



## **Banking with Purpose: Values-Based Growth**

---

**Customers and employees expect the organizations they deal with to stand for something beyond selling a product or service, with relationships built on shared values and empathy. For banks, this means truly standing for something or standing aside. Now is the time to reframe purpose.**

To most people, banks are by default neutral and impartial. This is a double negative. It makes them bland and boring from both an employee and customer experience standpoint. It also means they are perceived as indifferent financial enablers of evils ranging from environmental harm to social injustice.

Purpose has been the corporate buzzword for some time. There has been plenty of talk about purpose and business responsibility, but it has been outpaced by demands from customers, employees, regulators and investors—spurred by a new generation of social activists—that companies scale up their corporate social responsibility (CSR) policies and initiatives and, generally, abandon traditional practices designed to advance only their own interests.



**Banking with Purpose:  
Values-Based Growth**

COVID-19 has accelerated this, pressure-testing the talk beyond CSR in healthcare systems, governments and also banking. As banks were called to the frontline of supporting economic life upended by the crisis, many stepped up by forgoing fees to provide advice and access to government-sponsored assistance programs—especially those for small businesses.

Historically, very few companies have managed authentically to live up to their stated purpose—their expensive communication campaigns are often perceived by customers and employees as shallow or, worse, as purpose-washing. This dissonance can erode trust in any industry; in banking, which people and businesses depend on to safeguard their livelihood, this erosion is even more problematic.

In the summer of 2020, according to our Global Banking Consumer Study<sup>1</sup>, 29 percent of customers trusted their bank to look after their long-term financial wellbeing, down from 43 percent two years before. This is a critical finding, not least because our Purpose-Driven Banking Survey revealed that the most trusted banks achieve revenue growth that is on average one-third greater than that of their peers.<sup>2</sup>

On the employee side, one in three employees worldwide strongly agrees that the mission or purpose of their organization makes them feel their job is important.<sup>3</sup>

As the recession brings additional financial pressure and banks need to improve profitability, it will be tempting for banks to revert to business as usual. This means the purpose momentum built during the pandemic might dissipate quickly.

Committing to an enduring purpose-driven approach will require bold leadership and, at least in the short term, economic trade-offs. It also means navigating an uncertain political landscape and balancing the interests of customers and shareholders. This is more challenging for traditional banks, which need to manage the transition from their legacy model, than it is for newcomers, many of which have designed their business model around helping customers manage their finances more effectively.

Building on our Purpose-Driven Banking Survey, we believe that banks now have a unique opportunity to reframe purpose from a branding exercise to a strategic asset, to drive enduring business value.<sup>4</sup>



## Challenge

Purpose should not be claimed, it should be revealed and experienced. To feel authentic, it should pervade every internal and external interaction and be sustained over time. To be experienced, it needs to be woven into the core of a company's culture, business model and operations. In the US, 89% of consumers surveyed agreed that the most important way for a company to articulate its purpose is from within, operating in a way that benefits society and the environment.<sup>5</sup>

Banks can become hyper-relevant by embracing their meta-purpose—being the infrastructure for systemic values-driven growth. Banks are uniquely positioned to influence the direction of capital in their

ecosystem toward more equitable and sustainable value-creation opportunities.

Banks also have a unique opportunity to align value and values. They can do this by focusing on customers' financial well-being in a win-win relationship that delivers long-term profits through increased retention and long-term customer value. This value is driven by increased trust, which makes it easier for banks to cross-sell advisory and other products, and by more entrenched relationships with customers whose financial status improves steadily.

The challenge is to build experiences that bring purpose to life.

