

A photograph of a man with a beard and a young child laughing together in a field. The man is on the left, looking up and laughing, with his hand on the child's head. The child is on the right, also laughing, with their mouth wide open. They are in a grassy field with a bright sky in the background.

# 2022 Annual Report

Nationale-Nederlanden Bank N.V.





Ernst Naezer, Leontine Dekker:

# The Journey to Digital Success



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**Ernst Naezer** – Head of Engineering at NN Bank

**Leontine Dekker** – Domain Lead at NN Bank Mortgages & Consumer Loans

One of NN Bank's key objectives is to further improve services through digitalisation and automation. And building digital products requires not only knowledge and expertise, but also a way of working that aligns with this digital mindset. Nationale-Nederlanden calls this way of working 'Making NN'. At its heart are the 'makers': digital experts working in autonomous and empowered teams to build our Digital Retail Bank. Together, they work from a shared direction on digital solutions that make our customers happy and work for our business. Both by solving their challenges and with extras that makers add to a solution. It's all part of NN Bank's growing engineering culture and the next step in our digital transformation journey.

## What does Making NN stand for?

Leontine: 'Making NN is a way of working aimed at more swiftly and efficiently developing more relevant digital products and services for our customers. Essentially, it incorporates everything we've learned so far from our way of working. The foundations were laid in the Scaling Excellence programme, an experiment at NN Bank to attract engineering and UX Design talent and to blend these new capabilities into the existing teams. This also led to a new mindset. The teams didn't want to create a feature; they wanted to think about a solution to a problem. And they wanted to

do as much as possible themselves, as quickly as possible. This is where the need for empowered teams arose.'

Ernst: 'Scaling Excellence gave us more teams that were building digital solutions simultaneously. With Making NN, we are optimising the interaction between teams, so that teams can develop solutions independently as much as possible. And when they do work together, they can generate the greatest value. Making NN is basically the next step in our journey and our efforts to put our way of working on a mature footing.'

## And what is that next step?

Leontine: 'To empower teams, we've launched an Objective Key Result mechanism: we define the goals we want to achieve together and the problem we want to solve. Next, we give teams the scope to interpret that goal in their own way and determine themselves how to achieve it. The objectives relate to customer or business problems that need to be solved instead of simply delivering a feature that is requested. It enables us to ask the question behind the question. "What does the customer want to achieve in this process? And is this solution the correct answer?"

Ernst: 'This approach makes better use of the team's creativity and expertise. Because if you're presented with a problem, it automatically triggers a thought process. And that's what we want. By having empowered teams, we ensure that there are sufficient skills and capabilities in a team to solve the problem and that they have freedom and creativity to execute.'

Leontine: 'We've introduced the same methodology in the Bank's Management Team to align the objectives with Digital Retail Bank strategy. This also allows a team to see how they're contributing to the bigger picture.'

Ernst: 'One of our first steps was to determine a common product vision for our customer services. And we've repeatedly defined the objectives and the key results based on this joint vision. As a result, the NN Bank-wide strategy has cascaded to the individual teams.'

#### How did Making NN come about?

Leontine: 'Scaling Excellence showed us that we can improve the engineering culture and the way of working in the Bank. And it's something that we believe in so strongly that we're now deploying it across the organisation. That's also when we started calling it "Making NN".'

Ernst: 'We also plan to solve more and more complex and organisation-wide issues. Whereas initially, we were able to solve relatively isolated problems within these teams, you need the entire organisation for more complex issues.'

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Leontine: 'It's a system: as a team you've got radars you can tune, but the rest of the radars need to be tuned too. The Objective Key Result mechanism ensures that everything is linked, and everyone is working on the same goals. And you're also working together on the same results for our customers.'

#### Why is it important to take this step?

Ernst: 'It has to do with scale. If you want to use several teams to build simultaneously, you need to make sure that the teams don't need each other all the time or must consult with each other too often, because that causes huge delays. On the one hand, the Objective Key Results provide the direction we need, and on the other hand, they ensure that teams can work independently. We've also put a lot of effort into building platforms and writing comprehensive and detailed documentation, adding "Golden Paths" that set out exactly how a team can build a scalable and secure API, for example. The team responsible for the app platform views the teams building the app functions as their customers, making sure that standard building blocks are readily and easily available for them. This is how we enable a network of teams to work autonomously and encourage ownership and entrepreneurship.'

#### So, direction and frameworks, but with autonomy?

Ernst: 'Yes. Teams are also responsible for understanding the significance of their products and what business results they should achieve. This automatically leads to the questions: "How do we know what we're achieving, which metrics we do need to monitor and what is their status?" This creates a much higher level of ownership and continuity within a team.'

Leontine: 'Direction helps teams to know where they're going, but they then choose which path to take. So, no-one should feel disappointed if the team decides to take a different path than expected. It's about finding a solution that our customers are happy with and that works for our business. It's the outcome that counts. Our colleagues also value this autonomy. You can see it in NN Bank's employee satisfaction survey. The score for "meaningful work" within these teams has increased.'

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#### Making NN originates from a journey, so how will that journey continue?

Leontine: 'I think that it's especially important that we continue scaling the transformation. Pioneering often generates the initial mindset and learnings. But we're now entering a phase in which we're transitioning from being a genuine pioneer to embracing a standard way of working. For me, this means letting go and enjoying the process of seeing a larger environment evolve - an environment in which the right things are happening - with a small push in the right direction every now and then. But change is and remains a process. It's a journey people need to undertake to understand in full what it entails. For me, it's essential that everyone takes that opportunity to enable colleagues to go on their own journey. As an organisation, we support this.'

Ernst: 'We've called it "Making NN" because it's about the makers. If I look at the continuation of this journey, I'd like to see us spend more time on the making side. By interacting more smartly, establishing platforms and digitalising our standards, we can boost autonomy. So that our makers can build our Digital Retail Bank more quickly and efficiently and we can make our customers happy with smart digital solutions.'