



The Mobile Bank Business Analysis

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1 - INTRODUCTION

The European bank NCI46 wants to establish itself in Ireland in the retail banking market. The goal is to start operating into the Irish market with a small investment, avoiding walk-in hubs but yet providing normal banking services in order to be a competitive entity in the sector. Solution required should not involve significant revenue and should not compromise the current services offered by NCI46 on already established markets.

This project follows BABOK Methodology and assess some of its steps, including core concept analysis, market analysis, risks and assumptions, stakeholder roles and responsibilities, RACI Matrix, Power Influence Matrix, BPMN Diagram, proposed solution and a brief cost analysis. Following the project, the required CA specific questions are answered and can be found in the final part but are also listed in the summary.

2 – CORE CONCEPT MODEL ANALYSIS

According to BABOK Methodology, this stage is the beginning of the project and it is where the framework is designed. It consists in six core concepts: change, need, solution, stakeholders, value and context (IIBA, 2015).

Following you can find a brief table with the core analysis made for this project.

CONCEPT	DETAILS
Change	- Expanding NCI46 growing business by adding Ireland to the portfolio.
Need	- Creating detailed business analysis plan for acting on the steps of entering Irish market.
Solution	<ul style="list-style-type: none">- Marketing strategy execution;- Porting and/or adapting mobile app;- Implementing and/or porting Database;- Licensing of Legal, Financial and Government departments.
Stakeholders	<ul style="list-style-type: none">- Director;- Managers;- Legal;- Marketing;- Information Technology;- Central Bank / Government.
Value	<ul style="list-style-type: none">- Operating app and successful business model within Europe;- Already operating database;- Licensed by ECB (European Central Bank);- Recognized reputation of good services.
Context	- Expanding business to all European countries to be on par with competitors.

Table 1 – BACCM Table

Note that this is a brief draft of what the project might be in terms of the six values. A more detailed analysis simulation was made and can be found along the report.

3 – BUSINESS ANALYSIS PLANNING AND MONITORING

Having the BACCM table draft as a starting point, we are able to start performing the business analysis planning and monitoring, in which we will be analyzing the current market scenario, understanding competitors, analyzing foreseeable future, evaluating risks, defining the change/solution strategy, a brief cost estimation and stakeholder definition.

3.1 – Current Market Scenario and Foreseeable Future

Currently, the major traditional retail banks operating in Ireland are Bank of Ireland, Allied Irish Banks, Ulster Bank Ireland, EBS, KBC and Permanent TSB (Relbanks.com, 2017). There are also two popular mobile banking solutions operating in Ireland named Revolut and N26 (Ryan, 2019).

The scenario of online banking in Ireland is rapidly growing. From 2008 to 2018, users more than doubled, figures showing that 58% Irish citizens are adept of it versus 51% of EU average in 2018. It is also worth mentioning that the majority of online banking users are among 25 to 34 years, totaling 68% of EU age category (Taylor, 2018). There is a high possibility of growth in this mobile banking sector, especially in younger generations. Consumers aged between 18-24 years old represent an engagement in the segment of mobile banking of 82%, according to (Marous, 2017).

A survey conducted in 2018 reports what users want from a mobile banking app. The results are as follow: 94% wants to check balance and recent transactions, 58% wants to transfer money between accounts, 48% wants to deposit a check using the smartphone camera, 47% wants to pay a bill and 36% wants to locate the nearest ATM (Eisenberg, 2019).

3.2 – Current Business Model Diagram

For the sake of understanding what the competitors provide in terms of mobile solutions, the following diagram below retracts the most important mobile banking functions. Note that this diagram covers the functionality of the app itself and not the banking system per se but consider NCI46 is not adhering hubs/physical location.

