Innovate with SWIFT

Co-creation Toolkit

May 2021

Introduction

Steve Gilderdale
Chief Product Officer

Innovation is part of SWIFT's DNA. From our inception, where we digitised fax-based transactions, through to our most recent, ambitious goal to transform cross-border transactions by making them frictionless and instant, SWIFT innovates every day.

As the pace of change increases, we need to get even more creative and efficient in the way that we approach challenging problems. The SWIFT Co-creation Toolkit provides tools and capabilities that empower all our employees to innovate fast and responsibly.

And the best part? It puts the customer at the centre of our future product developments.

Tom Zschach
Chief Innovation Officer

Our approach to innovation is evidence-based and strategically aligned with SWIFT's ambitions. This Co-creation Toolkit builds upon SWIFT's leadership position in financial services innovation by providing a robust evidence-base for accelerating and de-risking the creation of new products and services that deliver step-change customer outcomes.

We have an ambitious innovation agenda ranging from unlocking the value of data, building machine learning capabilities to evolving our digital identity portfolio – this toolkit will help us accelerate progress by ensuring that our innovation efforts have a clear and strong value proposition and a path to production.

Innovation doesn't occur in isolation. We constantly co-innovate and contribute to industry initiatives as the best way of driving the whole industry forward.

Why do we co-create?

– **Industry challenges** are often **too big** and **complex** to tackle on our own

– SWIFT is committed to developing **products and services** that are **relevant and meaningful** for the Industry and it's community

– **Standardisation reduces risk** for the industry and helps break down silos

Collaboration drives successful innovation.
The financial ecosystem needs to **innovate together to solve shared problems** and achieve what individual institutions can't deliver in isolation.

'Build and they will come'
is not a strategy,

it's a prayer.

Steve Blank

SWIFT's co-creation approach

SWIFT has been fundamental in bringing the industry together to solve common challenges to build mutualized solutions. And so, co-creation with it's members and the wider community has played a core role in how SWIFT develops new products and services. SWIFT's co-creation approach is a complimentary set of tools and processes, that helps accelerate and de-risk the co-creation of new products and solutions that solve industry challenges.

INITIATE	SCOPE	PROBLEM FIT	SOLUTION FIT	TEST	REVIEW	IMPLEMENT
Define the challenge to tackle, gather evidence around it and bring together the right team to work with	Kick-off the sprint with an aligned team and a clear challenge	Explore the problem and develop a deep understanding of the end-users	Utilize different ideation techniques and develop a prototype that delivers real value to end-users	Build an MVP in a test environment. Define a business model which allows us to create, deliver and capture value	Get approval and recommendation from key decision makers	Transfer the MVP to the team who will take into production

1.

