

การรื้อปรับกระบวนการงานทางธุรกิจที่สาขาของธนาคารค้าปลีก



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ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

BUSINESS PROCESS RE-ENGINEERING FOR RETAIL BANK'S BRANCHES

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A Thesis Submitted in Partial Fulfillment of the Requirements
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Regional Centre for Manufacturing Systems Engineering

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กรณีศึกษา : การรีออกแบบกระบวนการทางธุรกิจที่สาขาของธนาคารค้าปลีก (BUSINESS PROCESS RE-ENGINEERING FOR RETAIL BANK'S BRANCHES) อ.ที่ปรึกษาวิทยานิพนธ์หลัก: ผศ. มานพ เรียวเดชะ, 236 หน้า.

วัตถุประสงค์ของการวิจัย คือเพื่อพัฒนาโครงสร้างสถาปัตยกรรมธุรกิจใหม่ โดยนำมาซึ่งการเปลี่ยนแปลงรูปแบบการทำงานของสาขา ธนาคารค้าปลีกแห่งหนึ่ง เพื่อที่จะเพิ่มความคล่องตัวในการผลิตและออกแบบสินค้าและบริการใหม่และสามารถตอบสนองต่อความต้องการลูกค้าในตลาดได้รวดเร็วขึ้น

หลักการในการพัฒนา คือหลักการรีออกแบบธุรกิจของบริษัท IBM (IBM's Business Reengineering Methodology) และ แบบโครงสร้างสถาปัตยกรรมองค์กร (Enterprise Architecture Framework) ซึ่งประกอบไปด้วยส่วนต่างๆ ดังต่อไปนี้ *Business Architecture, Information System (IS) Architecture, Technology Architecture, Strategic Gap Analysis และ Transition* โดยที่การพัฒนาจะเน้นไปที่ Business Architecture ของกระบวนการของสาขา เริ่มด้วยการศึกษาวิเคราะห์ที่ทั้งอุตสาหกรรมนั้นๆและบริษัทที่สนใจ รวมถึงปัญหาและเป้าหมายที่พึงประสงค์ ของธนาคารแห่งนี้ หลังจากนั้นจะมีการวิเคราะห์ปัจจัยภายนอกที่มีผลต่อองค์กรในเชิงกลยุทธ์ เพื่อที่จะได้เข้าใจตำแหน่งที่เป็นอยู่ในปัจจุบันในโลกธุรกิจและความสัมพันธ์กับบุคคลหรือองค์กรอื่นๆ โดยต่อไปบริษัทจึงสามารถที่จะกำหนดจุดยืนทางธุรกิจต่อไปได้ถูกต้อง โดยจะมีส่วนประกอบที่ออกมาทั้ง 3 ส่วนหลักๆ ได้แก่ Market Segment, Business Strategy และ Value Proposition ขั้นตอนต่อไปคือ Capability Configuration จะช่วยให้ธนาคารสามารถบ่งชี้ Capability ที่จำเป็นต้องมี เพื่อให้สอดคล้องอย่างดีเยี่ยมกับ ส่วนประกอบทางกลยุทธ์ที่ได้กล่าวไว้ข้างต้น หลังจากนั้น องค์กรจึงจะสามารถระบุได้ว่า Resource ที่จำเป็นต้องมีคืออะไร โดยผ่านกระบวนการ Enterprise Capabilities

สิ่งที่ได้รับจากการวิจัย คือ blueprint ของ เหตุการณ์ทางธุรกิจ, กระบวนการต่างๆ, ข้อมูลที่เป็นส่วนประกอบ, หน้าที่ความรับผิดชอบของพนักงาน, อาคารและสถานที่ และสุดท้ายคือโครงสร้างทางธุรกิจ ของธนาคารค้าปลีก เพื่อที่จะเป็นธนาคารแห่งความเข้าใจลูกค้า และมีความคล่องตัวสูงในการผลิตผลงานใหม่ๆ ซึ่งตอบสนองความต้องการของลูกค้าในตลาด ด้วยความสามารถของพนักงานทุกคน