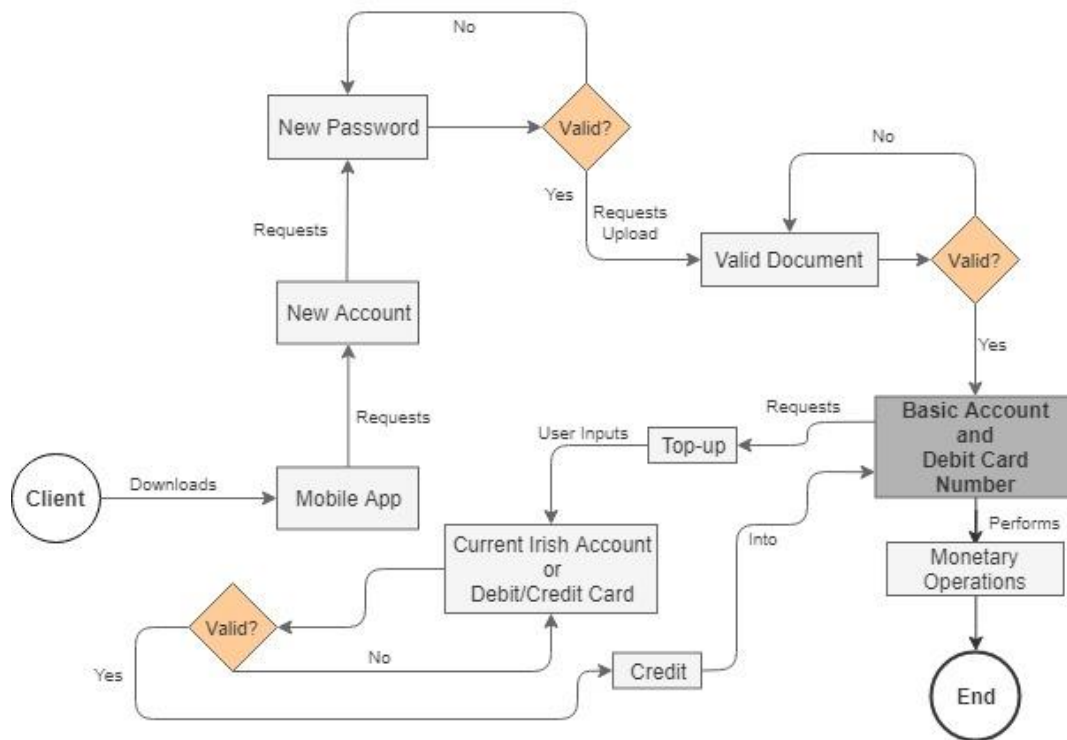


Figure 1: Personal Image – Competitor's Business Model

As you can observe above, this is a simplified model used by most of the mobile banking competitors at the moment. You can notice how is the interaction of the client from the moment the mobile app is downloaded to some of the most used operations in the market. Note that the diagram covers the processes of security, such as document and password/fingerprint requests, currently Irish bank account (in order to top-up the mobile banking account) for the creation of the basic mobile account.

3.3 – Risk Evaluation

According to (Central Bank of Ireland, 2014), in order for a bank to be legally able to operate in the Republic of Ireland, the entity must be licensed by the CBI (Central Bank of Ireland), which regulates price and financial stability by monitoring the financial system, forecasting potential risks and deciding on policies to support the economy. The most important role of CBI is to provide regulation and rules for financial services, including prudential regulations and consumer protection rules.

There is a European legislation that protects banks deposits in case of failure, named DGS (Deposit Guarantee Schemes). Under the Directive 2014/49/EU, European Union countries must transpose DGS provisions for all currently operative

financial institutions. This protects deposits of up to €100,000.00 and helps to prevent mass withdrawal in a case of bank failure that could potentially cause financial instability (European Commission, 2019).

In sum, an Irish established retail bank (Headquarters in Ireland) must be licensed by the CBI and operating under DGS provisions, however if the headquarter is not located in Ireland but is still within the European Union, the company is entitled to be operating in Ireland without CBI licensing, which is the case of Revolut and N26 (Keane, 2019).

As NCI46 is already in operation in another European countries, it is safe to assume that the bank is already licensed by the European Central Bank (ECB), therefore they will not be considered as a stakeholder nor something relevant for this project, at least in this stage. Furthermore, it is also safe to assume that the database as well as the mobile application are already developed, implemented and operative, not representing any major risks during the implementation changes. If Ireland customers do not accept NCI46 well and the company decides to abandon the Irish market for this or any other reason, the investment loss will be fairly low due to the easy implementation without any significantly priced investments.

3.4 – Change/Solution Strategy

Based on the information raised above, always considering the constraints of low budget for investment and no compromise in services, the proposed simulated solution can be divided in the following steps:

- Local marketing strategy plan focused on potential new Irish costumers for effective market penetration;
- Portability of already existing mobile application, providing the same services already offered in another countries;
- Necessary changes on the already existing database;
- Adaptation of customer service to provide assistance to Irish customers (hiring English speaking agents and training);
- Taking necessary legal actions in regards to provide banking services in Ireland.