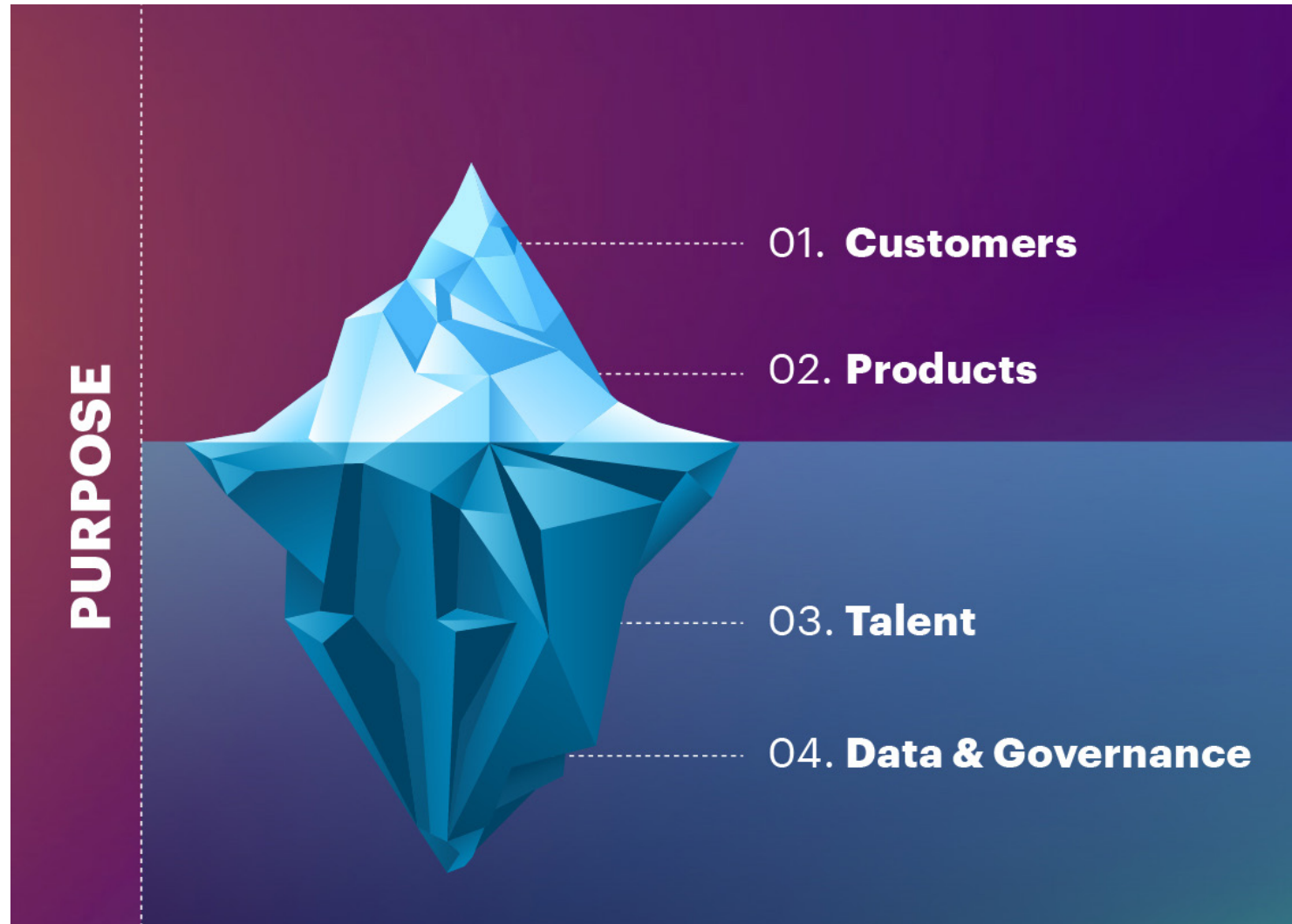


## Solution

Banks can build experiences that bring purpose to life by capitalizing on opportunities in four areas of their business.

### **How Can Banks Build Experiences that Bring Purpose to Life?**

Connect the front-end (product, services, communications) to the back end (operating model, governance, data) to create fundamentally differentiated value propositions for all stakeholders.



## **1. Customers: Re-establish the role of the banker as a trusted financial wellness partner for customers and communities.**

Historically, the bank—along with a place of worship and a market—was a pillar of town, and the banker was a key figure in a community's local economy. With increasingly diverse communities served by large and often impersonal, homogenous bank networks, this connection with local communities has been lost for the next generation of customers.