Blueprint ดังกล่าว จะถูกตรวจสอบด้วย 2 กลุ่มบุคคล ได้แก่ เจ้าหน้าที่ของธนาคาร (bank's solution architects, branch managers, tellers, and campaign officers) และ ผู้ให้บริการเทคโนโลยีสารสนเทศ (program and project managers, IT architect, analysts, programmers, and software quality assurance) ทั้งคู่ จะตรวจสอบ blueprint ดยผ่านการสัมภาษณ์และ เก็บผลการประเมินเป็น scorecard ด้วยเงื่อนไขในการตรวจสอบ ได้แก่ ผลลัพธ์ในด้วย วัตถุประสงค์, ขอบเขต, ผลประโยชน์จากการรีออกแบบ, วิธีการ, กลยุทธ์ทางธุรกิจ, รูปแบบโครงสร้าง, เทคโนโลยี, ผลกระทบทางการเงิน, ประสิทธิภาพของบุคลากร และผลลัพธ์โดยรวม ในการประชุมเพื่อประเมิน ผลการสัมภาษณ์และ score card นั้นออกมาในเชิงบวกเป็นอย่างมาก

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CONTENTS

	Page
THAI ABSTRACT	iv
ACKNOWLEDGEMENTS.....	vi
CONTENTS.....	vii
LIST OF TABLES.....	11
LIST OF FIGURES	16
CHAPTER I INTRODUCTION	18
1.1 Business Background of The Bank	18
1.1.1 The Bank’s Business Overview.....	18
1.1.2 Financial Highlight.....	24
1.1.3 Comparison with competitors in Thailand	29
1.1.4 Organization Structure	33
1.1.5 Group of Subsidiaries	34
1.1.6 The current initiatives of the bank.....	35
1.1.7 Key Improvement Targets.....	36
1.2 Requirements for of Business Process Re-Engineering	37
1.3 Objectives.....	38
1.4 Scope.....	39
1.5 Benefits	41
1.6 Research Methodology	41
CHAPTER II METHODOLOGY	43
2.1 Business Process Re-engineering: Consolidated Methodology	43

	Page
2.2 IBM Business Re-Engineering Methodology	44
2.2.1 Business Strategy Revision.....	47
2.2.1.1 Business Environment Analysis	47
2.2.1.2 Strategic Positioning	49
2.2.1.3 Capability Configuration	50
2.2.2 Enterprise Architecture	51
2.2.2.1 Enterprise Capabilities.....	52
2.2.2.2 Business Architecture	53
CHAPTER III BUSINESS STRATEGY DEVELOPMENT	56
3.1 Business Environment Analysis.....	56
3.1.1 SWOT Analysis.....	57
3.1.2 Value Chains of the bank	59
3.1.3 Value Analysis	65
3.1.4 Competitive Forces Analysis.....	68
3.2 Business Drivers	71
3.3 Strategic Positioning.....	72
3.4 Capabilities Configuration	97
CHAPTER IV ENTERPRISE CAPABILITIES.....	104
4.1 Capabilities Network (SCN).....	105
4.2 Business Scenarios	123
4.3 Capability Enablers	125
4.3.1 Process Resources	125

	Page
4.3.2 Knowledge Resources	128
4.3.3 Organization Resources	130
4.3.4 Technology Resources	132
4.3.5 Location Resources	134
CHAPTER V NEW BUSINESS DESIGN DEVELOPMENT	146
5.1 Business Event List Identification	149
5.1.1 External Events	150
5.1.2 Internal Events	153
5.1.3 Temporal Events	154
5.2 Business Activity Model Development	157
5.3 Business Information Model Development	170
5.4 Activity and Information Integration	185
5.5 Business Roles and Locations Identification	191
5.5.1 Business Roles	191
5.5.2 Business Locations	205
5.6 Business Structure Development	214
CHAPTER VI EVALUATION	216
6.1 Evaluation Method	217
6.2 Evaluation Result	220
CHAPTER VII CONCLUSION AND SUMMARY	224
7.1 Conclusion	224
7.1.1 Business Background and Research Context	224

	Page
7.1.2 Business Strategy Development.....	228
7.1.3 Enterprise Capabilities.....	235
7.1.4 Business Architecture	237
7.2 Recommendation	245
REFERENCES.....	250
APPENDIX	251
VITA	258



