Initial Post

The white paper "Advancing Digital Transformation in Financial Services" by Harvard Business Review Analytic Services (2023), sponsored by HCL Technologies, explores the necessity for financial institutions to modernise their core systems and processes to stay competitive. The authors advocate for Digital Experience Platforms (DXPs) as essential tools for enhancing customer satisfaction, operational efficiency, and developing new business models. Their argument is supported by industry experts who highlight the need for scalability, security, and integration. However, the paper leans heavily on vendor-sponsored perspectives, particularly from HCL, which may introduce bias.

One strength of the paper lies in its use of real-world survey data from industry practitioners, which ground the discussion in current practice. The structured approach, identifying key enablers such as agile methodologies, cloud infrastructure, and data-driven decision-making, provides a clear framework for understanding the multifaceted nature of digital change.

However, the paper appears overly optimistic about the readiness of financial institutions to fully embrace these changes. Though the authors acknowledge regulatory and legacy challenges, they underplay the deep-rooted cultural resistance and resource limitations that often stall digital projects, especially in smaller or more traditional firms. Furthermore it overlooks certain prerequisits, such as the underlying architecture of a system which is not always compatible with the advantages of cloud technology and hence difficult to scale.

Since I work in a universal Bank in Switzerland, I want to emphathises some of my personal experience in this field. Arguably, the banking industry is one of the most regulated industries out there, with indipendant regulatory bodies for almost each country (Freimanis and Šenfelde, 2023). Authorities in Switzerland are well known for strict policies, forcing banks to exhausting in-depth analysis whenever they want to use third party services. At the same time service providers need to fulfil a large number of requirements, which are regularly expanded, leading to complex environments.

The article rightly states the vast use of legacy and silo systems, which I have experienced too. It is mostly core banking systems which are deeply nested in the Enterprise Architecutre and intertwined with a lot of different systems, directly or indirectly. This makes it fairly complex to migrate from such systems to more modern cloud native technologies (Hasan et al. 2023).

Nevertheless, the banking industry in Switzerland is not standing still; on the contrary, new services are coming onto the market every week, even from traditional banks. For example, instant payments have been possible since last year (Swiss National Bank, 2024).

Word count: 407

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Peer Response 1

Gesine, your critique of the Harvard Business Review Analytic Services (2023) report offers a valuable perspective on the limitations of overemphasising Digital Experience Platforms (DXPs) in digital transformation. As Jonathan (2020) argues, success depends on collaboration, leadership, and a shared strategic vision.

You rightly highlight the operational risks associated with DXPs, such as vendor lock-in and integration challenges with legacy systems. Shaikh et al. (2024) note that many banks fail to realise the full value of digital transformations due to fragmented data architectures and inadequate implementation strategies.

Your emphasis on the lack of practical guidance for cultural change is also pertinent. The Financial Conduct Authority (2021) underscores the necessity of incorporating governance and risk management into transformation efforts, areas often overlooked in technology-centric narratives.

However, it is important to acknowledge that, when implemented effectively, DXPs can enhance customer experience through unified data and personalised engagement. Kristiana et al. (2023) suggests that banks with robust digital and AI capabilities can generate compounding value and outperform their peers.

In conclusion, your analysis provides a comprehensive overview of the challenges associated with DXPs. Balancing this with an understanding of their potential benefits when strategically deployed could further enrich the discussion.

Word count: 197

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Peer response 2

David and Gesine, thank you both for your insightful contributions to the debate on digital transformation in financial services. David, your structured critique rightly exposes the often-overlooked structural barriers – particularly the dominance of legacy systems and cultural resistance – which undermine the deployment of Digital Experience Platforms (DXPs). Your call for aligning leadership using Kotter's model is compelling, yet, as Gesine cleverly argues, such frameworks may falter in highly regulated and legacy-bound environments.

Indeed, recent empirical research supports Gesine's contention. According to Bagrationi and Thurner (2023), middle management frequently acts as a structural bottleneck in transformation due to risk-averse organisational cultures reinforced by regulatory scrutiny. In such contexts, even incremental change is hindered by procedural rigidity and compliance dependencies. Thus, invoking Kotter's change model without adapting it to sector-specific constraints risks oversimplifying the complexity.

David, your suggestion of a modular, portfolio-based transformation is valuable. Yet Gesine is correct to note that without strong data governance and architectural alignment, such parallel development streams often exacerbate integration fragility. As highlighted by Busch and Zalewski (2025), financial institutions require robust enterprise architecture capabilities to manage interdependencies across legacy systems, cloud services, and APIs, ensuring semantic consistency and operational resilience.

I would suggest that future transformation strategies integrate domain-specific governance models, such as COBIT 2019, tailored to financial sector needs. Moreover, digital initiatives should embed adaptive performance metrics that evolve with organisational maturity (Gurbaxani and Dunkle, 2019), rather than applying static KPIs divorced from transformation context.

In conclusion, both of your positions underscore that while DXPs may enable personalisation and agility, enduring transformation is fundamentally contingent upon sector-aware governance, cultural readiness, and adaptive leadership frameworks.

Word count: 270

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Summary Post

This post summarises the key insights from our forum discussion, initiated by my post on the Harvard Business Review Analytic Services (2023) white paper, "Advancing Digital Transformation in Financial Services."

My initial critique acknowledged the paper's focus on Digital Experience Platforms (DXPs) and its use of survey data, but questioned its potential vendor bias and overly optimistic outlook on organisational readiness. From my perspective within a Swiss universal bank, I highlighted significant challenges: stringent regulatory frameworks (Freimanis & Šenfelde, 2023) and the inherent complexity of migrating legacy core banking systems (Hasan et al., 2023). Despite these, I noted ongoing innovation in Switzerland, such as the introduction of instant payments (Swiss National Bank, 2024).

Gesine offered a counter-perspective, arguing that digital transformation can catalyse innovation. She cited Garzoni et al. (2020), suggesting that aligning digital initiatives with sustainability goals drives progress. Rogers (2016) further posits that a fundamental mindset shift, embracing iterative change and modular architecture, often precedes extensive technological overhauls.

Farhad largely concurred with my assessment of the paper's commercial bias and its simplification of DXP implementation. He underscored the overlooked ethical, cultural, and governance aspects, noting that third-party platform integration necessitates exhaustive risk analysis and compliance. Farhad also emphasised the critical role of enterprise architecture compatibility, reinforcing that core banking system modernisation requires a holistic re-evaluation of workflows and data governance, alongside a strategic organisational vision.

In essence, while digital transformation is imperative for financial services, its implementation is demonstrably complex. Regulatory constraints, deeply embedded legacy infrastructures, and the necessity for organisational and cultural readiness represent significant impediments. Nonetheless, the discussion affirms that progress is being made despite these challenges.

Thanks again to my peers for the stimulating discussion!

Word count: 280

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