## Company Vision

Banking for better, for generations to come.



## Company Mission

Providing our clients with the highest quality functional ingredients, satisfying all your needs and expectations.



# ABN AMRO faces moderately high risk with a lot of uncertainties around key weak signals

	Low Risk	Moderate Risk	High Risk
Customer Loyalty	Stable NPS Score		
Venture Investment			High investment in Fintech Space Digital Wallets, P2P Lending, Cryptocurrency
Policy Changes		Fintech is a highly regularized space.	
Industry Entrant Activity		Traditional Banks and New players	
Customer Habit Shift		Online services and offerings	
Business Model Innovation			Many entrants like P2P lending could have huge potential.
Profit Margins		Relatively stable.	

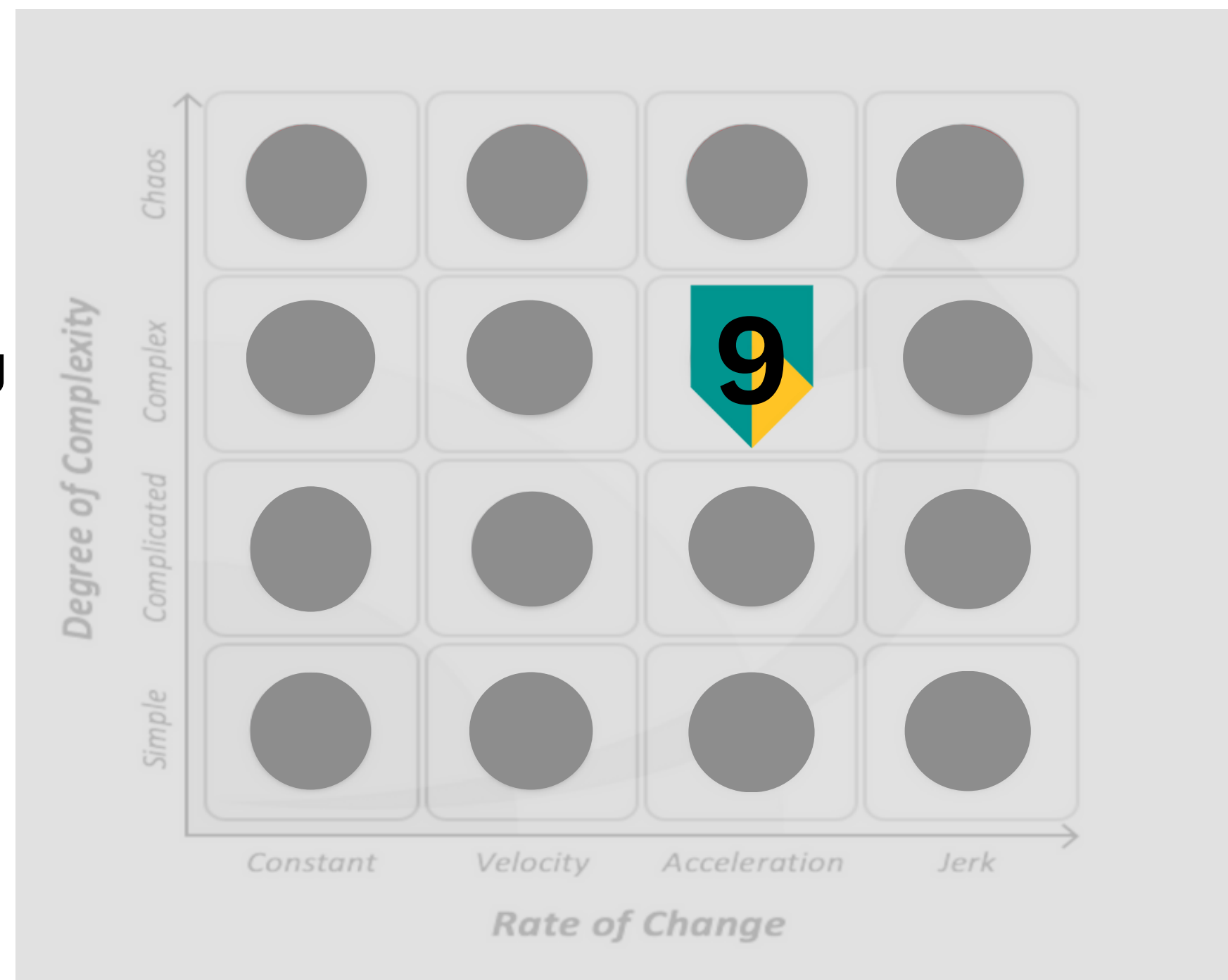




# Uncertainty terrain of ABN AMRO

## World Around ABN AMRO: ING Group, Rabobank, DeVolksbank, HSBC

- Accelerating digital transformation and enhancing mobile/online banking capabilities
- Embracing agile organizational models, streamlining operations, and reducing costs
- Leveraging data analytics, and adopting sustainable finance strategies
- Exploring fintech partnerships, focusing on wealth management and investment banking services



# Societal and Competition: Primary External Drivers of Opportunities and Threats for ABN AMRO



## Societal

Increased adoption of mobile and online banking

Preference for frictionless and smooth customer experience

P

## Political

Regulatory changes with respect to the digital business models

Stringent Privacy regulations with respect to data usages

E

## Economical

Lower Interest rate by competitions can reduce profit margins.

Inflation and Economic uncertainty can slowdown economy.

E

## Environmental

Support for environmentally friendly practices such as paperless transactions has risen due to heightened environmental awareness.

D

## Demographics

Younger generations preferring mobile and digital channels

Rapid Urbanization thus challenging the ways in which traditional banks operate.

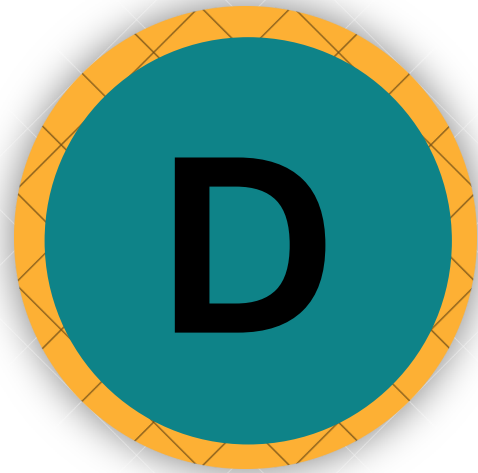


## Competition

Technology giants entering financial services with vast customer bases  
Eg: Apple Pay, Gpay

Emergence of nimble fintech players with differentiated offerings  
Eg: Prosper, Funding Circle

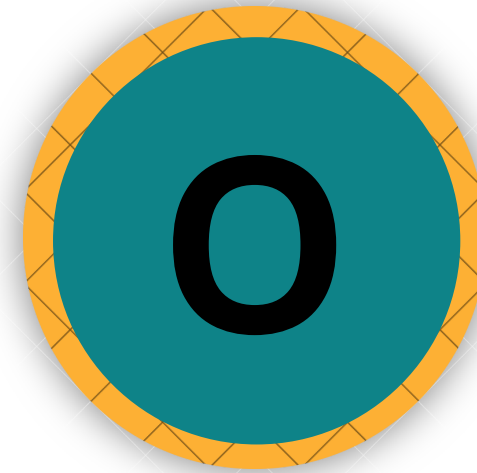
# Driving Digital Transformation: Navigating Societal Preferences and Fintech Disruption



## Drivers

Societal preferences for frictionless and smooth customer experience.

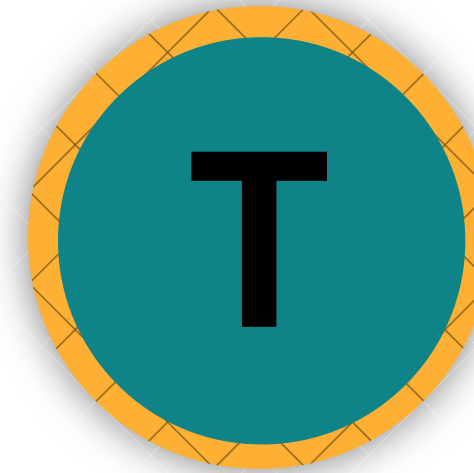
Need to reduce bureaucracy and be more agile.



