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A Digital Lab to Drive Social Change

Drawing on principles of co-creation, culture and community.

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Introduction

In the digital age, the most successful organisations are those that create exceptional client and colleague experiences by focusing on value creation at speed and at scale. To facilitate value creation within Absa Corporate and Investment Banking (CIB), a dedicated space is required to drive collaboration, experimentation and research among colleagues and external partners, while fostering innovation and a digital mindset.

To that end, Absa CIB has developed a human-centric CIB Digital Lab, which will launch in early 2023 and will support and inform the business's digital future by 2025. Guided by the key principles of co-creation, culture and community, it will focus on achieving the following outcomes:

- Provide an immersive experience to imagine a digital future and increase the probability of success of digital initiatives at a lower cost;
- Utilise research and experimentation in a controlled environment to build new partnerships, products and capabilities;
- Grow a young, external talent pipeline with the relevant digital skills by partnering with academic institutions and external partners;
- Enable digital upskilling for internal Absa CIB colleagues to create a future-ready workforce; and
- Be at the forefront of thought leadership by producing material and results that intrigue, challenge and inspire colleagues and clients to establish a richer, more meaningful relationship with Absa CIB.

The CIB Digital Lab places digital technology at the centre of the bank's strategy and future planning. *"Most modern businesses, and particularly banking, are technology-powered,"* says Richard Southey, Chief Digital and Experience Officer at Absa Corporate and Investment Banking. *"Technology is a huge part of the game. Part of the cultural mindset that we have to break down is thinking of 'IT and The Business'. IT is part of the business."*

This, he says, will prevent silo thinking. *"It's about making sure that when you build things out, you use cross-functional teams, with multiple skills inside those teams. You can't develop something by throwing the requirements over the wall for somebody else to build it. You have to integrate those skills, so that knowledge is collectively built from a wide range of instincts: business, commercial, engineering, et cetera."*

Richard Southey
Chief Digital and Experience Officer,
Absa Corporate and Investment Banking

Niren Mungar Ram
Head: Digital Strategy, Research & Experimentation
Absa Corporate and Investment Banking

"Digital is central to supporting our businesses. It doesn't sit on the side doing its own thing."

Richard Southey
Chief Digital and Experience Officer,
Absa Corporate and Investment Banking

Creating human-centric solutions

"In terms of the digital future, a lot of uncertainty exists about what's on the horizon," says Niren Mungar Ram, Head: Digital Strategy, Research & Experimentation, Absa Corporate and Investment Banking. To that end, the full-time researchers in Absa's CIB Digital Lab will run a series of experiments to understand what CIB's digital future looks like.

"These experiments will bring certainty to a very uncertain space," he says. "The CIB Digital Lab's experiments will help us to understand and imagine what our future client sectors will look like, what the future digital economy will look like, what the future of work will look like, what the future of the workforce will look like, and so on. Digital capabilities are dynamic and always evolving, so the degree of certainty created by the CIB Digital Lab will increase our probability of success through rigorous research and development."

Digital twinning is an example of the kind of testing that might be done in the CIB Digital Lab. "One of the core experiments will use digital twins as decision-making technologies," Ram explains. "Digital twinning is not a new concept; it's been used extensively in environments like space exploration, manufacturing, and engineering. In the banking space, we know that experiences are important to people – our clients and colleagues – and we want to use this technology to create immersive experiences that could help us understand what the future looks like. We want to start gathering that information to help us truly understand the human experience in the digital future."

Design thinking – or co-creation – is already embedded in Absa CIB's development processes, with the end user (usually the bank's clients) being at the centre of their discovery phases. It follows that design thinking will be used in the CIB Digital Lab as far as possible.

"The Lab allows us to experiment even deeper on prototypes," says Southey. "There are instances where one would have used design thinking when building software or products in the client environment, but here it sits at a level in-between, giving us greater certainty to make a success of things."

Digital twin

A digital representation of a physical, real-world product/process that enables virtual testing, simulation, and monitoring.

Design thinking

A process for problem-solving and product development that prioritises (and is informed by) the end user's needs.

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Building a talent pipeline

While humans are the centre of the CIB Digital Lab's outcomes, the Lab also places a key focus on the social aspect of Absa's environmental, social and governance (ESG) initiatives. This plays out in its talent development work.

"We've partnered with leading South African tertiary institutions as we've built out the Digital Lab. We are getting closer and closer to those universities, where a lot of academic work happens and a lot of talent is developed," says Southey. *"The Digital Lab exposes Absa to that environment and that environment to Absa, which is an important part of developing the talent pool."*

This speaks to all three of the CIB Digital Lab's pillars of co-creation, culture and community. In co-creating solutions with academic institutions, Absa CIB is drawing on their cultures of learning.

"As a construct, the core piece of any university is around learning," says Ram. *"We want that to proliferate into Absa, using the Digital Lab as a platform for that diffusion to happen. It's a culture of running experiments, of creating something new. It's about not knowing what could happen, and then testing it out in a safe space and seeing what results emerge. That's all premised on the idea of, 'Let's test something, let's learn from it and let's implement what we've learnt to improve something that we're working on.'"*

By working closely with universities, Absa CIB also puts itself at the heart of its communities by helping to develop young tech talent.