3.5 – Cost Estimation

Considering NCI46 has an already operative business model in another European countries as well as mobile app, customer service department and database, the majority of the cost will be going on marketing strategies for effective market penetration. Other lower costs involved are legal actions, adaptation of customer service for the Irish market, app portability, database alterations (not hardware-wise) and the contracted Business Analyst for his services.

Please note that without a real deep business analysis, it is impossible to state a figure on this department.

3.6 – Stakeholder Definition

Following the BABOK Guide for this business analysis, A stakeholder is “a group or individual with a relationship to the change, the need, or the solution.” (IIBA, 2015). The list of stakeholders that we would probably be having contact with the project are:

3.6.1 – Board of Directors

This stakeholder is responsible for long term decisions and deciding which direction the company takes. Represents shareholders and the company's interests as a whole.

3.6.2 – Business Development Manager

The responsible for the development of the organization. Identifying opportunities, building long-term relationships and understanding the business analysis. The responsible for managing the internal stakeholders involved in the analysis and implementation of the business analysis.

3.6.3 – Head of Business Growth

Being the expert in the subject and knowing how the company operates. Understanding the market, competitors, business model, requirements and possible solutions.

3.6.4 – Head of Information Technology

The stakeholder leading the team responsible for implementing the software changes. This department is managing software development and maintenance, quality assurance, cybersecurity, database operations and customer support.

3.6.5 – Head of Marketing

Strategizing and implementing the organization's marketing campaign. The responsible stakeholder for introducing the bank into the Irish market, taking into account target audience, advertisement management and strategy plans.

3.6.6 – CBI - Central Bank of Ireland

Established in 1943, Central Bank of Ireland is the country's financial regulator, also part of the European System of Central Banks. Responsible for providing regulation and rules in the financial sector in Ireland as well as licensing financial entities.

3.6.7 – FISMA - Financial Stability, Financial Services and Capital Markets Union

This directorate-general regulates the policy in the area of Banking and Finance within the European Union countries. Responsible for DGS (Deposit Guarantee Schemes) provisions for all currently operative financial institutions.

3.6.8 – Chief Financial Officer

The responsible stakeholder for managing the company's finances, considering financial risks, investments reporting, planning and analyzing financial data.

3.6.9 – Head of Legal Department

Analyzing and identifying implications and risks of all business activities, making sure they are all following Irish and European laws. Researching in the legal sector and maintaining the BDM informed of all regulations that might affect the business.

3.6.10 – End User

The client in general, that will be using the bank's services in the Republic of Ireland. It's the last stakeholder, target audience. Protected by contractual rights, Irish and European legislations.

4 – ELICITATION AND COLLABORATION

Elicitation and collaboration is the step of the business analysis where the communication between the contracted analyst and the stakeholders take place. This is when the analyst gathers specific information from people on charge of the moving parts of the analysis. In this step it will be possible to understand the scope of the elicitation, select techniques, logistics and support material (IIBA, 2015).

According to BABOK, there are three common types of elicitation approach:

- Collaborative: Direct interaction with stakeholders;
- Research: Studying information from different sources not directly connected with stakeholders;
- Experiment: Identifying information that could only be gathered by a controlled set. It can't be defined by research or collaborative interactions.

Once with identification of stakeholders, we can now define the best method of communication with each of them. Following above, a table with detailed information about it:

STAKEHOLDER	APPROACH & METHOD	FREQUENCY
Board of Directors	Collaborative > E-mail	Biweekly
Business Dev. Manager	Collaborative > E-mail, phone, chat, in person	Daily
Head of Business Growth	Collaborative > E-mail, phone, chat, in person	Weekly
Head of IT	Collaborative, Research > E-mail, phone, chat	Weekly
Head of Marketing	Collaborative, Research > E-mail, phone, chat	Weekly
Chief Financial Officer	Collaborative > E-mail, phone, chat	Monthly
Head of Legal Dept.	Collaborative > E-mail, phone, chat	Monthly
FISMA	Research, Collaborative > E-mail, phone, chat	Monthly
CBI	Research, Collaborative > E-mail, phone, chat	Monthly
End User	Experiment > Surveys, Analytics from Ads	Once

Table 2 – Stakeholders Communication

4.1 – Power / Influence Grid

Following the definition of stakeholders and communication methods, we can now define the power and influence of each. Details below:



Figure 2: Personal Image – Power / Influence Grid

4.1.1 - Engage and Consult

* Business Development Manager: Responsible directly for the management of the internal company stakeholders. Necessary to engage and maintain close relationship due to high power and interest of the business analysis. Always give reasons behind decisions and updates and request regularly for feedback.