Low-income communities in particular lack safe and reliable access to personal and small-business banking services. As of May 2019, 21% of Americans were “underbanked,” meaning they need to use alternative (often predatory) financial services to make ends meet. It is a phenomenon that is twice to three times as likely to affect Hispanic and Black communities compared to white communities.

This disengagement from the bank is also problematic among mid-market communities.<sup>6</sup>

There are 2.2 billion people worldwide whose net worth in 2019 was between \$10,000 and \$1 million.<sup>7</sup> Those above \$1 million typically have access to financial advice, but this group does not. As a result, many consumers from this “neglected middle”—especially the younger ones—don't see the value of having a relationship with a bank and turn to neobanks to minimize friction.

Relying on predatory strategies with these segments is not sustainable. Some 5% of banks' retail revenue is at risk as regulators and digital competitors act to help consumers avoid the cost of bad decisions, our analysis shows.<sup>8</sup> The real opportunity lies in re-establishing a trusted partner relationship by proactively helping customers avoid the fees that these decisions result in and, generally, become better at managing their finances. This is a long-term play that will require banks to invest in these relationships in the short term.



In the past few years, banks' response has been to start reimagining their branch concepts into "lifestyle spaces," offering convivial perks such as co-working/coffee spaces. COVID-19 has put a stop to these efforts, however, raising questions about their future business case.

We can reinvent the role of the banker as a trusted financial wellness partner by:

**Anchoring local relevance not on a physical space but on personal intimacy.**

This is enabled by the right blend of digital and physical.

- Combine the convenience of digital channels for everyday efficiencies with meaningful human touchpoints supporting key "moments that matter" in the consumer's life, where advice and education are best delivered in-person (face to face or remotely).
- Engage customers on tailored "financial wellness" learning paths by combining rich immersive digital experiences and community connections, taking inspiration from fintech players such as Ellevest, a membership-based financial coaching app for women.<sup>9</sup>

- Optimize branch formats to ensure maximum accessibility (with a virtual branch combined with a service kiosk, for example, or a "bank on wheels" that can rotate across neighborhoods).

**Embracing long-term strategies to co-develop wealth locally.**

This involves empowering customers to build up their wealth, something that will also benefit the banks that serve them, as they graduate to become higher-value customers with better prospects of contributing long-term profits.

- Develop affordable banking offerings leveraging digital-only models, as Banco Santander, with its Superdigital platform, has done in Chile, Mexico and Brazil.<sup>10</sup>
- Develop credit access programs. Open up access to financing to otherwise excluded consumers and small- and medium-sized businesses (SMBs) by building new approaches to underwriting, leveraging new data sources and the power of artificial intelligence, and equipping customers with the financial literacy and nudging mechanisms to pay back in time.



- Adapt payment form factors to support local ecosystems—from mobile-based money transfers such as M-Pesa in Africa—to local currencies based on distributed ledgers that support the constant flow of cash within communities, as with the Bristol Pound.

**Inspiration:**

**American Express** has a "Designed for Small Business" mantra and, with its seven-year-old Shop Small campaign, it has demonstrated a long-term commitment to SMBs that is now deeply associated with the brand and perceived as authentic.<sup>11</sup> In response to COVID-19, Amex committed \$200 million to Shop Small and \$1 billion to an action plan to promote racial, ethnic and gender equity for colleagues, customers and communities.<sup>12</sup>





## 2. Products: Differentiate offerings with purpose.

Until now, competitive rates and convenience have been the leading criteria in customers' choice of banking services providers. But soon, neither will be a sufficient differentiator.

Some eight in 10 consumers say purpose is at least as important to them as customer experience, according to our Business of Experience study.<sup>13</sup> And when it comes to their banking habits, consumers are growing increasingly uncomfortable as they suspect their money might be working against their own values.

Mighty Deposits<sup>14</sup> in the US and Moralscore<sup>15</sup> in France are among the growing resources now emerging to help customers analyze corporate practices that conflict with their set of priority concerns and values.