INITIATE

The purpose of this phase is to validate the strategic alignment with clients to identify potential co-creation opportunities, aligned to industry challenges.
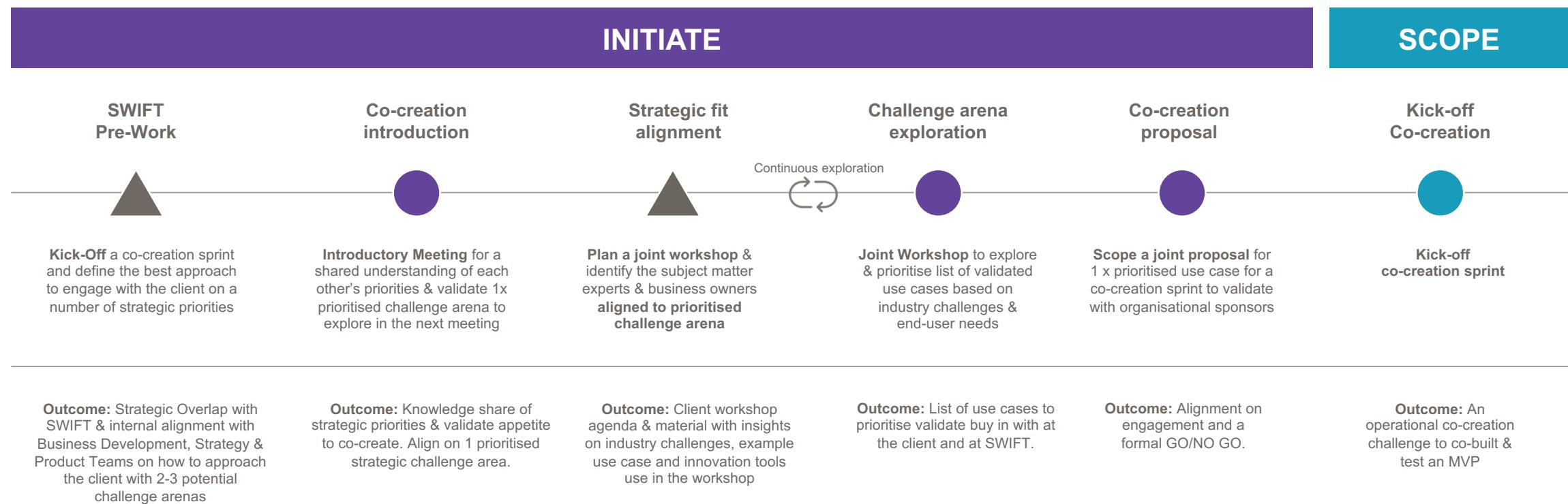
Good challenges should open up a scope for new possibilities in an optimistic and divergent way, rather than focusing on a specific new product or technology.

Co-creation is radical collaboration from the start.

Our process starts with an INITIATE phase to better understand industry needs and find the best fit between client and SWIFT.

Together we will define the best approach to match both our objectives. The INITIATE phase aims to identify strategic overlap between SWIFT and it's clients to identify potential arenas of exploration, aligned to the most important industry challenges. We hope to end this phase with a validated project proposal that we then can explore via our co-creation toolkit.

INITIATE					SCOPE
SWIFT Pre-Work	**Co-creation introduction**	**Strategic fit alignment**	**Challenge arena exploration**	**Co-creation proposal**	**Kick-off Co-creation**

Continuous exploration

Kick-Off a co-creation sprint and define the best approach to engage with the client on a number of strategic priorities	**Introductory Meeting** for a shared understanding of each other's priorities & validate 1x prioritised challenge arena to explore in the next meeting	**Plan a joint workshop** & identify the subject matter experts & business owners **aligned to prioritised challenge arena**	**Joint Workshop** to explore & prioritise list of validated use cases based on industry challenges & end-user needs	**Scope a joint proposal** for 1 x prioritised use case for a co-creation sprint to validate with organisational sponsors	**Kick-off co-creation sprint**
Outcome: Strategic Overlap with SWIFT & internal alignment with Business Development, Strategy & Product Teams on how to approach the client with 2-3 potential challenge arenas	**Outcome:** Knowledge share of strategic priorities & validate appetite to co-create. Align on 1 prioritised strategic challenge area.	**Outcome:** Client workshop agenda & material with insights on industry challenges, example use case and innovation tools use in the workshop	**Outcome:** List of use cases to prioritise validate buy in with at the client and at SWIFT.	**Outcome:** Alignment on engagement and a formal GO/NO GO.	**Outcome:** An operational co-creation challenge to co-built & test an MVP

'If I have 1,000 ideas and only one turns out

to be good, I am satisfied.'

Alfred Nobel

Step 2: Introductory meeting with Client

SWIFT shares an overview of the Innovation Strategy and strategic priorities

SWIFT shares 2-3 potential challenge arenas aligned to client and SWIFT's product strategy to validate and consider for co-creation

Client shares their Innovation Strategy and their strategic priorities

Validate appetite to co-create and select 1 x challenge arena to prioritise and propose an in innovation workshop to explore potential use cases

PURPOSE:

Knowledge share of strategic priorities and validate appetite to co-create. Align on 1 x prioritised strategic challenge area.

OUTCOME:

Knowledge share of strategic priorities and validate appetite to co-create. Align on 1 x prioritised strategic challenge area.

'Creativity is thinking up new things.

