

Simplicity and Focus

ING Direct isn't looking for the latest high-tech trend or complicated solution. The bank is focused on keeping things simple and creating the best outcome for its customers.

Images courtesy of ING Direct

CEO of ING Direct Australia Vaughn Richter first headed up the company from 1995 to 2005, helping establish the brand. Within that decade, Vaughn brought ING Direct from virtual anonymity to become the country's sixth-largest bank. In 2006, the organisation sent him to turn around the business in India and then head up the group banking operations in Asia, based in Singapore. Vaughn returned to Australia in 2012, but continues to oversee ING's retail banking affiliates in India, China, and Thailand in addition to his role in Sydney.

Vaughn has worked for ING since 1991 in numerous branches across Asia and the UK. His international experience has equipped him for the dynamic and volatile Australian market, which is so closely linked to the Asian region. With Asia becoming a surging region of industrial and financial power, Vaughn cherishes his experiences there and the change in perspective it offered him.

"If we say that this is the Asian Century and Australia is becoming more linked to that region," he says, "then I think having the experience and understanding of its cultures, the way business is done, plus the different business models can only help. People talk about Asia, but it's important to realise that Asia is not homogenous. My experience in dealing with countries like Japan,

India, China, and the Philippines demonstrated that each country is unique, and I think that was a great learning for me."

As part of a larger international group with similar business models across various countries, ING Direct works closely with its offshore counterparts to test and adopt developments within different markets. "When I went to India, we introduced a digital keypad for internet password security," Vaughn recalls. "We were the first ones there, but we'd already done it in Australia, so we were able to bring our idea across. That's pretty important—being able to learn from our experience rather than trying to invent something again.

"If we're doing something new, there's always someone in the group who has done something like it before. I think the big difference is not just the ideas, but shifting people around so they can share them. For example, we developed technology here in Australia called Bank in a Box, which is basically a way for us to quickly replicate the bank software, hardware, and data. That same technology is now being shared with colleagues across the group, particularly the Direct businesses in Europe."

With an international network behind it, ING Direct Australia continues to innovate and bring new developments to both the market and the ING group.

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- Vaughn Richter



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However, innovation isn't always about creating more high-tech solutions. "Innovation and technology are often invisible. It's not about the next big thing; it's about what really works for the customer," Vaughn explains. "For example, Bank in a Box is invisible to all customers, but internally it allows us to have a more robust IT architecture. It enables us to develop new products quicker and test them better. For me, innovation is not about spending lots of money on some new complex architecture or technological solution; it's about how we can make things better for the customer. If that means we do 100 things 1 per cent better every day, that's good innovation for me. Innovation is about making things simpler; simplicity is key."

In driving innovation and better customer service, ING Direct also works closely with key suppliers such as brokers, mortgage managers, technology partners, and law firms. "We work with these people because they're very good at what they do," Vaughn notes. "To that extent, they're not just an extension of our business but an integral part of it. We try to work with people who have a similar cultural approach and a similar approach in their attitude towards the end customer; we see our suppliers as an extension of ourselves.

"We do not start off by saying, 'We will outsource because it's cheaper'. We outsource because >





somebody does it better than us and we can't possibly do it alone, so we have this symbiotic relationship with our partners.

"We have many long-standing distribution partners who we continue to work with. Sometimes the cultures in the organisations we work with change or the people change, and therefore we change our partners. Monitoring and managing the relationship with vendors is important, but we see it as much more than that. At the end of the day, they form part of the promise of delivery we make to our customers."

While some operations of ING Direct's business have been outsourced to experts within their respective fields, the bank's call centres remain a part of the organisation. "The reason for that is that we're a virtual bank—and I use that term carefully," Vaughn explains. "People often call us an online bank, but that's wrong because we are first and foremost a bank.

"However, we're a bank that doesn't have physical presence because we believe that most of our customers don't need to visit our branch due to the offering we have, which is suited to the channel. To that extent, the main form of interaction with our customers was originally through mail and telephone, but increasingly it's online. In the event that a customer wants to speak to us, they call us. The call centre becomes a very important part of our customer-delivery proposition."

ING Direct Australia has a strong culture focused on its people. The organisation encourages growth and development among staff, which flows on to better product knowledge and customer service.

"I think the most important thing is to create a culture and framework within the organisation where people can actually grow and learn every day, and part of that is cutting away bureaucracy



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- Vaughn Richtor

and letting people fix things themselves—really harnessing the power of the organisation," Vaughn notes. "It's easy to say but hard to do. I like to think we have a culture that gives people the right to be bold and different, to try things and do things. We're tolerant of mistakes where people can learn and take responsibility."

According to Vaughn, the two main principles of ING Direct are simplicity and focus. "Complexity leads to lack of focus, so simplicity allows you to be focused and deliver what you're trying to do," he says. "What is important to us is not what we think, but what the customer thinks. A lot of people talk about how customers are valued and that the customer is the centre of the organisation. I hope we don't just talk about it but actually do it. We evaluate every decision by how it impacts the customer.

"Most of all, we've got to make sure that if we're a people-based business, we're a good, strong



employer. That doesn't mean always paying more than anyone else, but instead ensuring we have a workforce that can grow and learn every day, and make a difference. Overriding all of that, I like to think that as an organisation, people come to work and enjoy it. I believe that work should be fun, because at the end of the day it's an important part of most people's lives. I'd hate to think they came to work and were miserable every day, so fun is important too."

As a foreign-owned business competing in an 'oligopolistic' industry, ING Direct is working hard to become the bank of choice for its 1.5 million customers. "We've grown up over the past few years by being very focused and offering savings and mortgages," Vaughn says. "I think we're now in a position where we have a good proposition for customers, and we want customers to increasingly see us as their main bank, which is why we're offering a transaction account and a superannuation product.

"We've moved from being a supplier of one or two products to customers regarding us as their primary bank, which means customers have a good experience dealing with us and that the products we offer are transparent in terms of value.

"In that sense, our customers really are strong promoters of the business, which is the most important thing for us because the outcome will then be that we continue to grow. Growth doesn't mean simply doubling our balance sheet, but rather growing the number of primary customers that we have, which will lead to the bottom line. I'm not going to say that we want to make more profit; rather that's the outcome of having customers who are more than satisfied and really endorse and engage with us, and then make us their primary bank."

ING Direct recognises the importance of people to the organisation, fostering the skills of staff and putting all its efforts behind customer service. With technological developments as the backbone for further growth and a strong international network offering technical and operational support, ING Direct Australia is a world-class company offering Australians a real alternative to the Big Four banks.

Vaughn's leadership and vision will carry ING Direct into a future where more Australians make the organisation their primary bank. He was instrumental in launching the brand here and will be conducive in the bank's bright future within this region. ●



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