* Head of Marketing: The stakeholder responsible for the marketing. While they will not be actively involved in the research and development, they have to be updated, specially about app features, implementation status and dates so they are able to plan actions on advertisement, taking appropriate disclosing.

* Head of Business Growth: The subject matter expert stakeholder. Responsible for understanding all steps of the business, holding information about business requirements, possible market solutions. It is very important to engage with him to gather relevant data and to update possible changes in requirements due to technical challenges.

* Head of Information Technology: Responsible head for the IT sector. Very important for the project implementation in terms of software. Engage always when possible and gather feedback about already implemented solutions in the company's system and if possible, solutions and ideas being presented in the business analysis are practically doable. Same stakeholder responsible for collecting customer feedback data, customer service and important database information.

4.1.2 - Keep Satisfied

* Chief Financial Officer: The stakeholder responsible for the financial part of the corporation. While not as interested as the other bodies mentioned above, still powerful enough to cut resources and stop all the business analysis processes. It is important to keep this stakeholder satisfied and updated.

* FISMA: This is the European Financial Stability, Financial Services and Capital Markets Union stakeholder. It is important to keep them updated and understand all the requirements to be fully operative as a mobile banking system in Ireland. They have the power to stop the operations anytime if legal and security requirements are not met.

4.1.3 - Keep Informed

* Board of Directors: It is very necessary to keep them informed. While they will not have direct involvement with the project, they have high interest and a reasonably high power to stop it anytime if needed. They represent the shareholders and it is necessary to inform them the directions being taken within the business analysis.

* Head of Legal Department: A stakeholder working closely with FISMA and CIB, providing and gathering all legal information required for the operations in Ireland.

It is important to keep them informed about decisions made with BDM and Head of Business Growth so no legal repercussions might affect possible features.

4.1.4 - Monitor

* CBI: Standing for Central Bank of Ireland, CBI is the responsible stakeholder regulator of the financial sector in Ireland. It is important to monitor CBI in order to have updated and accurate information about retail banking in Ireland. It is positioned on the 'Monitor' quadrant because it is not necessary to hold a CBI licensing to operate mobile banking in Ireland but might be a crucial stakeholder in NCI46 wants to operate with hubs and/or have customer service hubs in Ireland.

* End User: They are the clients, the last stakeholder to be involved in the whole process. Able to provide acceptance feedback in form of experiment feedback.

While stakeholders were named as roles or functions for the purpose of this analysis, it is imperative to know who is the person in charge for each one of them and refer to them directly in regards to their respective functions in the business analysis implementation.

4.2 – RACI Matrix

A RACI Matrix was created in order to visualize and organize the tasks during the project as well as delegation to the responsible stakeholders. This is made in order to avoid situations when people are unsure on what actions take and/or who is accountable or responsible for a determined task.

RACI MATRIX										
NCI46 Mobile Bank	Project Leadership			Project Team Members				External Contributors		
GLOSSARY	Board of Directors	Business Development Manager	Head of Business Growth	Head of Information Technology	Chief Financial Officer	Head of Marketing	Head of Legal Department	CBI	FISMA	End User
R - Responsible										
Responsible for ensuring the item is completed.										
A - Accountable										
Responsible for performing or completing the item.										
C - Consulted										
Expertise is required to complete an item.										
I - Informed										
Keep informed in regards to an item.										
1. START	START									
- Project Request	C	R	A		C	I				
- Definition of Metrics		A	R	C	C	C	C			
- Documentation Gathering		R	I	A			A	C	C	
- Solution Research	I	A	R	C		C				C
- Development of Business Case		R	A	C	C	I	I			
2. PLAN	PLAN									
- Creation of Schedule	C	A	R	I	I	I	I	C	C	
- Software Design Scheme		R	C	A	I	C	C			
3. EXECUTION	EXECUTION									
- Software Coding and Testing		R	I	A	I					
- Database Implementation		R	I	A	C					
- Regulators Licensing		R	C		C		A	C	C	
- Marketing Campaign	I	R	I		C	A				C
- Status Report	I	A	C	C	I	C	C	C	C	
4. CONTROL	CONTROL									
- Perform Change Management	C	R	A	C	C	C	C			
5. CLOSURE	CLOSURE									
- Reviewing and Approval	A	R	R		A	I				
- Project Closure Report	I	A	R	I	I	I	I			

Figure 3: Personal File – RACI Matrix

4.3 – Business Management Process Notation Diagram

The BPMN diagram was created in order to have a graphical representation for the specific processes involved during the business analysis.