## Opportunities

Leverage data analytics to uncover new customer insights and offer personalized financial advice

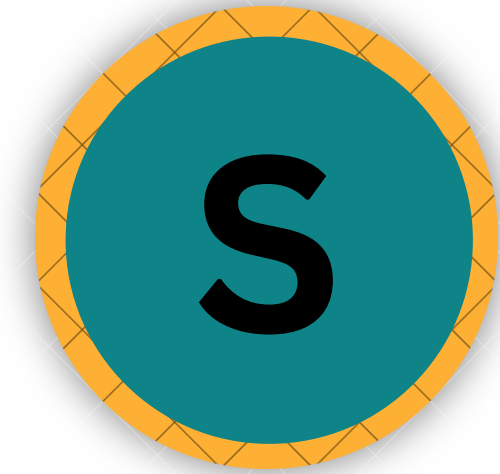
Develop ecosystems of banking capabilities accessing partners through open APIs



## Threats

Loss of market share due to new fintech competitors

Risk of decentralized "self-organizing" model leading to poor risk management



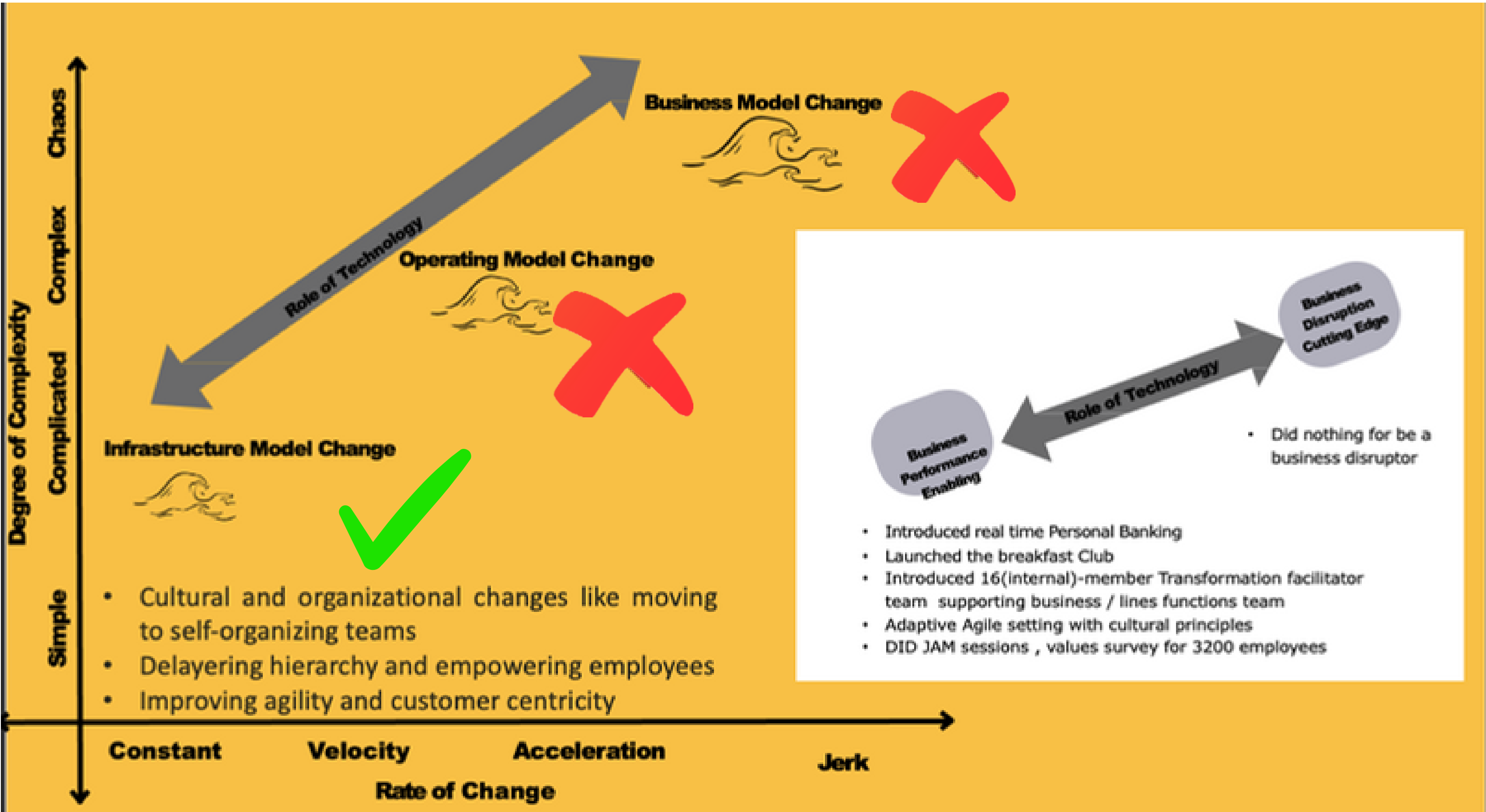
## Strategic Response

Data Monetization:  
Explore opportunities to monetize data assets by offering data-driven offerings and services.

Digital Wealth Management:  
Provide personalized wealth management and investment advisory services



**ABN utilized organizational changes and culture to sustain existing business performance, but failed to leverage them for exploring disruptive growth opportunities.**

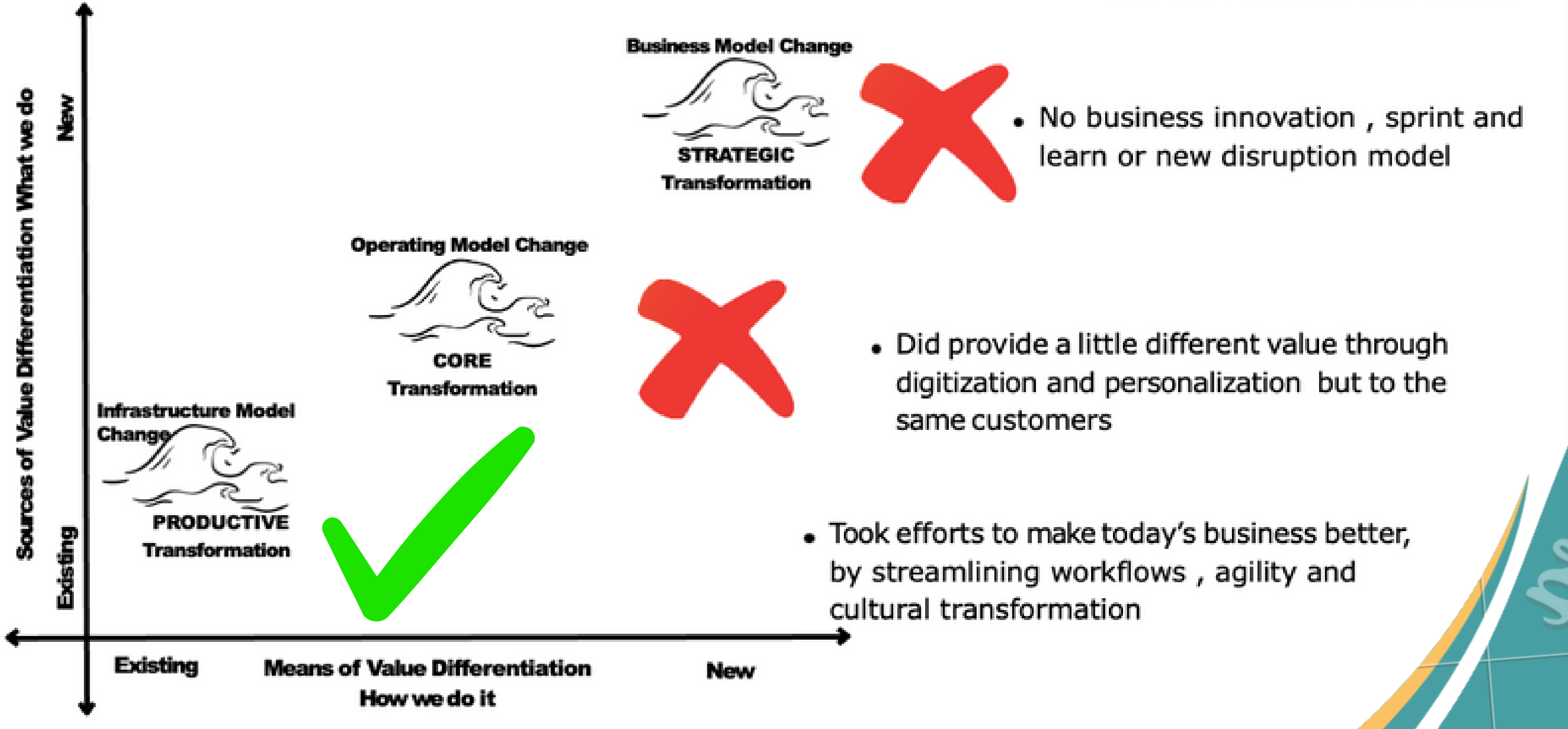


**ABN utilized organizational changes and culture to sustain existing business performance, but failed to leverage them for exploring disruptive growth opportunities.**