LIST OF TABLES

Table 1 Market Position of the Bank in Banking Industry	22
Table 2 Assets of the group	22
Table 3 Human Resources of the bank as of 31th December 2013	22
Table 4 Financial Position of the group at the end of year 2013 (THB million)	24
Table 5 Financial Statement (Assets) of the group/ bank at the end of year 2013	25
Table 6 Financial Statement (Liabilities and Equity) of the group/bank in 2013	26
Table 7 Operating Performance of the bank at the end of year 2013	26
Table 8 Financial Ratios of the bank at the end of year 2013	27
Table 9 Impairment loss of loans and debt securities of the bank in 2013	27
Table 10 Net Profit of the group (THB million)	29
Table 11 Net Interest Margin and Cost to Income of the group (percentage)	30
Table 12 Return on Assets (RROA) and Return on Equity (RROE) of the group	31
Table 13 Loans and Deposits of the group (THB Billion)	32
Table 14 The bank's subsidiaries	34
Table 15 Financial Targets of The bank in 2018	36
Table 16 Target Market Position in Banking Industry in term of assets in 2018	36
Table 17 SWOT Analysis of the bank	57
Table 18 Porter's competitive analysis of the Bank	69
Table 19 The components of Market Segmentation Cube of the bank	73
Table 20 Offering – Access Matrix for Low Asset Value Retail Customers of the bank ...	75
Table 21 Offering – Access Matrix for Medium-Low Asset Value Retail Customers	76
Table 22 Offering – Access Matrix for Medium Asset Value Retail Customers	78

Table 23 Offering – Access Matrix for Medium-High Asset Value Retail Customers	79
Table 24 Offering – Access Matrix for High Asset Value Retail Customers	81
Table 25 Offering – Access Matrix for Very High Asset Value Retail Customers.....	83
Table 26 Offering – Access Matrix for SME Customers of the bank	84
Table 27 Offering – Access Matrix for Corporate Customers of the bank	85
Table 28 Offering – Access Matrix for Cardholders of the bank	86
Table 29 Offering – Customer Matrix for Branches Channel of the bank	88
Table 30 Offering – Customer Matrix for ATM Channel of the bank.....	88
Table 31 Offering – Customer Matrix for Call Center Channel of the bank.....	89
Table 32 Offering – Customer Matrix for E-Channel of the bank.....	91
Table 33 The Summary of key strategy for each customer segment.....	92
Table 34 Answer the strategic questions.....	93
Table 35 Capability Configuration of the Bank	97
Table 36 The value propositions of the Bank.....	105
Table 37 The 1st level of capability.....	107
Table 38 The 2nd level of capability	109
Table 39 The 3rd level of capability	112
Table 40 The 4th level of capability	114
Table 41 Business Scenarios of The Bank	123
Table 42 Process Resources of The Bank.....	125
Table 43 Knowledge (Information) Resources of The Bank	128
Table 44 Organization Resources of The Bank	130
Table 45 Technology Resources of The Bank	132

Table 46 Location Resources of The Bank	134
Table 47 Mapping table between capabilities, business scenario and capability enablers	136
Table 48 Business Event – Banking Product Matrix	152
Table 49 The mapping table between business scenarios and business event list (by Event ID)	156
Table 50 Activity and Process Identification of The Retail Bank – Branch Related (Strategy and Insight)	159
Table 51 Activity and Process Identification of The Retail Bank – Branch Related (Sales and Servicing)	161
Table 52 Activity and Process Identification of The Retail Bank – Branch Related (Offering)	164
Table 53 Activity and Process Identification of The Retail Bank – Branch Related (Processing)	166
Table 54 Activity and Process Identification of The Retail Bank – Branch Related (Support Services).....	168
Table 55 Activity and Process Identification of The Retail Bank – Branch Related (Support Services).....	169
Table 56 Mapping the knowledge into business information of the retail bank	170
Table 57 High level and detail level Business Information of the retail bank and their groupings	175
Table 58 Activity / Information Usage matrix of the branches of retail bank (Strategy & Insight Module).....	185
Table 59 Activity / Information Usage matrix of the branches of retail bank (Sales & Servicing).....	185
Table 60 Activity / Information Usage matrix of the branches of retail bank (Offering) .	187