As this accelerates, customers are adding ethical considerations to the value they expect from banking products. Some 57% of consumers would want advice and tips from their bank or insurer on how to act more sustainably, our 2020 Global Banking Consumer Survey found.<sup>16</sup>

We can help customers put their money to work in alignment with their values by:

### **Recognizing consumers' unique sets of values**

- Articulate transparent investment principles, explaining how the bank's funds are used and allocated and clarifying trade-offs, using plain language and relatable examples.
- Allow customers to prioritize the dimensions that matter the most to them (local community support, environmental impact and so on) by selecting from a set of differentiated, modular product offerings.

### **Innovating with "win-win" offerings**

- Harness the power of community banking by offering customers the opportunity to invest in their community, taking inspiration from successful initiatives like immigrant saving groups.<sup>17</sup> Envision new models, such as adapting micro-credit to the developed world through crowdfunding-type platforms. The Italian banking group Intesa Sanpaolo's For Funding<sup>18</sup> crowdfunding initiative is one example.



**Banking with Purpose:  
Values-Based Growth**

- Develop targeted savings products, including savings accounts and CDs, taking inspiration from green deposits, that enable companies to contribute towards projects that benefit the environment.<sup>19</sup>

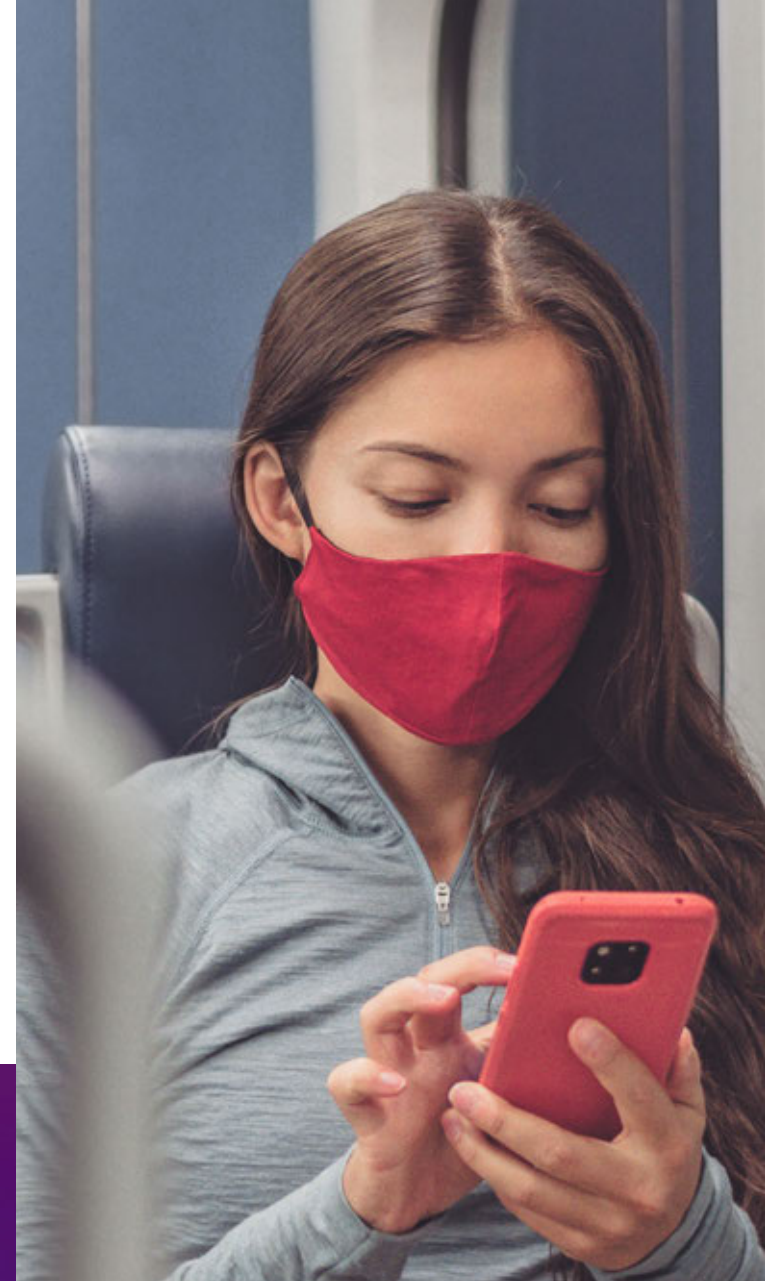
**Developing tools that help consumers align their spending behavior with their values**

