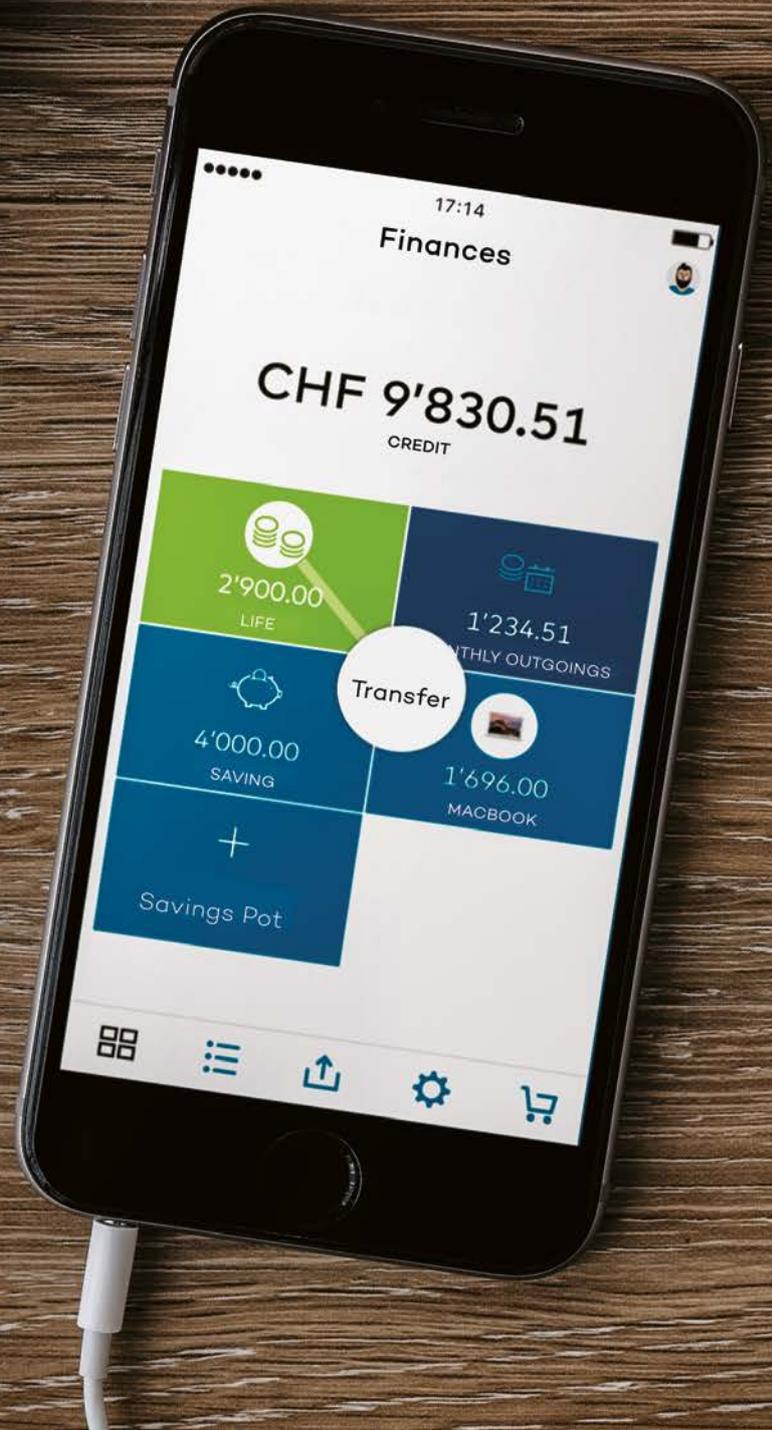


Evolution from a traditional banking institution to a digital pioneer

Bank Cler sets standards in Switzerland with its digitization strategy. In February the banking house launched Zak, the first smartphone bank in the country, breaking away from traditional retail banking. The launch has been particularly well received by younger and tech-savvy customers.



“ WE ARE NOW COMMITTED TO DIGITIZATION AS AN ESSENTIAL COMPONENT OF OUR STRATEGY. ”

This bank can fit into any trouser pocket: The Zak smartphone app from Bank Cler is revolutionizing banking in Switzerland. It's a big pitch from the small Basel-based national banking house, and one that means it is taking a pioneering role in its market. Rather than transferring traditional e-banking juggernauts to the smartphone, Zak is consistently concentrating on those banking functions that customers actually need in their day-to-day lives.