The results are mutually beneficial. *"One speaks in theory about the talent war that's happening in industries, but it's very real,"* Ram says. *"With any emerging capability, there will be a war for talent – especially in the acquisition stage, where everyone is competing for the same limited pool of talent. By tapping into our academic partnerships, Absa CIB has early access to the talent pipeline. The CIB Digital Lab elevates that to be even closer to the organisation's external talent acquisition processes."*

The bank's internal talent pipelines also stand to benefit. *"One of the challenges a lot of organisations face is around reskilling for new capabilities,"* Ram explains. *"If you think about something like Web 3.0 or the metaverse, the understanding of the skills that support those concepts has not yet emerged."*

The CIB Digital Lab's experiments form part of that journey of building the bank's internal skills and competencies. *"That's how we envision reskilling our internal talent,"* says Ram. *"The external piece is quite clear, but developing internal talent can be quite challenging. We'll address that through running experiments, learning, and relearning as we go."*

ESG

The environmental, social and governance factors that are used to evaluate an organisation's progress and performance in terms of sustainability.
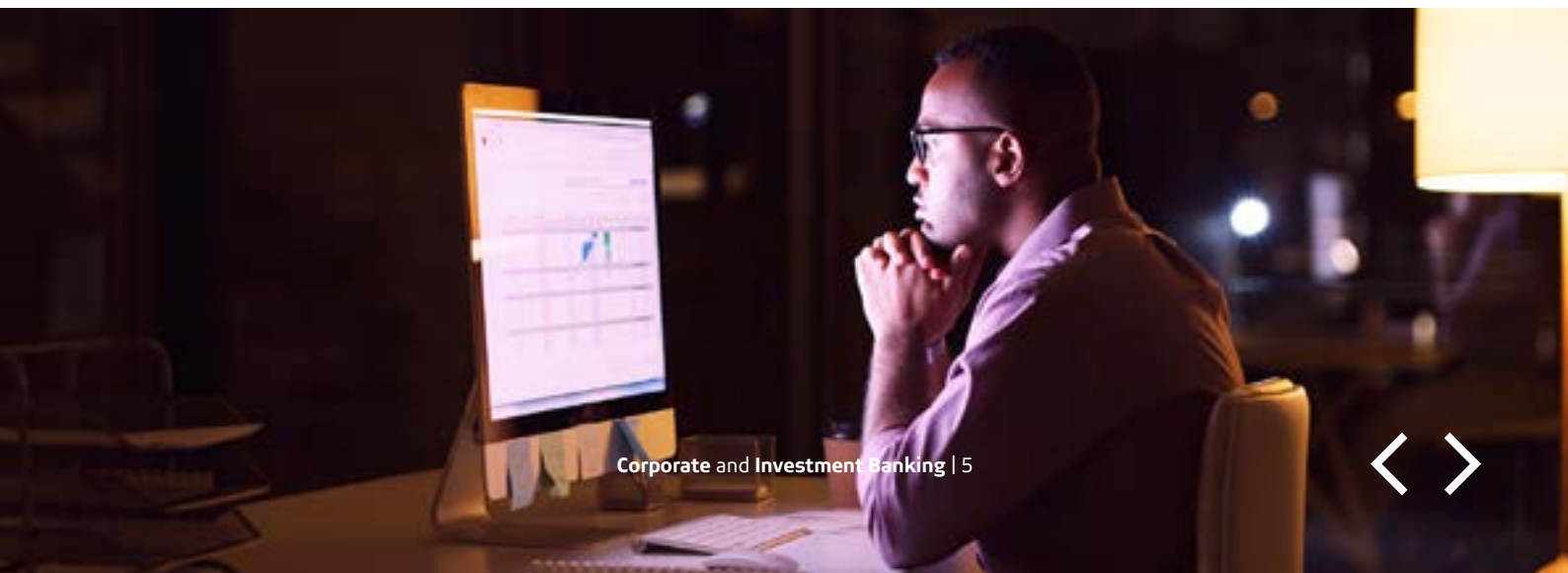
Learning for the digital shift

Learning is central to the financial sector's shift to digital. Absa CIB operates in a complex environment, where the best practice to use is an emergent practice. *"You have to experiment and probe your environment, sense-check your results and then respond to that environment,"* says Southey. *"The CIB Digital Lab is an expression of that. It's a space where we can genuinely experiment and measure what's happening, so that we can sense-check it, and then can respond to our environment in a much more scalable way."*

The CIB Digital Lab will, of course, evolve. *"That's how we've set it up,"* says Southey. *"But the foundations have been set for a powerful way to move our business forward, more purposefully and with better learning and understanding. Those objectives are important to how any business accelerates."*

Or, as Ram puts it: *"The CIB Digital Lab itself is really one big experiment."*

EMERGENT PRACTICE

Using solutions that emerge out of, and are adapted to, the organisation's context.

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