- Offer checking accounts that help track carbon footprints, as well as offer a credit card that prevents customers from overspending their carbon budget—as Mastercard did with its DO Black card<sup>20</sup>—or reward them with carbon offsets.
- Offer preferential mortgage rates for energy-efficient properties, like Barclays has done with its Green Home Mortgage in the UK.

**Inspiration:**

**Triodos**, a Netherlands-based bank with over 720,000 customers in five EU countries, is a pioneer of a new approach to banking. It commits to lending money deposited by consumers (through certificates of deposit, checking and savings accounts) exclusively to positive-impact projects, and provides transparent visibility into the companies and organizations where it is invested.<sup>21</sup>

New players emerging in this dynamic market segment include Ando, which launched in the US in January 2021 and offers best-in-class mobile banking services paired with transparency of initiatives supported through their deposits.<sup>22</sup>





### **3. Talent: make banking a dream job again, super-charged with purpose and diverse perspectives.**

Banking is no longer the dream job for top university graduates; tech is. This is because there is a crisis of purpose. Banking jobs used to have huge prestige, earning bankers social currency in addition to financial rewards. But since the financial crisis of 2008, both seem to have diminished.

This talent appeal crisis is even more problematic at a time when banking is under pressure to reinvent itself and needs top talent to do that.

In order to become the systemic infrastructure of more responsible capitalism, banking needs to broaden its approaches and skillsets to include non-traditional disciplines such as behavioral science and environmental sciences. The new emerging roles that require these skills and outlooks don't have a pipeline of senior talent ready to step in. In this respect, diversity is the answer. Diverse teams are proven to solve problems more creatively and to reach better outcomes, starting with the ability to attract a more diverse customer base.

Until now, inclusion and diversity policies have failed to penetrate most organizations and meaningfully transform banking culture. Companies and regulators may have set quotas around diversity, but minorities and women are still starkly underrepresented and experience higher-than-average turnover rates.

In the US, the boards of directors of the largest financial institutions are comprised of only 29% women and 17% minorities, compared with the population make-up of over 50% women and 40% minorities. Further, less than 1% of megabank spending is devoted to diverse asset managers and suppliers.<sup>23</sup>

We can make banking the dream job again by crafting purpose from within, co-creating jobs of tomorrow and investing in diversity as a core differentiator.