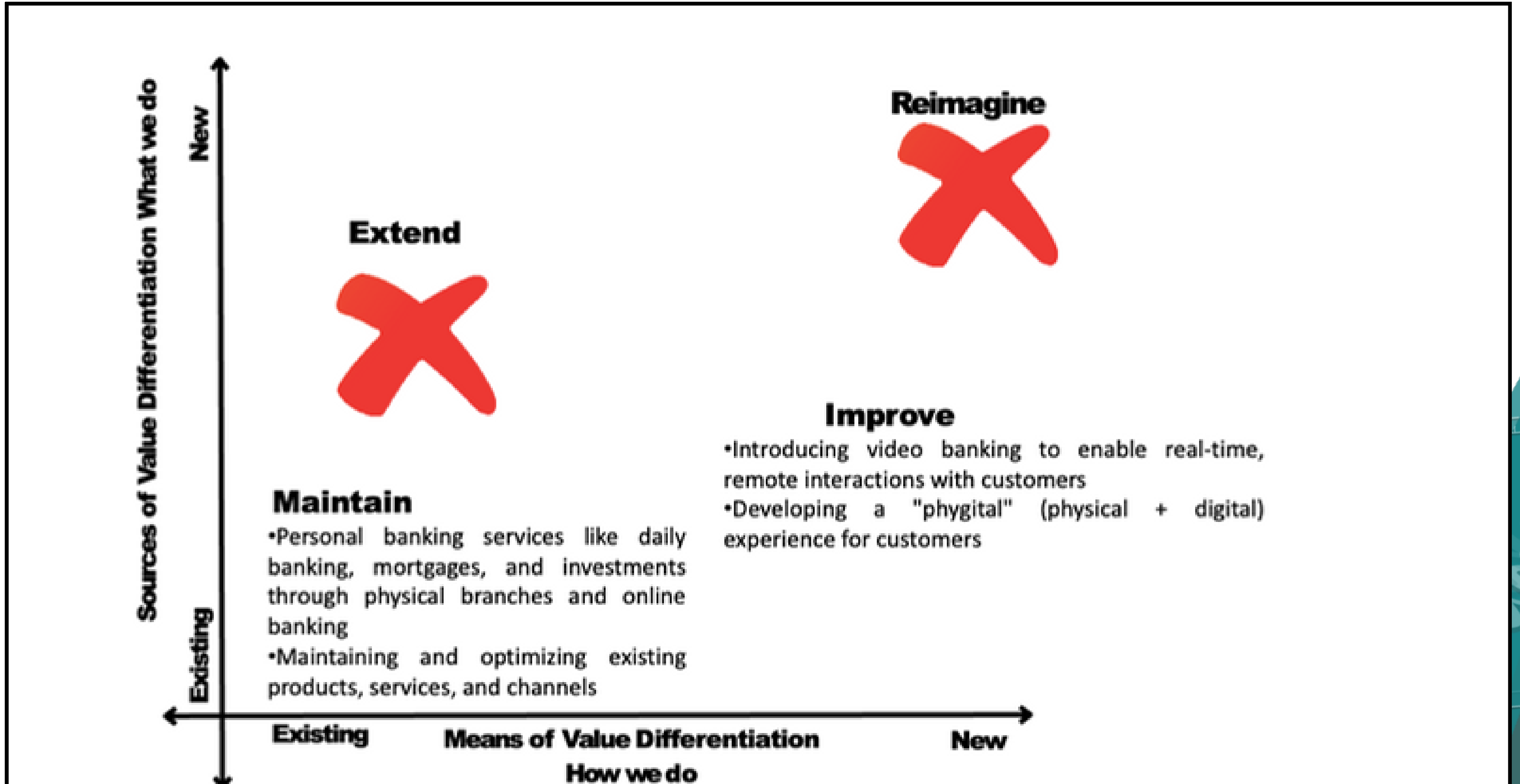
# Transformation to change its Business Model

Transformation Domains

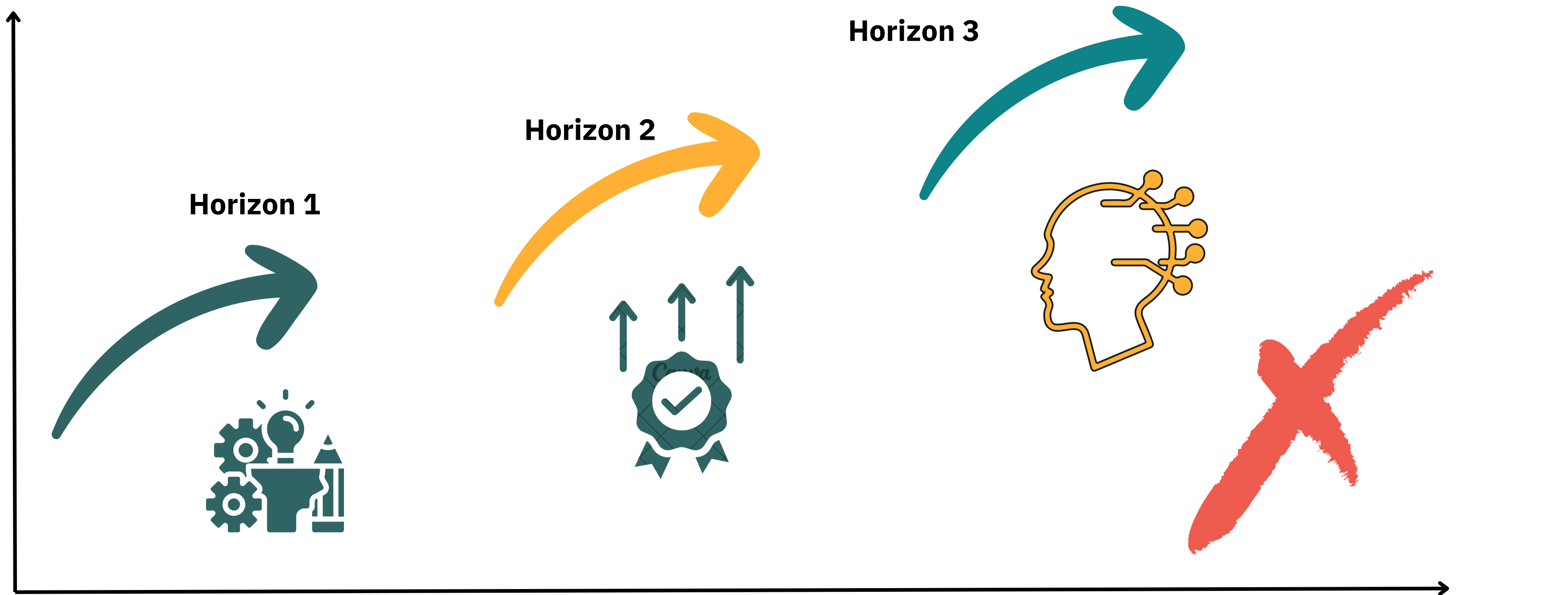


CamScanner

# ABN AMRO's strategic initiatives were unbalanced with excess focus on maintaining and improving without any focus on extending or reimagining the existing business



# ABN AMRO strategic initiatives were focused towards making the existing business better, cheaper and faster with no focus on using technology to uncover new business opportunities



Horizon 1 (Core Business):