Table 61 Activity / Information Usage matrix of the branches of retail bank (Processing)	187
Table 62 Activity / Information Usage matrix of the branches of retail bank (Supporting Services)	189
Table 63 Activity / Information Usage matrix of the branches of retail bank (Risk & Financial Management)	190
Table 64 Business Roles of the branches	191
Table 65 Skill Inventory of the branches	192
Table 66 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Strategy & Insight)	195
Table 67 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Sales & Servicing)	195
Table 68 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Offering)	197
Table 69 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Processing)	198
Table 70 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Support Services)	200
Table 71 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Risk & Financial Management)	201
Table 72 Qualification and Skills for Business Role of the Retail Bank – Branch Related	203
Table 73 Business Locations of the branches	206
Table 74 Branch and Customer Segmentation Matrix	210
Table 75 Product – Location Matrix of the branch	211

Table 76 Business Scenario – Location Matrix of the branch	212
Table 77 Business Structure of the Retail Bank – Branch Related.....	214
Table 78 The evaluations of branch design.....	218
Table 79 The evaluation result from Bank Staffs.....	220
Table 80 The evaluation result from IT Service Providers	221
Table 81 Overall average evaluation Result from 40 participants.....	222
Table 82 The Summary of key strategy for each customer segment.....	233



LIST OF FIGURES

Figure 1 The bank's Deposit services	19
Figure 2 The bank's Deposit services	20
Figure 3 Financial performance between 2009 – 2013 of the bank	28
Figure 4 The bank's current organization structure	33
Figure 5 Enterprise Architecture Framework	39
Figure 6 The deliverables of the research	39
Figure 7 Research Methodology	42
Figure 8 Consolidated Methodology for BPR	43
Figure 9 IBM Business Re-Engineering Methodology	45
Figure 10 Business Environment Analysis Procedure	47
Figure 11 Strategic Positioning Procedure	49
Figure 12 Capability Configuration Procedure	50
Figure 13 Logical Thinking Steps for developing capabilities	51
Figure 14 The main outcomes of business revision process	51
Figure 15 The linkage between Business Strategy and Enterprise Architecture	52
Figure 16 The linkage between Enterprise Capabilities and Business Architecture	53
Figure 17 The components of Business Environment Analysis	59
Figure 18 Value Chains of the bank	59
Figure 19 Leading Bank Card Association	62
Figure 20 Value Capture of the bank's players	63
Figure 21 Value System Model of the bank	65
Figure 22 Porter's Competitive Force Model	68

Figure 23 Market Segmentation Cube	72
Figure 24 Customer Centric View of the bank	74
Figure 25 Value Propositions of The Bank	96
Figure 26 Strategic Capability Network Model	105
Figure 27 The relationship of value propositions of the bank.....	106
Figure 28 The SCN of Number 3 Thai Bank.....	115
Figure 29 The SCN of Customer Preferred Bank.....	116
Figure 30 The SCN of Effective and Efficient Branch Services	117
Figure 31 The SCN of Innovative Product and Service Excellence	118
Figure 32 The SCN of Leading Edge Technology Bank.....	119
Figure 33 The SCN of Expertise service-mind staffs	120
Figure 34 The SCN of Cost Effectiveness Financial Enterprise.....	121
Figure 35 The SCN of Ready for AEC	122
Figure 36 Enterprise Architecture	146
Figure 37 Work Products mapping between Enterprise Capabilities and	147
Figure 38 The Retail Bank's Business Activity Model – Branch Related.....	158
Figure 39 The Retail Bank's Enterprise Subject Area Model.....	180
Figure 40 Mapping Business Information into Business Activity Model.....	182
Figure 41 The Retail Bank's Business Information Model – Branch Related	183
Figure 42 Value Chains of the bank (Refer to Figure 18)	230
Figure 43 Porter's Competitive Force Model (Refer to Figure 22)	232
Figure 44 The relationship of value propositions of the bank (Refer to Figure 27)	235
Figure 45 Enterprise Architecture Framework	246

CHAPTER I

INTRODUCTION

Nowadays, the business world has seriously very strong competition occurred between each player in the environment. There are dramatic changes in customer demand and contain very high cost in organizational utility. It is the role of each enterprise to find the solutions to be survived or become the leader in its business area.

In retail banking business, customer demands are also varied as the life styles changed dramatically along 5 years. Banking enterprises needs to create products and services which satisfy customer requirements at the time with flexible to customize them to meet personal requirements of individual customers. With the existing mechanism and working process, a lot of banks would need the immediate changes to improve their processes, structure, role & responsibilities, business locations and etc. That is why we should put the spotlight on re-engineering business design of the retail bank now.

