



Forrester Finds Digital Disruptions in China's Banking, Financial Services & Insurance Industry Inspiring Innovation

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BEIJING--(BUSINESS WIRE)--Aug. 5, 2014-- As a longtime monopoly, the Chinese banking, financial services and insurance industry (BFSI) has suffered from inefficiency, quality problems, and an uncompetitive Return On Investment. Thus can no longer meet the high bar for customer satisfaction in the age of the customer, according to [new research](#) from [Forrester Research, Inc.](#) (Nasdaq: FORR). Internet companies like Alibaba and Tencent have launched financial services products, including innovative products like Yuebao, which are disrupting China's BFSI with higher profits, lower barriers to entry, and better flexibility. The government is also making regulatory changes that will open up the market and intensify competition.

Two new reports from Forrester Research's [Charlie Dai](#) examine the mentioned digital disruptions in the industry and how traditional banks are finding ways to balance between product, operational and organizational innovation.

Charlie recommends that CIOs and enterprise architects of commercial banks systematically embrace architectural innovation by leveraging emerging technologies like cloud, big data, and enterprise mobility, so that they can effectively support their strategic business transformation in the age of the customer.

Key takeaways from the research include:

- **Innovation Should Focus On Products, Operations, And Organizations**

Product innovation involves Internet finance, personal financial management, supply chain finance, and small-business lending. Operational innovation involves mobile banks, process banks, and community banks. Organizational innovation connects the two. Technology decision makers must strike the right balance among these dimensions to achieve customer satisfaction.

- **Product Innovation Is Critical For Continued Business Growth**

Internet finance will help Chinese banks reach a vast new pool of customers; supply chain finance and lending to small and medium-size businesses will expand the banking ecosystem. High-availability applications enabled by big data will be the key to differentiating personal financial management offerings.

- **Operational Innovation Will Drive Customer-Oriented Business Excellence**

A comprehensive mobile banking strategy will help Chinese banks engage customers and improve loyalty. Process banks will improve efficiency and agility by using a unified data platform as part of the corporate foundation.

- **Organizational Innovation Is The Foundation for Greater Innovation**

Innovating products and operations relies heavily on Enterprise Architecture (EA) professionals. Old organizational structures may no longer apply in this new, innovative EA practice. Aligning innovative EA teams (and related IT groups) with business strategy is key to achieving high performance

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