- Traditional personal banking services like daily banking, mortgages, and investments through physical branches and online banking
- Maintaining and optimizing existing products, services, and channels

Horizon 2 (Adjacent Opportunities):

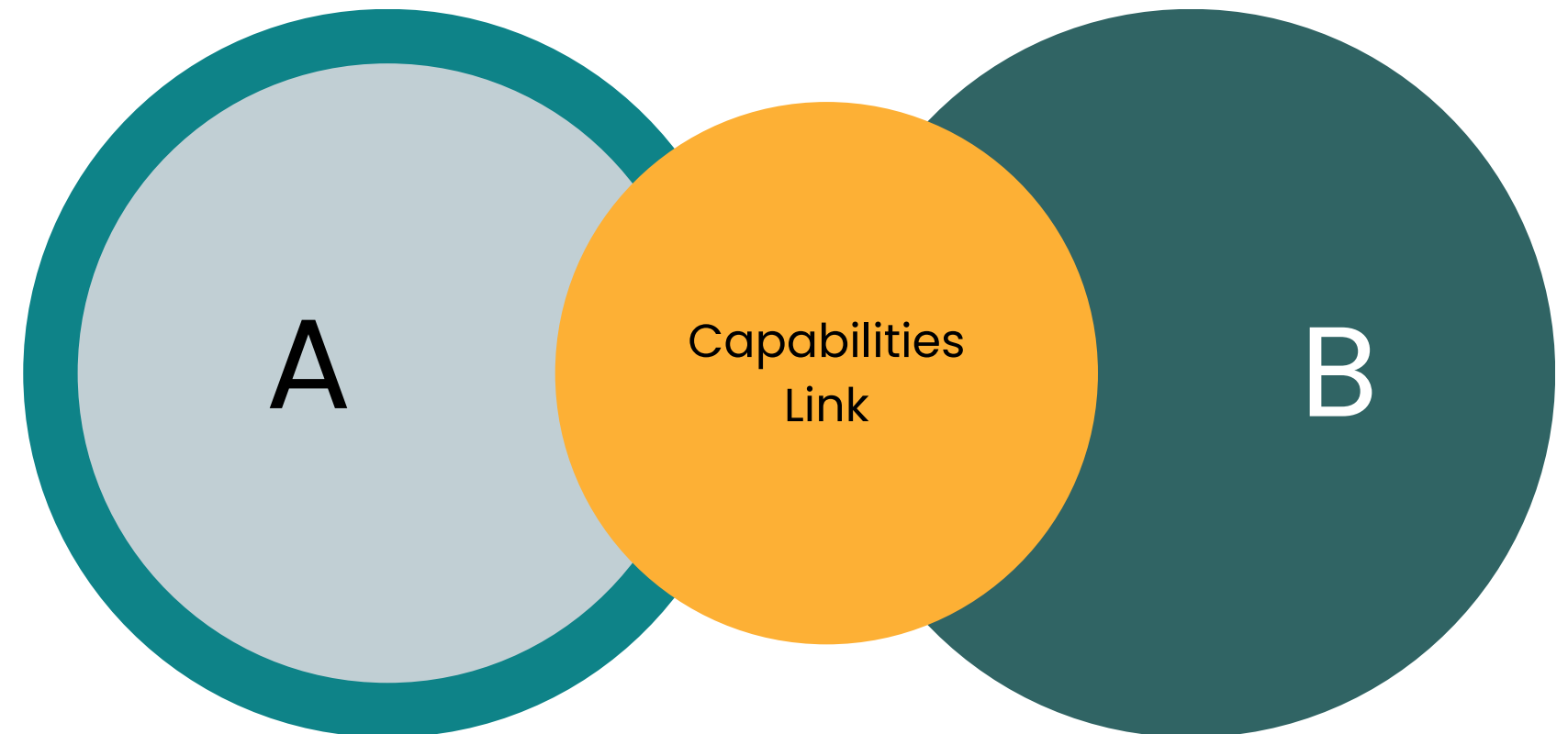
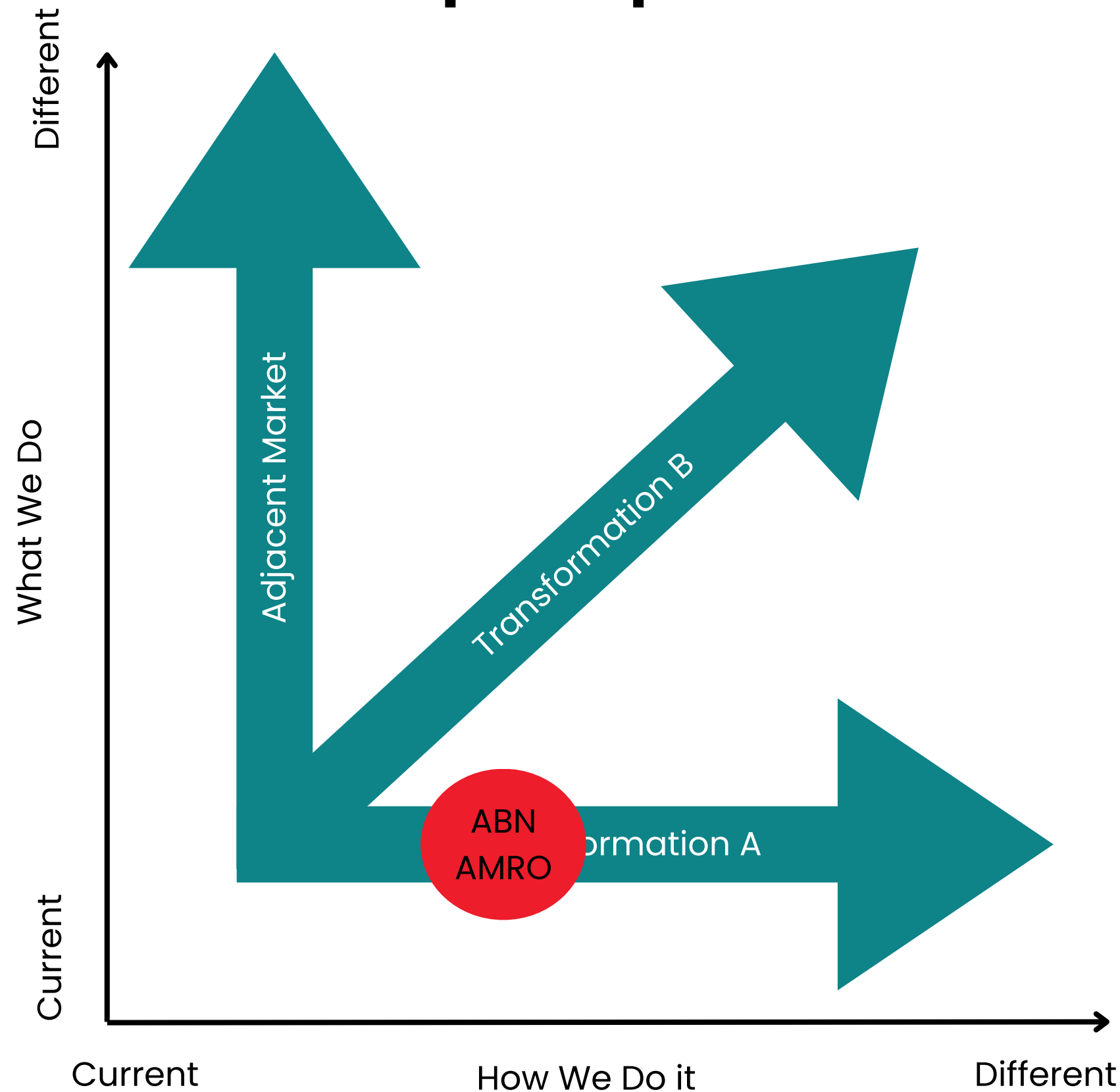
- Introducing video banking to enable real-time, remote interactions with customers
- Developing a "phygital" (physical + digital) experience for customers
- Self-organizing team model and cultural transformation to improve agility and customer focus

Horizon 3 (Transformational Ideas):

- No transformative horizon 3



# ABN AMRO is focused on maintaining the core business and developing strong People Capabilities Link, but they are not dual transforming



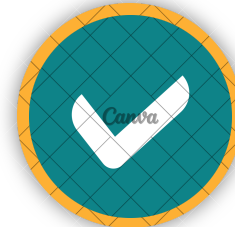
<p><b>Limited Transformation A</b></p> <p>ABN AMRO is trying to reposition today's business through "phygital" to increase their resilience</p>	<p><b>Heavy Emphahsis on Capabilities Link</b></p> <p>ABN AMRO has put significant amount of effort to develop their People capabilities link</p>	<p><b>No Transformation B</b></p> <p>ABN AMRO does not have clear vision for Transformation B and they are no developing a new growth engine</p>
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# ABN AMRO embracing people capability link through organizational changes



## Recognizing the need for cultural change:

The "Breakfast Club" group rightly identified that without a profound cultural shift, any strategic changes would lead to sub-optimal results.