SMART BANKING THAT'S SIMPLE

For example, a quick glance at your smartphone will tell you how much cash you currently have available. Instead of rigid auxiliary accounts that are subject to fees, Zak offers "saving pots". Users can create, amend or delete these pots at any time, free of charge, and even move money back and forth between the pots. The app also offers a chatbot messenger service which customers can use 24/7 for support and answers about the app itself, as well as for asking general questions on finances and financial preparedness. What's more, the integrated Zak Store – a digital marketplace – provides supplementary offers from other companies, such as insurance providers and online retailers. The fact that the app can be used free of charge – including with debit and credit cards – is another appealing feature. "This uncompromising mobile-first approach is unique," says Sandra Lienhart, CEO of Bank Cler. "We've developed Zak from the ground up, based on leading technologies, specifically for the smartphone. We are thereby enabling a user experience that young customers who use social media and messaging apps are familiar with. This draws attention to us, a small bank, and enables us to position ourselves as an innovative company with the courage to break out of the traditional business models operated by retail banks."

INTO THE FUTURE WITH ZAK

The momentum for this innovation came from the repositioning of the institution, which was formerly known as Bank Coop. The company took on the new name of Bank Cler after the Coop retail business sold its remaining shares in Basler Kantonalbank in 2017. "Cler" means clear, straightforward and evident in Rhaeto-Romanic, the fourth national language of Switzerland. "When we analyzed our customer structure as part of the rebranding, we identified a particular need to bring on board new customers under the age of 40," Sandra Lienhart explains.

For this reason, the bank created an innovation project focused on the needs of young people, who were then incorporated into the app's development on an ongoing basis. From contact with friends to planning travel, young people use smartphones to organize vast areas of their lives on a mobile basis. Sandra Lienhart: "It quickly became clear to us that that's where we needed to engage."

At the same time, leaders at the bank knew that not all of their customers wanted their bank to only be available via smartphone. For this reason, despite its "mobile first" approach, Bank Cler wanted to continue to be a concrete entity and retain a physical presence. "We are now committed to digitization as an essential component of our strategy. However, a key and central factor for success is how we will bring digital offerings into line with our lean physical branch network." ■

For further information, see:
www.cler.ch/zak



Breaking out of the comfort zone

The Zak smartphone app enables customers to process their daily cash transactions on a fully mobile basis. Sandra Lienhart, Chair of the Management Board of Bank Cler, offers an insight into the project.

What was unusual about the innovation work leading to Zak?

LIENHART / There's no doubt: It was the extremely customer-oriented and agile approach to development. Discussions with representatives from our target group took place as early as the second week of the project. Families and friends tested a beta version of the app six months after the project started. To date, we have included more than 800 potential users in the development process, and have continually adapted Zak.

What sets the development team apart?

LIENHART / Everyone involved worked so well together. There was a great deal of trust and unbelievable enthusiasm among the Bank Cler workforce,

colleagues from Basler Kantonalbank (our parent company), and the experts from Horváth & Partners. Everyone in the team was aware that they were working on something significant, and they provided peak performance in all project phases.

What are the challenges now?

LIENHART / We're working with a product that is constantly evolving. Comprehensive transfer of knowledge from external partners to our internal team is essential to enabling us to continually work on new features, and to the integration of value-added services in future. We also need to maintain a balance between creativity and regulatory requirements. In this context, it's important to keep momentum up, and at the same time achieve normalization in operation. No

individual project should be running at full speed for more than twelve months.

What would you identify as the most significant successes?

LIENHART / We've broken out of our comfort zone. Zak concretizes our tagline of being the "digital bank with a physical presence". Everyone is talking about innovation and simplicity, and with this app we are putting those concepts into practice. Our corporate culture has changed. We have developed a startup mentality and are also applying modern methodologies in our everyday work, such as Design Thinking. It gives us a whole new level of agility, motivates our employees, and makes us more appealing to prospective applicants and new clients - and we're now bringing new clients on board on a weekly basis. ■