The research is about studying deeply at one of well-known retail bank in Thailand to find their problems and find the appropriate solutions for them correctly.

This chapter is written to present business background of the bank with required information including products and services provided in both corporate and retail banking segments, financial performance and organization structure. Secondly, we use defined information to identify the strategic requirements of the bank in this research. Lastly, from background information and the bank's requirements, it will bring the focus on to objectives, scope and benefits of reengineering business design of the retail bank.

1.1 Business Background of The Bank

1.1.1 The Bank's Business Overview

The bank is among the top five banks in Thailand in term of assets, loans and deposits in 2013. It has established its values as follows:

MISSION: To a leading region financial institution with global reach committed response to customer needs and serving society through sustainable growth.

VISION: Highly qualified team of professionals providing innovative products and services, dedicated to becoming our customers' number one preferred financial group.

VALUES:

- 1) Integrity: the bank is fair and professional, inspiring trust and work with transparency, legalism, and ethics.
- 2) Team Spirit: The bank staffs work together as a team for the benefit of our customers and open hearts and open minds to reach our goals.
- 3) Customer Centricity: The bank puts the customers first, understanding and anticipating their needs and expectations and responding with best solutions.
- 4) Passion for Excellence: The bank is committed to instill in ourselves the expectation of excellence in delivering our work and services.
- 5) Embracing Changes: The bank intends to do better every day by opening ourselves to changes and new experiences that will fairly benefit the bank and our customers.
- 6) Global Awareness: The bank challenges itself as a valued member of a global financial group, supporting the growth of our customers both within and outside of Thailand.

The bank currently provides great financial products and services across broad customer base in Thailand and its neighborhoods by focusing at 2 major customers groups: corporate and retail customers. They provided related financial services across their channels which are classified into 3 core categories:

- **Deposit services** – The Bank accepts deposits from ordinary persons and business organizations, which are divided into four types presented in Figure 1.

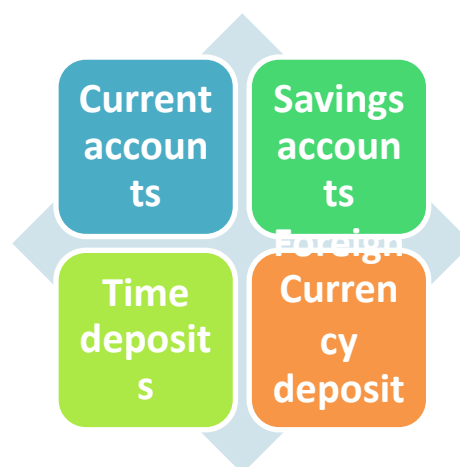


Figure 1 The bank's Deposit services

- **Loan services** – The Bank provides loan services as illustrated in Figure 2:

Overdrafts (O/D)
Loans, including promissory notes and term loans for corporate customers
Housing loans and personal loans for retail customers
Foreign currency loans
Trade finance credit

Figure 2 The bank's Deposit services

- **Other services** – The bank also provide other services including:
 - Banking services through e-channels
 - Domestic money transfer services
 - International money transfer services
 - Electronic banking services to facilitate international trade
 - Automatic account debit and credit (auto payments), life insurance and non-life insurance, brokerage services
 - Investment banking services
 - Securities business services
 - Cash management services
 - Transaction banking services
 - Foreign currency purchase/sale in advance and financial tools for risk management, exchange rates and interest rates
 - Trade finance services
 - Government bonds, treasury bills and state enterprise bonds

The bank also utilizes their subsidiaries' products and services in the group to synergize their value to the customer. The services which bank also provides through the bank's channels are:

- **Wealth management** is an investment advisory service which incorporates financial planning, investment portfolio management and a number of aggregated financial services. Wealth managers and financial advisory specialists coordinate planning, legal resources, tax professionals and investment management for many business owners and families.
- **Credit cards** are the payment cards which allow cardholders to use them paying for their products and services based on the assumption that customers make the promise to pay for them at the due date. Furthermore, there is the option to link credit cards with current and saving accounts then grant a condition that debit amount from those particular accounts automatically when agreed due date arrive.