## Bold leadership actions:

The new CEO made sweeping changes to the top leadership and structure, signaling a break from the past. Appointing a Transformation Team also demonstrated commitment to the cultural transformation.



## Embracing new ways of working

The Personal Banking division courageously implemented a "self-organizing" model that delayered hierarchy, empowered teams, and fostered agility, entrepreneurship and autonomy.



## Capability building:

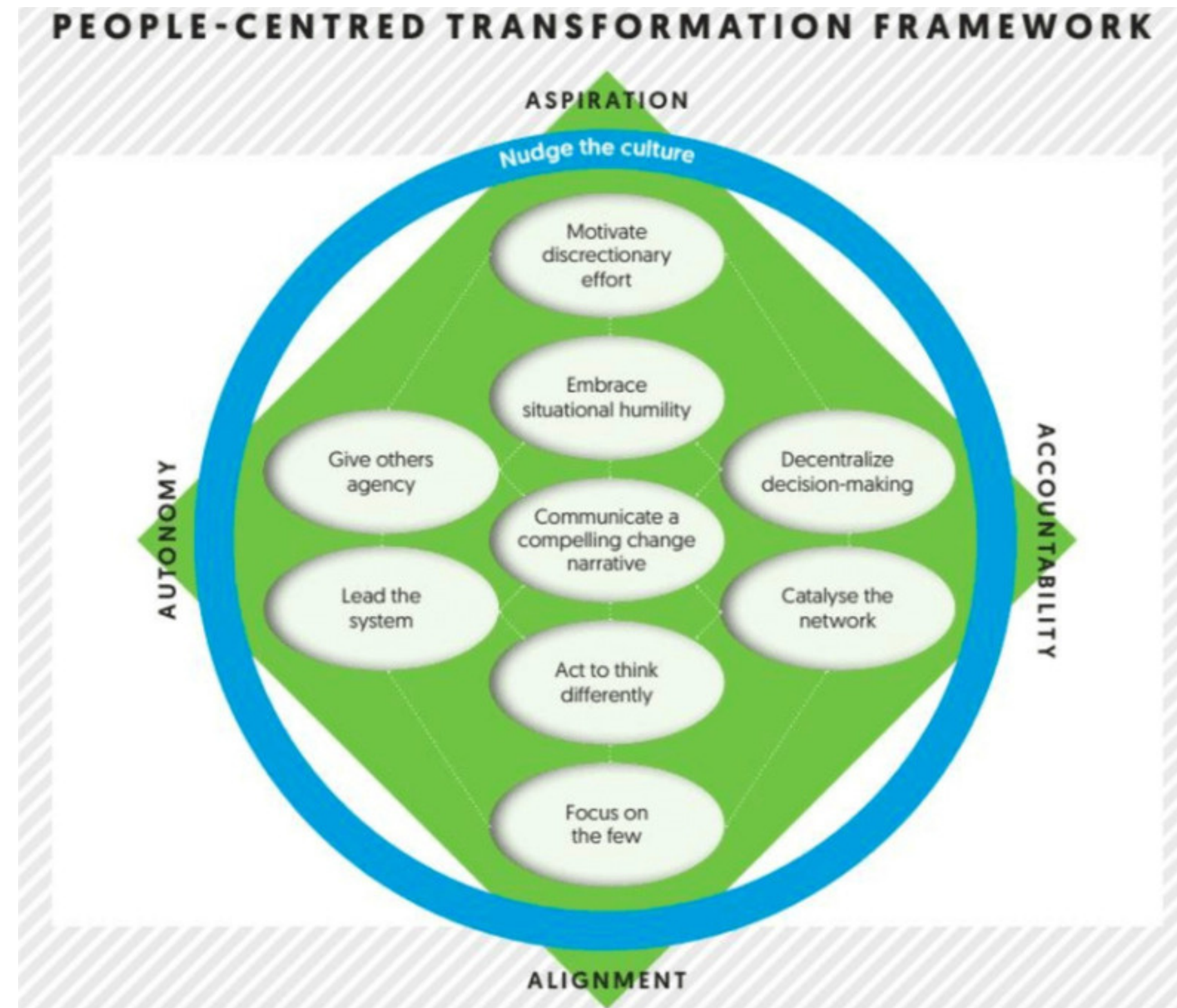
New coaching roles were created to support teams in developing the skills and mindsets required for self-organization.



## Measuring progress

Mechanisms like quarterly surveys were put in place to monitor progress, gather feedback and make adjustments based on employee experiences.

# Evaluating ABN AMRO's People Capability Link with People Centered Transformation Framework



# ABN AMRO Is Successfully Conducting People Centered Transformation (PCT)



People-Centered Transformation Elements	Strongly Disagree	Neutral	Strongly Agree
1. Our leaders communicate a clear, concise, consistent and compelling narrative that makes a purposeful, passionate and emotionally resonant case for change	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
2. Our leaders generate respect and followership from others by personally, authentically and openly modelling the changed beliefs and behaviors required to evolve the organization	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
3. Our leaders show vulnerability, seek help, demonstrate that failure is acceptable, and consistently seek to increase the autonomy and accountability of others	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
4. Our leaders bring clarity and focus by prioritizing and communicating the key strategic priorities that matter most to the business	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
5. Our leaders understand how to motivate discretionary effort by tapping into the aspirations of others and giving them autonomy in return for accountability	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

6. Our leaders create agency by giving others the permission to take independent actions and make changes without hierarchical approval	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
7. Our leaders only make the choices they are best equipped to make, clarify the choices others have to make and the boundaries within which to make them	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
8. Our leaders create the time and space for cross-functional teams to emerge, converge, and engage around crucial strategy design and delivery interfaces	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
9. Our leaders catalyze the collaborative leadership required to successfully navigate dynamic, complex, and systemic change	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
10. Our leaders consciously and continuously nudge the culture in the direction of aspiration, alignment, autonomy and accountability	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>



# ABN AMRO need to focus on technology in order to close their capability gap

## PEOPLE

- Embraced a bold transformation towards self-organization, showing trust and inspiring change.
- Employees leveraged their skills in new roles, adapting to self-organized teams.
- Shifted towards empowerment and innovation but faced initial resistance.

