



The Art of Making Strategy ~ Simple

10 Lessons that we can learn from
ING Direct (Australia)

“Complexity means distracted effort. Simplicity means focused effort”

Edward De Bono: Simplicity (Viking; 1998)

Upon entering the foyer of ING Direct Australia, I was greeted warmly by the receptionist, ‘You must be Ian Campbell. I was expecting you. You look as if you could do with an ice cold drink – what would it be?’ It was one of those very hot barmy days in Sydney – the type of day where your clothes stick to you like a postage stamp to an envelope. ‘A mineral water would be good – thank you,’ I gasped – and that was my introduction to ING Direct Australia.



They work hard at making things simple

One thing that hits you the moment you walk into ING Direct Australia is the energy that seems to permeate the place - from the people coming and going, to the animated discussions happening at desks, to the posters on the walls showing how the various departments are tracking to targets.

The place is alive – and the pace is fast. You can not help but get caught up in it. Maybe it is the simplicity of the office layout. There are no individual offices; everything is open plan with a few meeting rooms dotted on each floor. In fact, simplicity is something that the company prides itself on.

They work hard at making things simple, not only for their customers but also for their employees. Simplicity is what has made them one of the most successful banks in the world. Personally, I think their success goes well beyond simple office design – although that helps



ING Direct Australia is the 5th largest mortgage lender in Australia with \$38bn in mortgage loans and \$26bn in deposits. It has approximately 1.4 million customers and invests only in high quality assets. It pioneered branchless banking in Australia and it delivers simple, straight forward & good value products. It is one of the very few companies that in my opinion truly understands the nature of customer service and it is this understanding that has ensured that its customer service team is the envy of its competitors.

“ING Direct is one of the very few companies that truly understands the nature of customer service.”

The leadership team works hard at creating a working environment that is exciting, challenging and evolving for its employees. Management encourages its people to do things differently and to make decisions. There is a buzz to this company that is contagious and what is impressive – everyone without exception is focused.



Its current CEO Vaughn Richtor started ING Direct in Australia in 1995 and was the CEO until 2006 when he moved first to India to turnaround operations there and then on to Singapore to watch over the ING Group's Asian operations. In 2012 he returned to Australia as CEO of ING Direct Australia and CEO of ING Retail banking Asia.

Much of the company's success in Australia can be attributed to Vaughn's leadership style and his inherent beliefs and values. He has a genuine respect and a belief in his people and the important role that culture plays in the success of an organization. In fact, if you were to personify 'simplicity' it would be Vaughn, from the way he approaches his e-mails to how he conducts meetings and to how he communicates.

"Successful leadership" he argues "comes from having a strong vision that's understood across all levels of the organization." During the time that I was there, what is very apparent is that not only is the vision understood, but it is reinforced through every single touch point that the leadership team and employees have in the company and is again reinforced in their dealings with their customers.



Simplicity is not just a 'buzz' word – it is ingrained in their culture

And talking about culture, if there is one thing that Vaughn is passionate about, it is the culture within ING Direct Australia. “We are all culture managers” he suggests, “it has to be part of what we do every day, and to be successful culture must be embedded right throughout the organization and be owned not just by the leadership team, but by every member of staff.”

To that end, Vaughn is very conscious of the role that symbols both tangible and intangible play in reinforcing the culture. For example, prior to moving back to Australia, one of the things that he advised his predecessor was to move out of the large office that he had inherited and into the open plan. The office is now used as a meeting room.

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‘Individual offices create barriers between management and staff and add complexity. By being accessible, people are more engaged, decisions are made quicker and we react faster. Will our customers benefit from me having my own office?’ he asks. ‘No, they’ll in fact be paying for it in some form or another, so I don’t have my own office. I have the same style desk, chair and PC as everyone else at ING Direct. It’s just the way we do things here; it’s our culture.’

“Will our customers benefit from me having my own office?”



The one page strategy document

Another thing that Vaughn did when he moved back was to take the 8 page strategy document and condense it on to one page. “Having to condense your plan on to one page forces you to simplify, to focus on what is important and it makes it so much easier to communicate your strategy throughout the organization.”

“Every individual knows how their day-to-day activities support strategy.”

In fact the leadership team takes the one page and cascades it throughout their departments linking individual performance indicators to the 4 measures of the company that are clearly highlighted on the one page. Lisa Claes, Executive Director Distribution stresses that “every individual in the company knows what our strategy is and how their day-to-day activities support it. Every one is aligned with strategy.”



John Arnott, Director Products concurs, “even our vendors have ‘skin in the game’ and are aligned with our strategy. It is a living document that we use to determine what we can do, what we have to stop doing and what we need to start.”

As a living document, the strategy is not fixed. It is continually evolving as the environment and circumstances change and it is the leadership team’s responsibility to continuously reset the direction – much as a pilot will do when adjusting the flight of an aeroplane that drifts off course because of outside winds. These are tweaks in strategy and not major strategic shifts.

According to Vaughn, a mistake that a lot of CEO’s do when first moving into an organization, is to toss out the strategy and change the structure. ‘We had a good strategy; it was just weighed down by too much paper!’



There are no silos at ING Direct. As John points out “we share our objectives and our KPI’s and it is not uncommon for someone from another division to step in and help a colleague that is having difficulty meeting a KPI measure in a particular period. We are all accountable for the results of the company and what we do individually and as a team impacts the company and our customers - so why wouldn’t we help each other!”

The drive by companies to outsource their Call Centres, often overseas, astounds Vaughn. “Not only are you forfeiting direct control of your customer’s experience, you’re also in a position where you have to manage the culture of another company too. Straightaway, there’s a ‘disconnect’ between your customer and your organization.”

“Outsourcing your call centres forfeits your direct control of your customer experience.”



Ten lessons we can learn

In summary, what are the 10 lessons that we can learn from ING Direct Australia:

- 1. Fight hard for Simplicity in all its forms**
- 2. Pay close attention to Symbols**
- 3. Believe in your people & make them accountable**
- 4. Reinforce your culture at every touch point**
- 5. Keep your strategy to one page and throw away the multi-page document**
- 6. Cascade your strategy throughout the organization & make it the responsibility of everyone**
- 7. Keep measures & targets visible throughout the office**
- 8. Align and Share KPI's**
- 9. As strategy is continuously evolving – keep it alive**
- 10. Never, give up control of your customer experience**

'Dealing with complexity' wrote De Bono, 'is an inefficient and unnecessary waste of time, attention and mental energy. There is never any justification for things being complex when they could be simple.' (Edward De Bono: Simplicity; Viking; 1998)



About the Leadership Series

The Leadership Series is a series of interviews carried out by Valufacture Solutions with industry and community leaders with a particular focus on strategy and strategy execution. The purpose of which is to share successful strategic practices and ideas

About Valufacture Solutions

Valufacture Solutions specialize in strategy and strategy execution, and create value for companies by making sure that the results companies achieve are in tune with their strategic expectations