- **Non-life insurance** includes automobile and home owners policies, provide payments depending on the loss from a particular financial event.
- **Asset management** provides advisory services by coordinating and accessing the client's financial portfolio such as investments, budgets, accounts, insurance and taxes. Consequently, asset managers and teams would ensure that both clients' tangible and intangible assets are managed, maintained and maximized for the highest value of outcome.
- **Securities** are divided into 2 different types:
 - *Debt securities* represent borrowed money which must be repaid with the terms that define the amount borrowed, interest rate and maturity/renewal date. It includes government and corporate bonds, certificates of deposit (CDs), preferred stock and collateralized securities (such as CDOs and CMOs).
 - *Equities* represent ownership interest held by shareholders in a corporation, such as stock.
- **Hire purchase** is a legal contract which a purchaser agrees to pay for goods and services in the parts or agreeable percentage over the time periods under installment plan.
- **Equipment leasing** is another kind of loan that the customers buy the equipment then rent them to the businesses with payable rates in specific durations. Finally, businesses can purchase the equipment, continue leasing with the same equipment, lease different new equipment or even return it.
- **Factoring** is a financial transaction in which a business sells its accounts receivable (such as invoices) to a third party (called a factor) at a discount.
- **Micro-finance** is actually the financial services for small businesses which are unable to access banking services. There are generally two delivery approaches of micro-finance to the customers including relationship-based banking for individual entrepreneurs or small business and group-based model, where customers come together to apply the services as the group
- **Installment loans** are another kinds of the loan that is repaid over the period with a set number of scheduled payments; normally at least two payments are made towards the loan.

The bank is a leader in personal loan and credit card market in Thailand. The bank takes high position of corporate and retail bank in Thailand at the end of year 2013.

Table 1 Market Position of the Bank in Banking Industry

Market Segments	Market Position
Retail	Top 5
Corporate	Top 5

The Group operates just over 20,000 service outlets on 31st December 2013 included in Table 2.

Table 2 Assets of the group

Assets	Number
Domestic branches	650
	Metro: 270 and Upcountry: 380
Overseas branches	5
ATM	4800
Exchange booths	75
Exclusive Banking Zones	20
Business Center	60
Micro Finance Branches	290
Choice Branches	48
+ Dealers	12,400
Auto Branches	50
+ Dealers	6,500
Total	24898

The group operates just over 20,000 service outlets on 31st December 2013 included in Table 2. With the number of current overseas branches, the bank isn't ready for ASEAN Economic Community (AEC) in 2015.

The bank employed 12,058 as at the year-end. They are grouped by employment category, gender, age, level, educational qualifications and area as follows:

Table 3 Human Resources of the bank as of 31st December 2013

Group	Employee	Short Term	Outsourced
Head Office	4,575	3	200
Metropolitan	2,850	0	410
Upcountry	3,400	0	620
Total	10,825	3	1,230

Corporate Banking

The bank serves large Thai corporations across a wide range of industries, as well as multinational companies operating in Thailand, each of which have an annual turnover of more than THB 500 million. Managers provide a full suite of financial and advisory services to clients. Solutions, which are tailored to the specific needs of each client, include trade finance, cash management products, hedging solutions and investment banking services.

Sectorial growth was driven by the food and beverage, agriculture, construction materials, automotive, petrochemical and energy sectors. In addition, growth was also driven through the services for clients involved in the country's infrastructure projects, the expansion of mass transit routes in Bangkok and surrounding areas.

Retail Banking

The bank develops and delivers the best products and services available in the market for a wide range of customer groups, ranging from mass banking services to bespoke wealth management advice for high net worth individuals. The bank launched a number of new product and service innovations to ensure the company provided market-leading products that responded to the dynamic and evolving financial and lifestyle needs of the customers.