## STRUCTURES

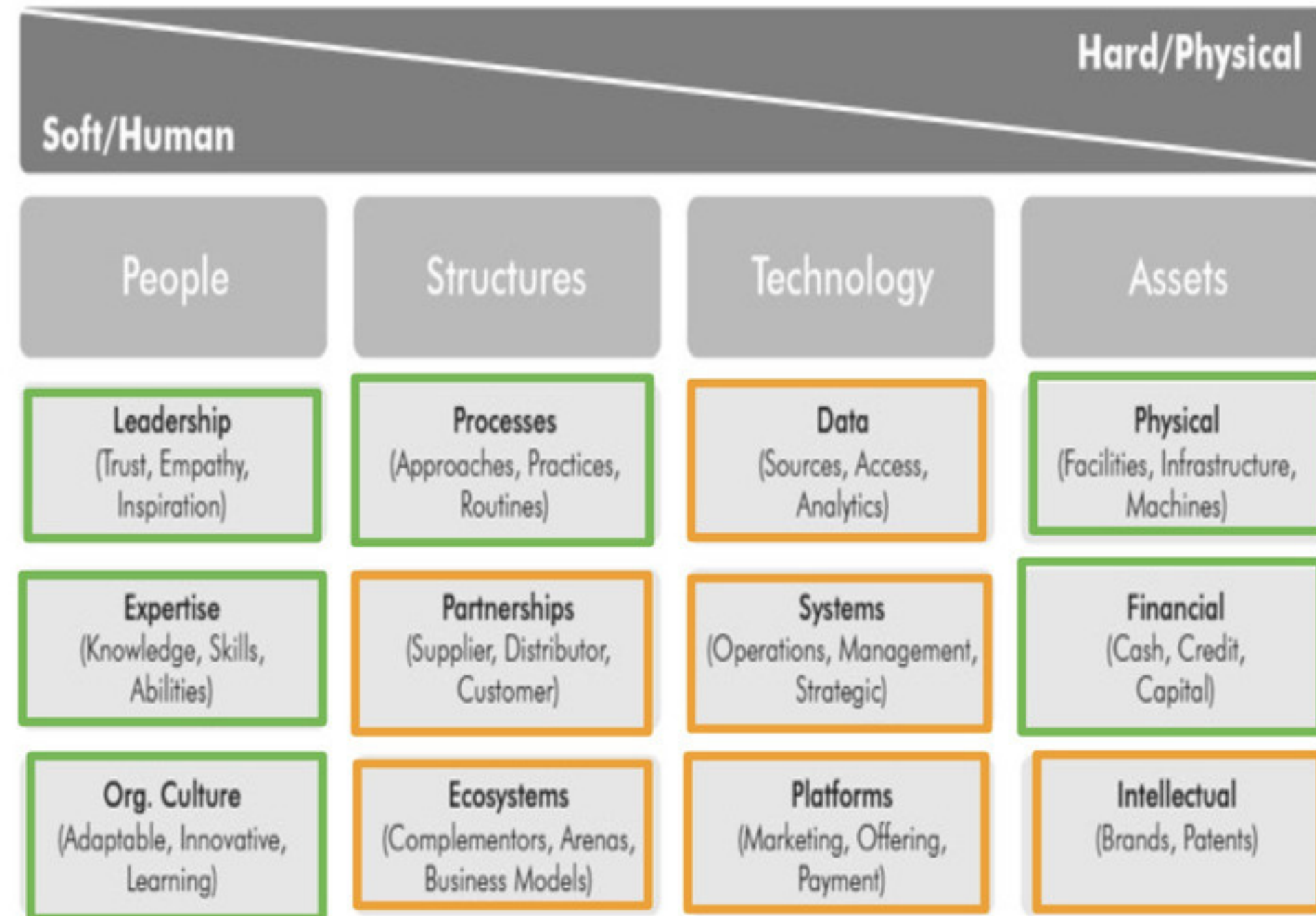
- The transition to self-organization was chaotic initially, indicating room for improvement.
- Likely required enhanced collaboration due to the increased autonomy of teams.
- Worked towards an ecosystem for decision-making autonomy, though some teams struggled with new responsibilities.

## TECHNOLOGY

- Implemented significant digital banking initiatives, but no indication of using data analytics.
- Systems supported the transition, but there were challenges in performance management integration.

## ASSETS

- Transitioned branches into experience centers, integrating digital and physical channels.
- Financial: Achieved cost savings, indicating financial acumen.



# Touchstone 1: Winning Vision and strategy steps

## Drivers for Change

Culture of Risk Aversion and stifled innovation  
"Phygital" banking

## Transformation Leader

Focused on building Trust  
Freedom within a frame work  
"Big Bang" approach

## Leadership Involvement

The breakfast club with 10 employees  
Values surveys, interviews and principles with 3200 employees  
Visiting brances to explain changes

## North Star Vision

Five cultural Princliples  
Transform Personal Banking  
NPS Score, Employee Engagement

## North Star Strategy

Lacks focus of Divisional Transformation  
Lacks operational Outcomes  
Lacks concrete measure of cultural transformation  
No tangible list of strategic objectives

## Aspiration and Direction

Objectives are specific to cultural and operational changes  
Empower employees and own the results  
Reactive drivers: overcoming a risk averse culture and reducing bureaucracy

## Leaders Drive through Change

Team coach and skill coach roles for support  
Shared managerial responsibilities and autnomy to make decisions  
mproved customer satisfaction, cost savings and organizational agility

## No Strategic and Measurable outcomes

Lack of broad involvement in strategy development  
Performance Management Challenges  
No clear vision communicated Employees are skeptical

# Touchstone 2: Engage and Empower the team



## Dedicated Transformation Team

A dedicated central transformation team who reported to executive team was appointed whose objective was to lead a purpose-led and values-driven business.



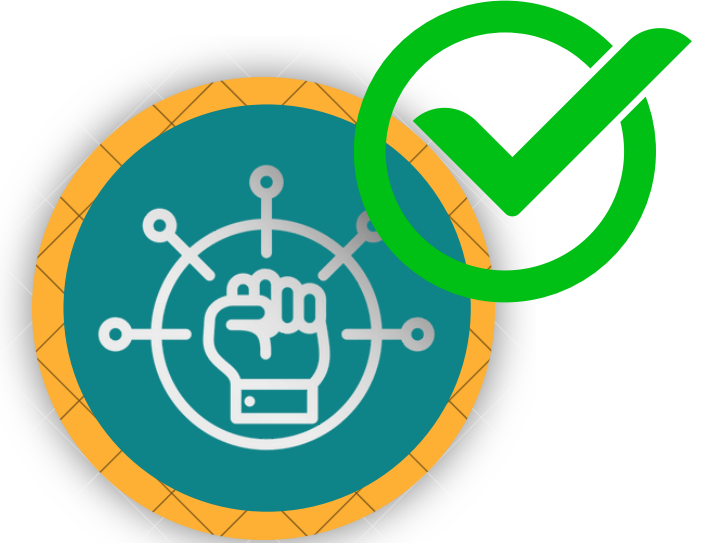
## Empowering Self-organizing teams

Each bank team consists of nine members, such as banking advisors, mortgage advisors, and investment advisors, who collectively oversee various responsibilities within a specific branch like planning, recruitment, performance management, promotions, cost, NPS.



## Centralized team and skill coaches

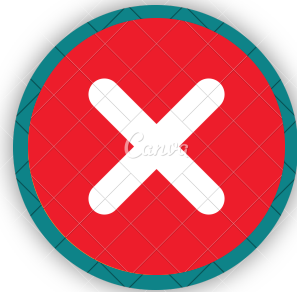
A specialized team consisting of 35 team coaches, 35 skill coaches, and 25 managers was established to facilitate and provide direction to the autonomous teams.



## Autonomy and Empowerment

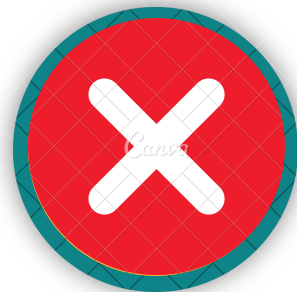
Within the updated organizational framework, each team obtained full autonomy and the capability to participate in the transformation process repeatedly.

# Touchstone 3: Transformation Is Not Driven by Customer Needs and Trends



## **Not monitoring megatrends and competitor moves**

The case does not mention how ABN AMRO is constantly monitoring upcoming trends and competitive moves



## **Customers are not involved in the strategic initiatives**

ABN AMRO has transformed their organization to provide more autonomy for their employees, but no system was set in place to gather and analyze customer insights or incorporate customer's perspective in strategic initiative



## **Lack of list of potential strategic initiatives to disrupt**

ABN AMRO is currently only focusing on the people and organizational transformation. There is no discussion of long term strategic initiatives (lack of Horizon 3)



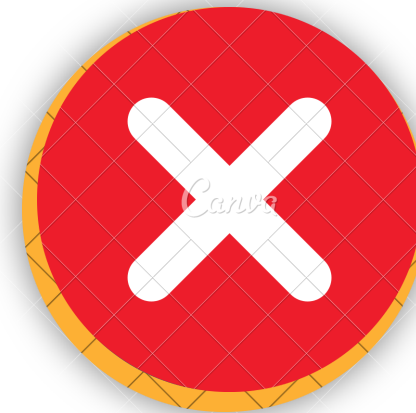
## **No quick-win transformation opportunities identified**

ABN AMRO is seeing success in their transformation such as increased NPS score, 80% employee engagement. However, ABN AMRO has not created a short-list of quick-win transformation opportunities

# Touchstone 4: ABN AMRO Lacks Secondary Agility-Oriented Operating Structure for Strategic Initiatives

## Governance and Program Management

The transformation efforts described center on the sizable organizational restructuring towards self-organized teams

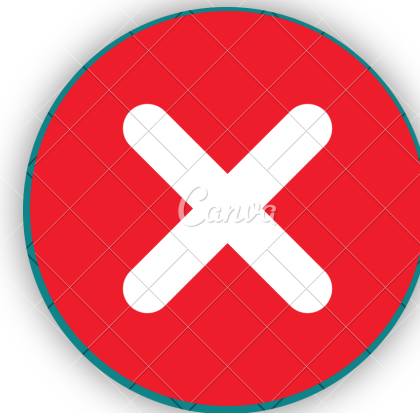


## Lacks Focus on RRTs, test and learn, R&D and innovation

The gaps around RRT-focused resourcing, iterative proving of initiatives, and sprinting point to areas where ABN AMRO could evolve their transformation program management.