Innovation is doing new things.'

Theodore Levitt

Step 3: Strategic Fit
and Workshop Preparation

✓ Identify SWIFT subject matter experts from the Strategy or Product organisation and confirm client stakeholder attendees

✓ Internal alignment between SWIFT Innovation, Business Development and the Strategy or Product owners for prioritised challenge arena

✓ Prepare workshop content, including insights on industry challenges, example use case cases aligned to SWIFT product roadmap and innovation tools

✓ Share workshop agenda and approach with client, confirming attendees SWIFT experts from Strategy or Product organisation

PURPOSE:

Aligning with SWIFT strategy and product owners to prepare for the client workshop.

OUTCOME:

Client workshop agenda and material with insights on industry challenges, example use case and innovation tools use in the workshop.

Workshop with client – Exploration

<table>
<tr>
<td>**SWIFT can suggest other potential collaborating partners**</td>
<td>**Co-creation sweetspot**</td>
</tr>
<tr>
<td>**Not interesting to explore**</td>
<td>**Possible long term topics to co-create on**</td>
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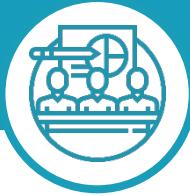
PURPOSE:

Evidence insights from workshop to track in a consistent format and share with relevant stakeholders.

OUTCOME:

An overview of the key challenges aligned to clients strategic priorities and other insights that we gather in the process.

INNOVATION WORKSHOP

The purpose of innovation workshops is to accelerate the ideation process through an agile, evidence-based approach and help align strategic priorities between different stakeholders, identifying new opportunities to partner and collaborate.

Innovation workshops help us come together for organized idea generation exercises. Put simply: they help us discuss industry challenges, uncover ideas on how to solve them and to think boldly about the future.

Industry Challenge Exploration

Map out (1) the biggest pain points in the industry and (2) who is experiences these pains.

Who's most affected by this industry challenge?

End user	Client
Avoid	**Explore**

②

Use Case Exploration

2

How Might We Builder

Step by Step Guide:

Individually write down 1 HMW statements and send them in the WebEx chat.

Jointly, share your 3 HMWs and discuss similarities.

Take the results of your HMW Builder into the HMW Mapping and Prioritisation exercise and discuss it there.

Tips:

There is no need for perfection in this phase. Your idea can trigger others when sharing out for new HMW's so write down what comes to mind.

	Action		Subject		Outcome
How might we	Revolutionize security	for	Financial markets	so	All payments are traceable
How might we		for		so	
How might we		for		so	
How might we		for		so	
How might we		for		so	
How might we		for		so	
How might we		for		so	
How might we		for		so	
How might we		for		so	

Time: 30min

What do we care about?

✓ A clearly defined HMW challenge with strategic fit and alignment

✓ A clearly defined Challenge Proposal with a problem/opportunity area

✓ Joint commitment and business sponsor to initiate a sprint

✓ Joint commitment to resourcing the sprint

INITIATE
Decision Moment

PRIORITIZATION

After diverging in the innovation workshop it's now time to find common ground and converge towards our innovation sweetspot where we could kick-off our co-creation track.

The purpose of this exercise is to prioritise the list of use cases and identify one use case suitable for co-creation between SWIFT and the client.

Workshop with client – Exploration

SWIFT can suggest other potential collaborating partners	**Co-creation sweetspot**
Not interesting to explore	**Possible long term topics to co-create on**
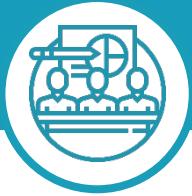
PURPOSE:

Prioritise the list of use cases to identify 1 x use case suitable for co-creation.

OUTCOME:

1 x use case suitable for co-creation based on impact it creates and effort it takes to develop this.

CHALLENGE PROPOSAL

The purpose of the challenge proposal is to help us frame, prioritize and initiate the customer problem into the rest of the innovation funnel.

With a prioritized HMW question we found our joint co-creation sweetspot. Our potential co-creation track we will now draft in a scoping document to make more it more concrete and we will use it as an official go/no-go moment.