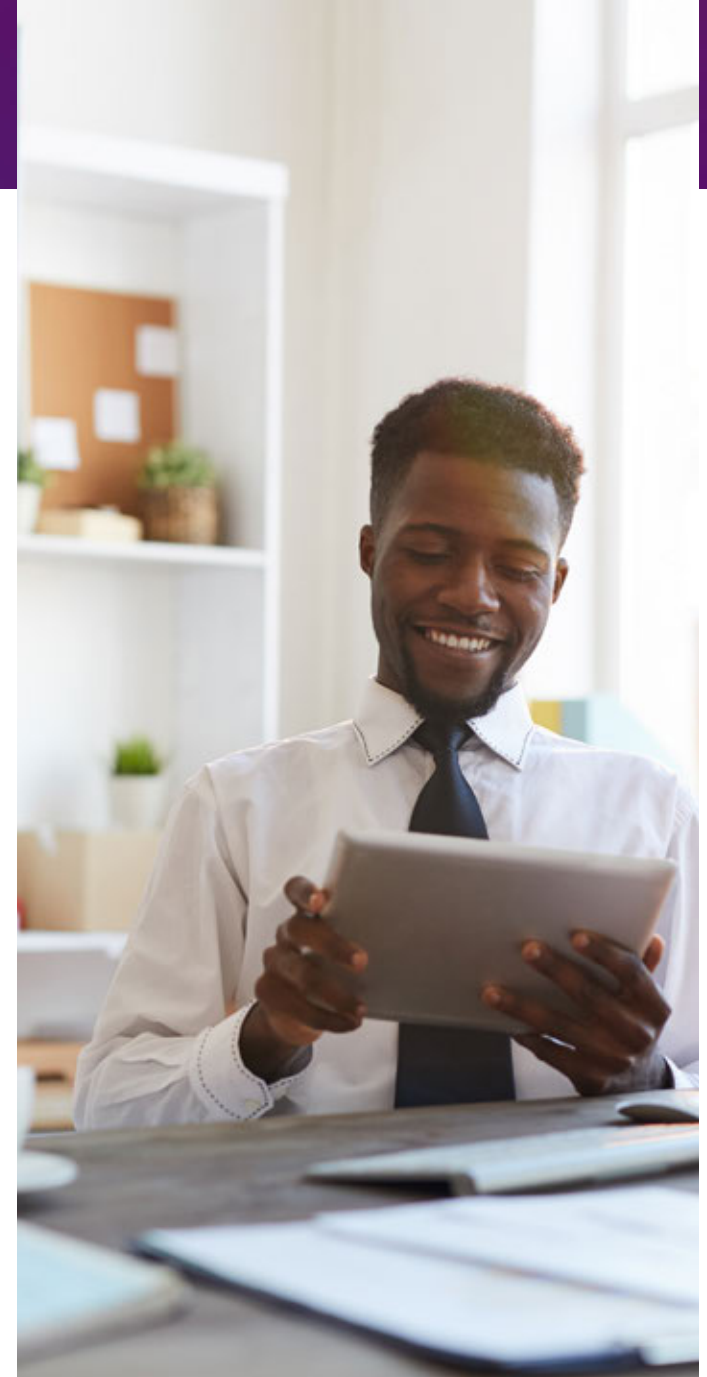
**Crafting purpose from within before communicating it externally.**

- Lead by example and tangibly connect employees to the bank's purpose by incorporating clear, relevant metrics into their performance evaluation criteria. This is an essential step to making purpose a core part of employees' jobs, rather than a nice-to-have distraction from the real business priorities. It also connects them meaningfully with the concrete impact their job is having on customers and communities.

**Co-creating the jobs of tomorrow** in collaboration with employees, putting in place apprenticeship programs with individuals from diverse backgrounds, and creating a stronger culture of experimentation and innovation, all with the goal of incubating the next generation of values-driven bankers.

**Investing in diversity as a core differentiator** at every point of the employee lifecycle, creating a long-term symbiotic relationship with the communities served:

- **Connect and educate:** Proactively develop and mentor talent early on, partnering with community youth programs to prepare and connect students with internships, for example. Initiate programs aimed at spreading financial literacy in underrepresented communities.
- **Attract and recruit:** Broaden talent pools and redefine "target schools" in order to hire from historically black colleges and universities, for example. Eliminate bias in intelligent recruiting algorithms and leverage them to prioritize potential over pedigree.
- **Engage and develop:** Create networks for rotational programs and develop new ways for workers to explore career pathways. Encourage courageous conversations about identity and equity.
- **Measure and retain:** Deploy a data-driven approach to staff retention, acquiring insights into the drivers of high engagement for diverse groups in the workforce. Use root-cause analysis to identify bias points and progression gaps in the employee experience, and then address them overtly and wholly.





## 4. Data & Governance: drive purpose-led data and governance.

The crux of the challenge for business leaders seeking to achieve values-driven growth is, in Peter Drucker’s words: “If you can’t measure it, you can’t improve it.” Like their counterparts across industries, bank leaders currently lack the tools to build successful purpose-driven strategies and articulate them to their customers and employees.

Environmental, social and corporate governance (ESG) criteria remain a marginal risk-mitigation consideration for top management when they should be a core driver of value-creation in day-to-day field operations. This is because of the absence of a universally recognized framework to measure and compare impact-related performance, and the lack of reliable data to integrate into employees’ workflows.