## Lacks Venture-Capital approach

The transformation program focuses primarily on the company-wide organizational redesign, lacking evidence of calibrated investments into strategic initiatives based on structured stage gates.



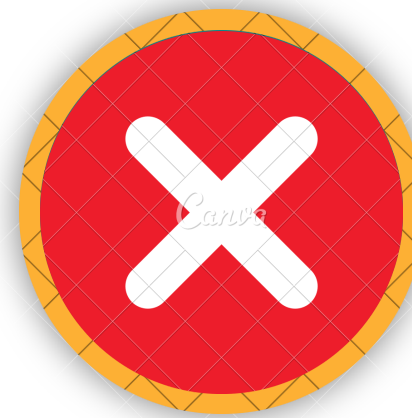
## Lacking Iterative Validation Mechanisms

The lack of iteration, funding review cadences, and explicit discussion around dealing with failure represent apparent gaps in ABN AMRO's transformation operating model

# Touchstone 5: Strategic Evaluation and Sustenance of Ongoing Transformation Efforts

## Successful Strategic Alignment and Champion Empowerment in ABN AMRO's Transformation

- ABN AMRO navigates its transformation through strategic alignment, champion recruitment, and continuous development.
- By evaluating initiatives against its vision, empowering internal leaders, and fostering their growth, the bank ensures a dynamic adaptation to change.
- This approach not only enhances organizational agility but also solidifies a culture of innovation and leadership, marking ABN AMRO's commitment to a sustainable and impactful evolution.



## Refining Recognition and Resource Management in ABN AMRO's Transformation Journey

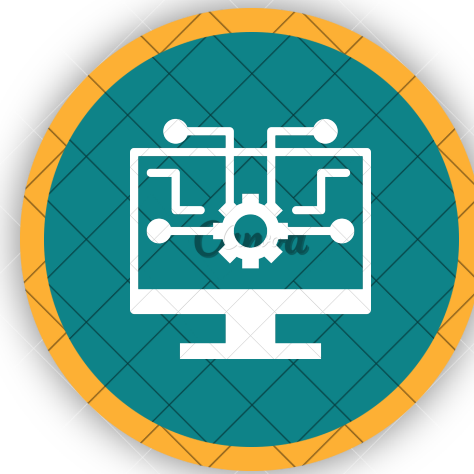
- Lack of a formal reward and recognition program for volunteer champions, missing an opportunity to incentivize exemplary efforts.
- Absence of a clearly defined resource allocation process to balance between maintaining operational excellence and driving forward transformation initiatives.
- The a need for enhanced mechanisms to measure and acknowledge the contributions of internal champions, ensuring their efforts align with and propel the bank's strategic objectives.

# ABN AMRO seem to be doing well in their within floating the core business during transformation kickstart



## Implementing Agile Structure

They have successfully moved to a flatter, more agile organizational structure built around self-organizing teams with a high degree of autonomy and employee empowerment.



## Improving Customer Experience

By removing bureaucracy and hierarchies, they have increased their focus on customer needs and the ability to respond quickly to customer requests.



## Driving Higher Performance

The transition has led to tangible improvements in metrics like NPS scores, cost savings, and employee engagement so far, indicating the changes are yielding business results.



## Enabling Quick Pivots

The structural agility has allowed ABN AMRO to rapidly adapt operations during major disruptions like COVID-19, showing the flexibility of the new operating model.

# ABN AMRO seems to be missing based on the case details, which may be preventing a full transformation

## Lacking Clear Vision Cascading

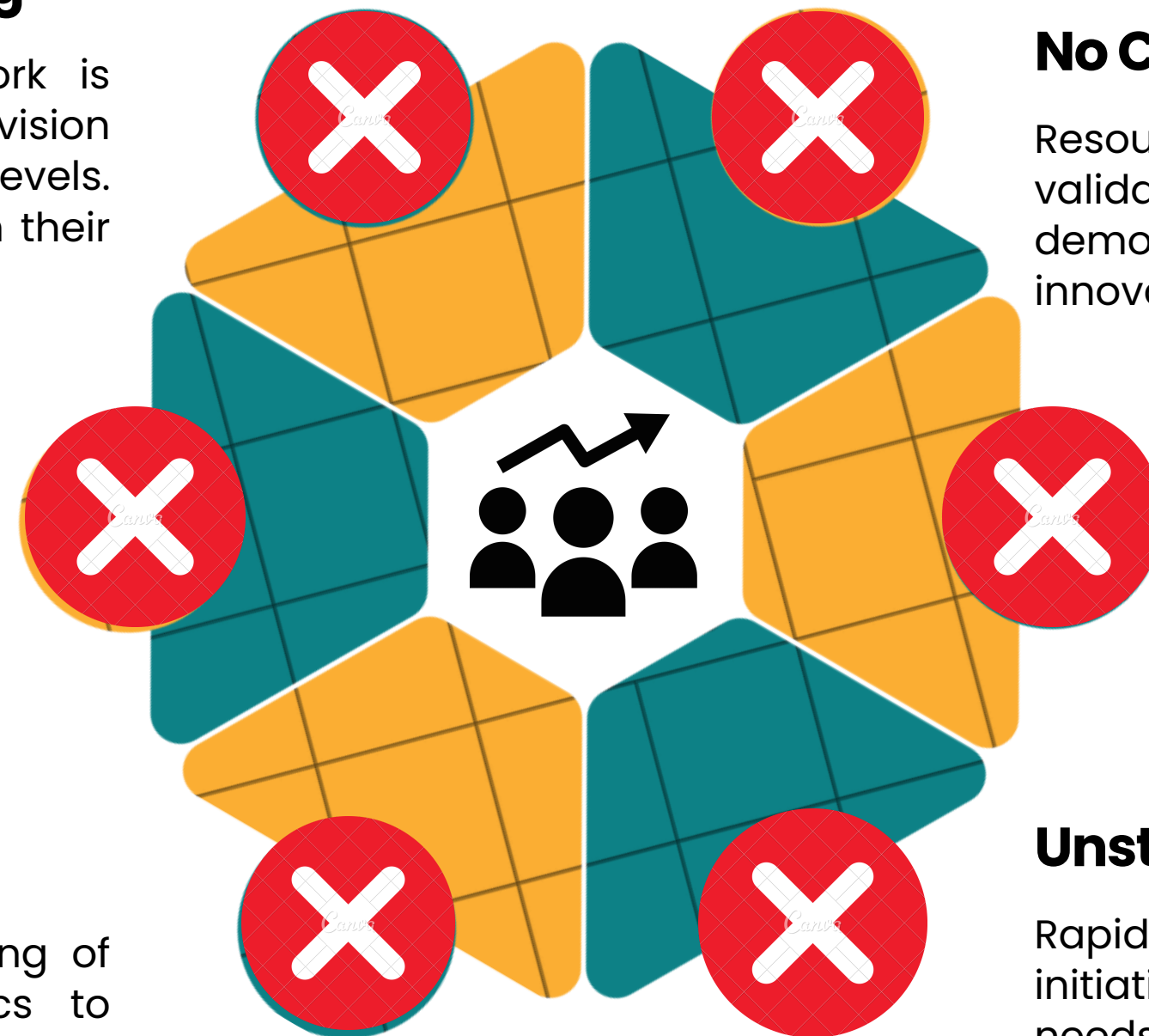
While cultural principles exist, more work is needed to make the transformation vision inspirational and motivational across all levels. In short they are lacking strategy to attain their vision

## No System to Encourage Discretionary Effort

Team-level goals and individual-level assessments are not fully aligned, and employees are not provided incentive to go above and beyond.