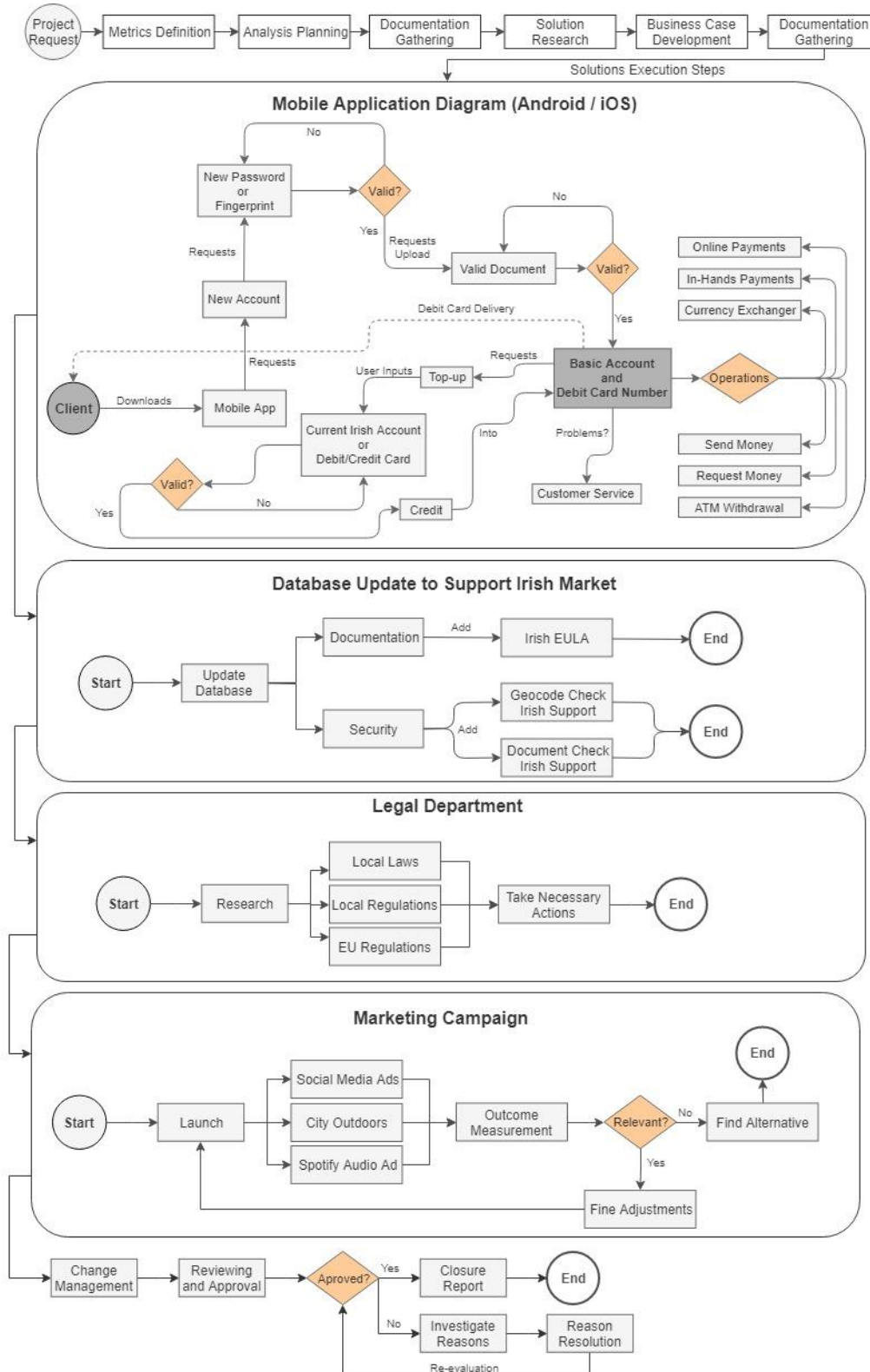


Figure 4: Personal File – BPMN Diagram

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