Some 94% of financial companies in the S&P 500 delivered an ESG report in 2019—a dramatic increase from the roughly 60% that did so in 2014. But the reports generated today still use disparate frameworks, making the data inconsistent and hard to compare.<sup>24</sup>

As banks have usually been at the forefront of adopting innovative information systems to track and commodify financial flows, we believe they are uniquely positioned to pioneer best-in-class systems that can normalize non-financial currencies into authenticated, actionable frameworks.

Banks can lead or join a coalition of players capable of establishing a specific impact measurement framework for banks, implementing a purpose-driven infrastructure and realigning incentives.

### **Inspiration:**

**Arabesque** is working with Accenture to help banks diagnose and continuously monitor ESG data of 7,000+ of the world’s largest listed corporations. The Arabesque S-Ray™ intelligent platform allows banks to maximize their sustainability portfolios by leveraging UN’s Global Compact scores, ESG data and unique preferences filters allowing the bank to define screening criteria and revenue thresholds.<sup>25</sup>



### **Establishing a specific impact-measurement framework for retail banks.**

- Co-create at ecosystem level by including a diverse set of stakeholders, leveraging inputs from field employees, financial inclusion advocacy groups, local government and so on.
- Establish a common set of definitions and performance standards that can be reported against and audited to measure impact across multiple dimensions that are most relevant to a bank's activities.
- Recognize the long-term vs short-term tension. Purpose-driven opportunities are a long-term play and banks need to evolve their metrics to accommodate performance horizons that span beyond the standard reporting cadence. This new framework also needs to empower banks to transparently communicate, to shareholders, their environmental business case and how the sacrifices made today (such as renouncing the share of the lending market that is not aligned with the bank's ESG standards) are an investment in tomorrow's performance.

### **Implementing a purpose-driven data infrastructure.**

- Build the foundational data collection and analytics and visualization platforms that

will empower employees and corporate leadership to access, analyze and build intelligence around these matters, and then use it as a core management tool.

- Make impact visible and relatable by communicating against this framework to every stakeholder: most importantly shareholders, employees, customers and regulators. Do this using plain language and relatable comparison points. Also report on progress made, with transparent acknowledgement of setbacks and improvements yet to be achieved.
- Develop human-centric learning experiences, adapted to each stakeholder, to enable cross-industry adoption. Draw inspiration from initiatives such as Kering's Environmental Profit & Loss initiative<sup>26</sup> and The SASB Materiality Map<sup>®</sup>.<sup>27</sup>

### **Realigning incentives.**

- Integrate holistic purpose-driven KPIs at the core of every key process and workflow, by aligning internal and external reporting and redesigning individual and collective incentive structures across customer-facing and leadership positions.



## **A Final Thought**

Banking is the next frontier of responsible capitalism.

It is becoming the focus of customers' scrutiny, as people grow more mature in their sustainable expectations and expand them to more and more domains. Banking is also a systemic industry that has cascading effects on all others, so that change can have an exponential impact.

While it became synonymous in recent decades with the aggressive pursuit of financial returns, banking has a unique opportunity to restore the original meaning of the word fiduciary: "trust."

To achieve this, banks need to rediscover their holistic purpose of promoting the financial wellbeing of their customers, and reconnect with their social values. Those that succeed will unlock the true ROI of purpose.



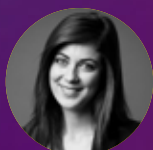
# Authors



**Anne Bertelsen**  
Managing Director  
Accenture Interactive, Banking



**Susan Owens-Murphy**  
Senior Manager – Fjord,  
a part of Accenture Interactive



**Caroline Siouffi**  
Senior Designer – Fjord,  
a part of Accenture Interactive

## About Accenture

Accenture is a leading global professional services company, providing a broad range of services in strategy and consulting, interactive, technology and operations, with digital capabilities across all of these services. We combine unmatched experience and specialized capabilities across more than 40 industries — powered by the world’s largest network of Advanced Technology and Intelligent Operations centers. With 514,000 people serving clients in more than 120 countries, Accenture brings continuous innovation to help clients improve their performance and create lasting value across their enterprises. Visit us at [www.accenture.com](http://www.accenture.com)