## No Systematic Sensing Habits

No processes evident for continual sensing of customer needs and industry dynamics to inform ongoing changes.



## No Centralized Funding Approach

Resource allocation is not metered based on validating initiatives and reallocating to what demonstrates traction. No new business model innovations, RRTs , sprint/test or run initiatives.

## Hit-or-Miss Initiative Prioritization

No detail on governance mechanisms to qualify initiatives on balanced risk dimensions and strategic impact.

## Unstructured Initiative Resourcing

Rapid team mobilization methods missing to fuel initiatives based on matching talent to emerging needs.



# Evaluating ABN AMRO's Transformation Gaps - Cultural Shift Alone Is Insufficient to Drive Ongoing Value Without Architectural Supports

While ABN AMRO should be commended **for significant cultural transformation through self-organized teams**, their progress **exhibits gaps regarding key enablers for sustaining change velocity and driving strategic initiatives**. For instance, ABN AMRO **lacks integrated processes for continually sensing market dynamics**, qualifications **mechanisms to systematically prioritize initiatives with the strongest value potential**, and **funding structures promoting perpetually reallocating resources** to the most viable initiatives rather than legacy programs.

Essentially, ABN AMRO is pursuing necessary foundational change, but **their operating model does not demonstrate complementing capabilities purpose-built to direct transformation** through vision, governance, and resources flow. Until such deliberate, integrated architectural upgrades exist to maintain transformation momentum, **GCI may risk investing in strength** that could prove temporary without the means to channel it. While **cultural realignment shows promise**, investors should require structural upgrades to guarantee that energy sparks sustained innovation powered by vision, governance and resources to warrant shareholder value confidence. **GCI should NOT invest in ABN AMRO.**

# APPENDIX : ABN AMBRO's Transformation Touchstones

## NORTH STAR

ABN AMRO has a clearly articulated transformation vision and strategy, as evidenced by the bank's comprehensive shift towards self-organized teams and agile practices.

## INSIDE-OUT EMPLOYEE TRANSFORMATION

ABN AMRO has an articulated transformation vision and strategy, as evidenced by the bank's comprehensive shift towards self-organized teams and agile practices.

## CUSTOMER INSIGHTS AND MEGATRENDS

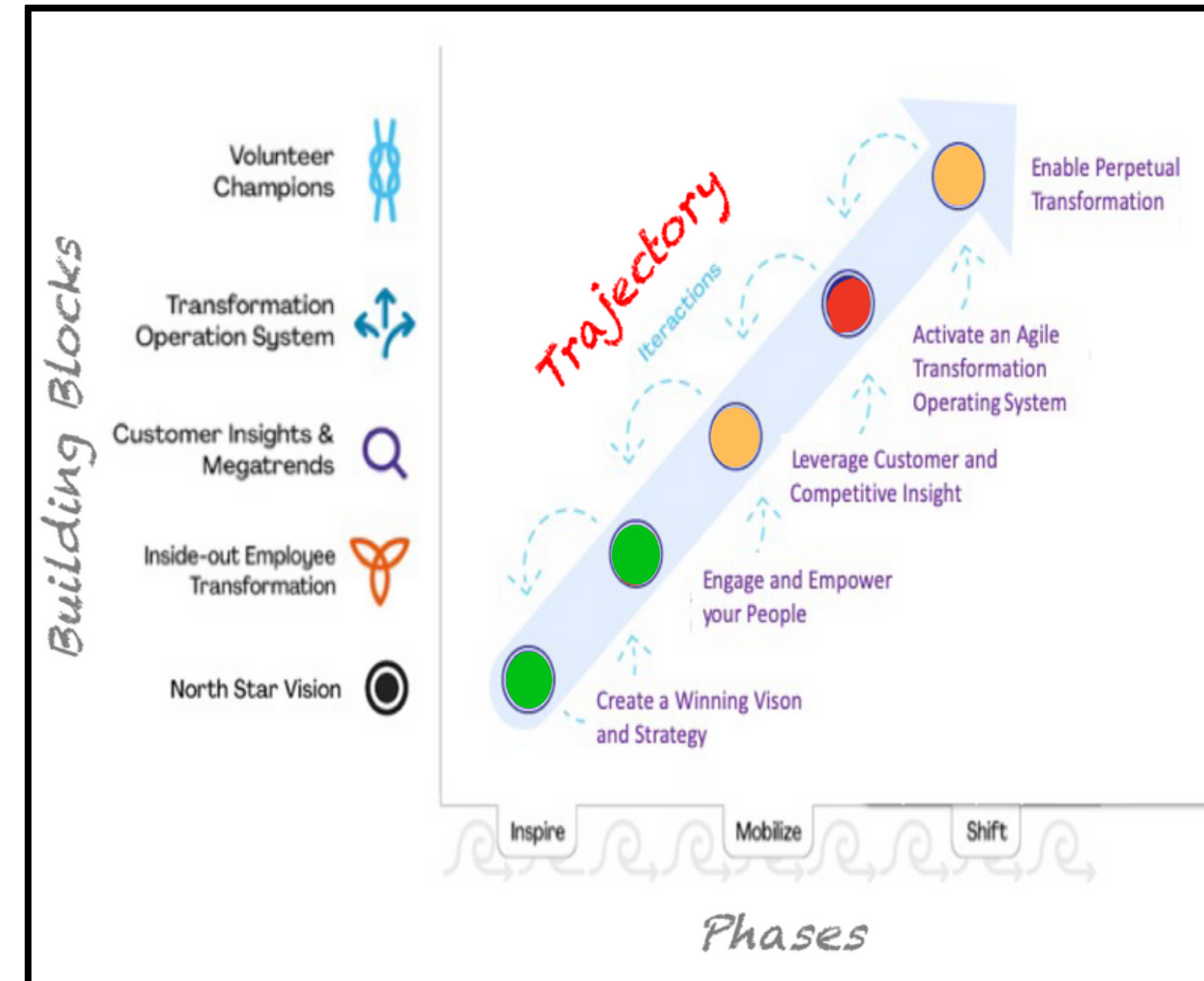
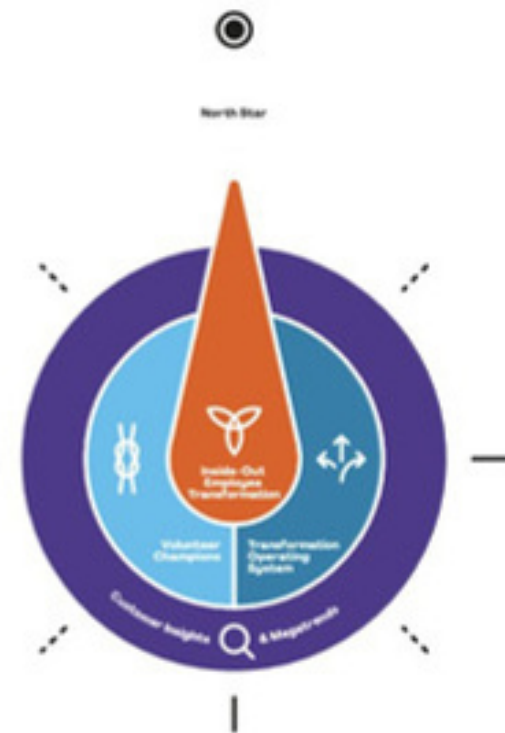
ABN AMRO's transformation was not directly shaped by customer needs and trends, indicating a potential area where customer-centricity could be more explicitly integrated into the transformation strategy.

## TRANSFORMATION OPERATING SYSTEM

The case does not explicitly detail the agility or flatness of the transformation team, leaving the structure and dynamics of the team unclear.

## VOLUNTEER CHAMPIONS

While employees are involved in the transformation process, the case study does not provide specific details on how each employee is being transformed during the change.



**Thank You**  
For Your Attention

