

Initial Post:

In the paper *Advancing Digital Transformation in Financial Services* (Harvard Business Review Analytic Services, 2023), the authors argue that Digital Experience Platforms (DXPs) are central to the future success of banks and insurance companies. They suggest that financial institutions must modernise their systems quickly or risk becoming outdated. According to Zachariadis (cited in Harvard Business Review Analytic Services, 2023), organisations that delay transformation will lose relevance as customers demand faster, more digital services.

While this position is understandable, the paper puts too much focus on technology solutions like DXPs and not enough on deeper issues such as internal culture and team cooperation. It highlights that transformation needs strong collaboration between business and IT teams. However, the paper does not explain how companies can build this culture in practice.

Another weakness is the lack of detail about the risks involved in using DXPs. The authors do not mention costs, data privacy challenges, or the danger of becoming too dependent on one software vendor.

Moreover, the authors assert that DXPs improve customer experience by unifying data and channels. However, they downplay the high implementation risks and potential vendor lock-in, especially for institutions already burdened with "Frankenstein architectures" (Zachariadis, cited in Harvard Business Review Analytic Services, 2023). Here, the promise of a seamless integration platform can mask the complexity of real-world interoperability and data governance challenges (Kane et al., 2015).

I believe DXPs can support digital change, but they are only one part of the solution. Real transformation needs leadership, shared goals, and a clear understanding of customer needs (Kane et al., 2015; Westerman et al., 2014).

Word count: 264

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Peer Response 1:

Thank you for your well-rounded and reflective analysis, Tobias. I found your insights on regulatory pressure and the deep integration of legacy systems in Swiss banks particularly relevant and consistent with my own experiences in the regulated med-tech sector.

However, I'd like to offer an alternative view on your point regarding the readiness of financial institutions for digital transformation. While resistance and complexity certainly exist, research by Garzoni et al. (2020) suggests that digital transformation can be a catalyst for innovation, particularly in process and product development, when firms strategically align digital initiatives with long-term sustainability goals. In this sense, even highly regulated sectors are finding pathways forward by reframing transformation as a means of improving resilience and adaptability.

Furthermore, Rogers (2016) argues that legacy firms must move away from static business models and embrace continuous reinvention. His "Digital Transformation Playbook" highlights that the shift does not necessarily begin with wholesale technological overhauls, but with a mindset shift, embracing iterative change, modular architecture, and customer-centric thinking.

Therefore, while I agree that structural barriers are real, I believe that change is not only possible but increasingly necessary. Many institutions are actively navigating these constraints through hybrid approaches and incremental innovation, rather than large-scale disruption.

Wordcount: 203

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Peer Response 2:

Thank you for your in dept analysis, David. While you rightly stress that Digital Experience Platforms (DXPs) alone cannot drive transformation, I contend that the proposed change frameworks (e.g., Kotter's model) are often overly optimistic when applied to deeply regulated, legacy-bound organisations.

In my experience within a regulated medical technology environment, legacy systems are more than just outdated code. They are intertwined with validated processes and compliance mandates, making any reconfiguration a multi-year, multi-stakeholder effort (Rubino, Vitolla & Garzoni, 2017). Suggesting that cultural resistance can be overcome primarily through middle-management engagement

overlooks how risk-averse mindsets are reinforced by regulatory inspections and audit requirements (Gupta, 2018). In reality, middle managers often face conflicting incentives, which cannot be resolved solely through HR-led behavioural programs.

Moreover, your call for modular modernisation underestimates the integration fragility within heterogeneous landscapes. Attempting parallel “portfolio-based” upgrades typically surfaces mismatched data definitions, duplicated control processes, and inconsistent security postures that require heavy reconciliation (Li, 2020). Without a robust IT governance framework, these issues translate into gaps in internal controls and unclear accountability, concerns that Rubino, Vitolla and Garzoni (2017) demonstrate are endemic where governance is weak.

Ultimately, while DXPs and change models offer valuable guidance, transformation in such environments demands bespoke governance structures, comprehensive risk assessments, and layered architectural resilience, elements that go well beyond generic “playbooks.”

Wordcount: 218

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Summary Post

In my initial post, I critically examined the emphasis placed on Digital Experience Platforms (DXPs) in *Advancing Digital Transformation in Financial Services* (Harvard Business Review Analytic Services, 2023). I argued that while DXPs offer customer-centric benefits, the report underrepresents cultural, architectural, and governance challenges, particularly in organisations with deeply embedded legacy systems.

Feedback from Farhad and Tobias strengthened this view. Farhad highlighted the underestimated complexity of integrating DXPs into “Frankenstein architectures” and emphasised the importance of aligning tools with business capabilities (Minelli et al., 2013). Tobias echoed these concerns, noting that fragmented data strategies and lack of risk governance often derail transformation (Shaikh et al., 2024; FCA, 2021). Their responses confirmed that technological advancement alone cannot drive success without strategic leadership and organisational readiness.

Both peers also emphasised that transformation efforts must extend beyond technical deployment to include governance, trust, and internal alignment. I now

recognise that the report also fails to account for these factors in practical terms—particularly how to overcome institutional resistance or manage data privacy risks during implementation.

While I maintain that DXPs can offer strategic benefits, particularly in unifying customer-facing systems and enhancing engagement (Kristiana et al., 2023)—they must be implemented within a broader transformation framework. A technology-first approach risks inflating complexity, rather than fostering agility and value creation. Leadership, shared goals, and a critical evaluation of vendor strategies remain essential.

Thank you to my peers for your thoughtful feedback and reflections, your insights added valuable depth to my thinking.

Wordcount: 246

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