Question overview

✓ What is the core problem the client and SWIFT want to solve?

✓ Who do we want to create value for? Who is the customer? Who is the user?

✓ Why is this challenge important? What industry outcomes will it achieve?

✓ What would be a successful outcome? What would do we want to achieve with this co-creation track?

INTRODUCTION:

Any solution we build together with our clients is only as good as our understanding of the underlying industry/customer challenge. A co-creation track always includes a clear Challenge Proposal.

This summary style scoping document helps us frame, prioritize and initiate the customer problem into the rest of the innovation funnel.

SWIFT Innovation team.

1. What is the core problem Client X and SWIFT want to solve?

Write your answer here:

2. Who do we want to create value for? Who is the customer? Who is the user?

Write your answer here:

3. Why is this challenge important?
What industry outcomes will it achieve?

Write your answer here:

4. What would be a successful outcome? What would do we want to achieve with this co-creation track?

Write your answer here:

The next phase(s)

Our co-creation process continues with 4 phases in which we will search, build and test solutions to find answers to the questions in our challenge proposal.

These phases will be supported by our Co-creation Toolkit* which is also used for all of SWIFT's internal innovation tracks. You can find a sample of some of our favourite tools in the next slides.

*SWIFT Co-creation Toolkit

The Co-creation Toolkit supports SWIFT and its clients with a unique innovation methodology.

We are happy to be providing all participants of a co-creation track with this common innovation framework; to help foster collaboration worldwide.

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Innovation toolkit

Starter pack

[Placeholder photo]

Assumption mapper

The assumption mapper is a tool designed to help you identify and prioritize your key assumptions about desirability, viability and feasibility. The key to de-risking your innovation project is not just identifying the riskiest assumptions — the ones that if invalidated would kill your project — but also figuring out which ones are the easiest to explore and can be incorporated in customer interviews.

STEP BY STEP

- Individually write down 4 key assumptions about desirability, viability and feasibility. *(10 min)*

- Share your assumptions and build on each other's assumptions. *(15 min)*

- Identify which assumptions are critical by asking yourself: if these assumptions were invalidated, would it kill our project? *(15 min)*

- Focus on the critical assumptions and identify which ones would be easy or difficult to get validation from. *(10 min)*

- Agree with the team on which assumptions you will test first based on your assumption map. *(10 min)*

TIPS

Be critical over your challenge, and use the assumption mapping to explore, diverge more around your problem.

Focus on the desirability type of assumption during Problem Fit phase.