## Accenture Interactive

Accenture Interactive helps the world’s leading brands transform their customer experiences across the entire customer journey. Through our connected offerings in design, marketing, content and commerce, we create new ways to win in today’s experience-led economy. Accenture Interactive was ranked the world’s largest and fastest-growing digital agency in the latest Ad Age Agency Report. To learn more follow us @ [accentureACTIVE](https://twitter.com/accentureACTIVE) and visit [www.accenture.com/interactive](http://www.accenture.com/interactive)

This content is provided for general information purposes and is not intended to be used in place of consultation with our professional advisors.

This document refers to marks owned by third parties. All such third-party marks are the property of their respective owners. No sponsorship, endorsement or approval of this content by the owners of such marks is intended, expressed or implied

Copyright © 2021, Accenture. All rights reserved. Accenture and its logo are registered trademarks of Accenture.

Images from ©AdobeStock

## References:

- 1 Banking Consumer Study: Making digital more human (Accenture, December 2020, [Link](#))
- 2 Purpose-driven Banking: Looking Beyond COVID-19 (Accenture, June 9, 2020, [Link](#))
- 3 What Millennials Want Is Good For Your Business (Gallup, March 22, 2019, [Link](#))
- 4 Purpose-driven Banking: Looking Beyond COVID-19 (Accenture, June 9, 2020, [Link](#))
- 5 How To Build Deeper Bonds, Amplify Your Message And Expand The Consumer Base (Cone/Porter Novelli Purpose Study, 2018, [Link](#))

- 6 Report On The Economic Well-being Of US Households In 2018 - May 2019 (Bank of Governors of the Federal Reserve System, [Link](#))
- 7 Credit Suisse Global Wealth Databook 2019 ([Link](#))
- 8 Purpose-driven Banking: Win Customer Trust (Accenture, March 10, 2020, [Link](#))
- 9 Ellevest ([Link](#))
- 10 Superdigital: making banking more accessible in Latin America (Santander, September 2, 2020 [Link](#))
- 11 American Express Commits More than \$200 Million to Help Get Customers Shopping Small with its Largest-Ever Global Shop Small® Campaign (American Express, September 8, 2020, [Link](#))
- 12 American Express Announces \$1 Billion Action Plan to Promote Racial, Ethnic and Gender Equity for Colleagues, Customers and Communities (American Express, October 29, 2020, [Link](#))
- 13 Business of Experience Report (Accenture, 2020) ([Link](#))
- 14 Mighty ([Link](#))
- 15 Moralscore ([Link](#))
- 16 Rapid Shift To Digital Banking During COVID-19 Accelerating Erosion Of Trust (Accenture, December 7, 2020, [Link](#))
- 17 How Immigrants Saving In Small Groups Provide “Credit Where Credit Is Due” (Transform, March 8, 2019, [Link](#))
- 18 For Funding ([Link](#))
- 19 Green deposits and sustainable investment (Treasury Today, December 2020, [Link](#))
- 20 DO Black – The World’s First Credit Card With A Carbon Limit (Mastercard, April 30, 2019, [Link](#))
- 21 Triodos ([Link](#))
- 22 Digital Bank Ando promises transparent green investments (Banking Dive, February 1, 2021, [Link](#))
- 23 Committee Finds More Work Is Needed To Improve Megabanks (US Committee on Financial Services, August 13, 2019, [Link](#))
- 24 Trends On The Sustainability Reporting Practices Of S&P 500 Index Companies (Governance & Accountability Institute, [Link](#))
- 25 Accenture Invests in Arabesque S-Ray to Expand Analytics Capabilities for Clients Seeking Growth from Sustainability (Accenture, March 17, 2021, [Link](#))
- 26 Kering Environmental Profit& Loss ([Link](#))
- 27 Sustainability Accounting Standards Board (The SASB Materiality Map, [Link](#))