TIME: **60 MIN**

DIFFICULTY: **++**

Assumption mapper
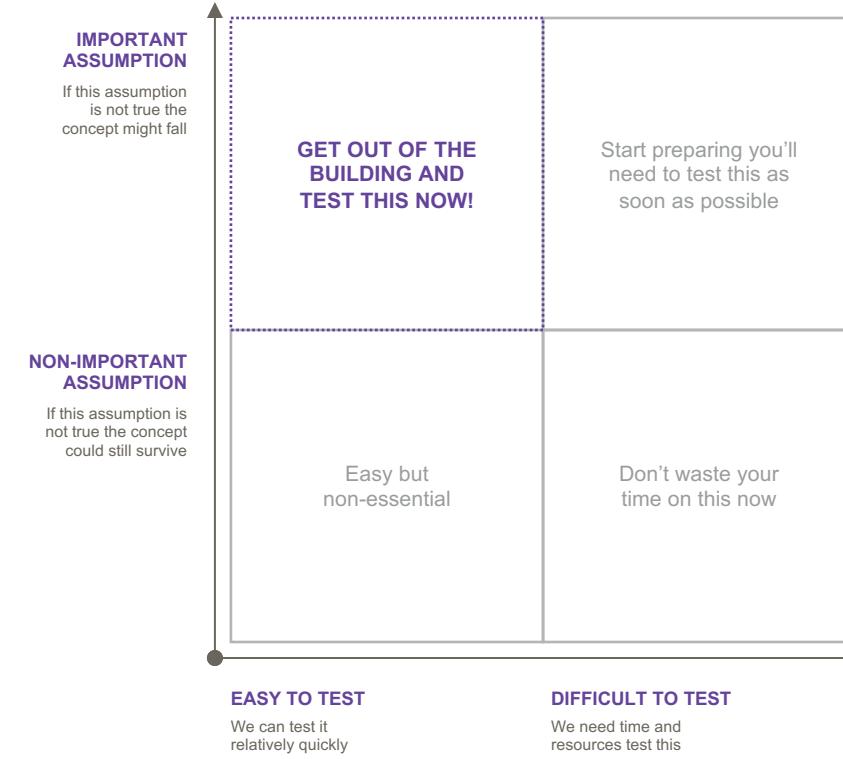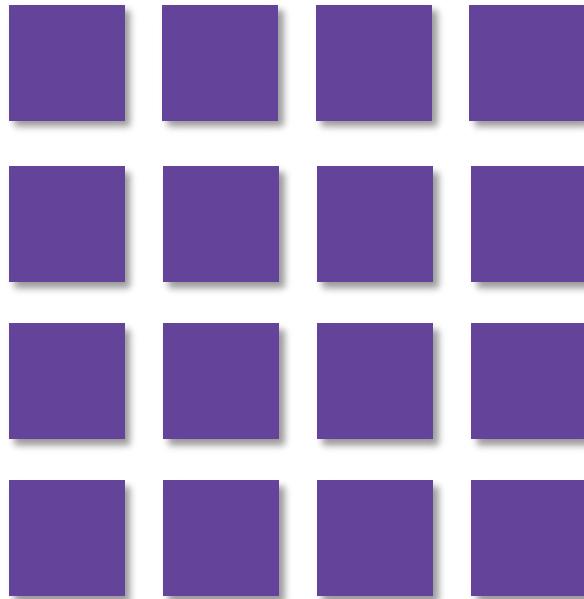
GRAB SOME POST-ITS FROM HERE
Ideate and then pilot

IMPORTANT ASSUMPTION

If this assumption is not true the concept might fall

GET OUT OF THE BUILDING AND TEST THIS NOW!

Start preparing you'll need to test this as soon as possible

NON-IMPORTANT ASSUMPTION

If this assumption is not true the concept could still survive

Easy but non-essential

Don't waste your time on this now

EASY TO TEST

We can test it relatively quickly

DIFFICULT TO TEST

We need time and resources test this

CONSIDER THIS YOUR PARKING LOT

Those ideas that didn't quite make the cut, but maybe good to have them in the back of your head

Design criteria (MoSCoW)

The design criteria framework MoSCoW is used to identify the space for your solution, what fits and what doesn't. By visualising such aspect of the solution, you are ensuring that the team is aware of the boundaries and it helps to guide the ideation exercise as well as the idea selection later on.

STEP BY STEP

- Individually list down criteria that are relevant to your solution *(10min)*

- Everyone share with the group their criteria and agree on where to position each of these criteria on the different boxes. *(30min)*

- Use your Problem Fit findings and customer insights to inspire new ones, and discuss it with the group *(15min)*

- Agree with the team with the most important criteria and make sure you are keeping it visible during ideation exercise. *(5min)*

TIPS

Be precise enough in your criteria, give examples to visualise words and align everyone at the same level of understanding.

Agree to disagree, discuss and make sure the team is aligned before moving on to the next tool.

TIME: **60 MIN**

DIFFICULTY: **++**

Design criteria (MoSCoW)

M MUST HAVE	**S** SHOULD HAVE	**C** COULD HAVE	**W** WON'T HAVE
Non-negotiable product needs that are mandatory for the team	Important initiatives that are not vital, but add significant value	Nice to have initiatives that will have a small impact if left out	Initiatives that are not a priority for this specific time frame
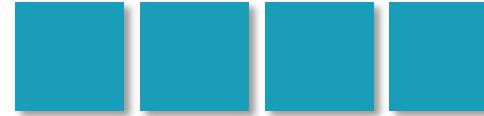
Let's continue together!