1.1.2 Financial Highlight

Table 4 Financial Position of the group at the end of year 2013 (THB million)

Consolidated	Change			
	2013	2012	THB mn	%
ASSETS				
Cash	28,216	25,079	3,137	12.5
Interbank and money market items, net	87,027	79,390	7,637	9.6
Investments, net	73,274	78,302	(5,028)	(6.4)
Investments in subsidiaries and associates, net	1,059	947	112	11.8
Loans to customers	988,014	869,382	118,632	13.6
Accrued interest receivable	2,648	2,257	391	17.3
Deferred revenue	(44,511)	(39,374)	(5,137)	(13.0)
Allowance for doubtful accounts	(37,466)	(30,306)	(7,160)	(23.6)
Revaluation allowance for debt restructuring	(1,520)	(723)	(797)	(110.2)
Properties for sale, net	6,865	9,452	(2,587)	(27.4)
Others	75,976	77,560	(1,584)	(2.0)
TOTAL ASSETS	1,179,582	1,071,966	107,616	10.0
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	764,050	687,159	76,891	11.2
Interbank and money market items, net	55,497	48,821	6,676	13.7
Debt issued and borrowings	174,605	154,629	19,976	12.9
Others	63,782	67,870	(4,088)	(6.0)
TOTAL LIABILITIES	1,057,934	950,479	99,455	10.4
Issued and paid-up share capital	60,741	60,741	0	0.0
Retained earning	40,253	32,796	7,457	22.7
Others	20,654	19,950	704	3.5
TOTAL SHAREHOLDERS' EQUITY	121,648	113,487	8,161	7.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,179,582	1,071,966	107,616	10.0
Book value per share (THB)	20.03	18.88	1.35	7.2

The table illustrates that As of December 31, 2013, assets stood at THB 1,179,582 million, representing an increase of THB 107,616 million, or 10.0%, from December 2012, largely attributed to a higher net loan volume of THB 113,494 million, or 13.7%, and an increase in interbank and money market items of THB 7,637 million, or 9.6%. Investments decreased 6.4%, or THB 5,028 million, mainly from a decrease in investment in government securities.

Table 5 Financial Statement (Assets) of the group/ bank at the end of year 2013
(THB thousand)

ASSETS	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
CASH	28,216,333	25,078,920	28,167,503	25,060,003
INTERBANK AND MONEY MARKET ITEMS, NET (Note 8.2)	87,027,241	79,389,674	84,980,814	78,155,680
CLAIMS ON SECURITY	13,104,938	13,592,478	13,104,938	13,592,478
DERIVATIVES ASSETS (Note 8.3)	4,879,633	3,414,492	4,879,633	3,414,492
INVESTMENTS, NET (Note 8.4)	73,274,123	78,302,398	73,240,687	77,829,013
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET (Note 8.5)	1,058,908	946,637	29,831,169	32,482,962
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 8.6)				
Loans to customers	988,013,869	869,382,125	822,204,678	733,870,285
Accrued interest receivables	2,647,891	2,256,924	1,741,605	1,417,982
Total loans to customers and accrued interest receivables	990,661,760	871,639,049	823,946,283	735,288,267
Less Deferred revenue	(44,511,467)	(39,374,222)	(74,674)	(38,868)
Less Allowance for doubtful accounts (Note 8.7)	(37,465,593)	(30,305,602)	(19,919,182)	(19,409,266)
Less Revaluation allowance for debt restructuring (Note 8.8)	(1,520,460)	(723,410)	(659,124)	(17,364)
Net loans and accrued interest receivables	907,164,240	801,235,815	803,293,303	715,822,769
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	879,171	682,147	879,171	682,147
PROPERTIES FOR SALE, NET (Note 8.9)	6,864,672	9,451,647	3,022,568	4,704,803
PREMISES AND EQUIPMENT, NET (Note 8.10)	20,138,759	18,299,724	18,533,326	16,893,475
GOODWILL AND OTHER INTANGIBLE ASSETS, NET (Note 8.11)	14,861,026	15,435,423	3,128,757	3,068,498
DEFERRED TAX ASSETS (Note 8.12)	6,982,036	6,060,689	2,277,318	2,637,131
ACCOUNTS RECEIVABLE FOR INVESTMENTS	1,621,205	7,777,647	1,621,205	7,777,647
OTHER ASSETS, NET (Note 8.13)	13,509,666	12,297,804	6,458,908	4,345,637
TOTAL ASSETS	1,179,581,951	1,071,965,495	1,073,419,300	986,466,735

Table 6 Financial Statement (Liabilities and Equity) of the group/bank at the end of year 2013 (THB thousand)

LIABILITIES AND EQUITY	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2013	2012	2013	2012
DEPOSITS (Note 8.14)	764,049,887	687,159,328	768,390,228	692,994,007
INTERBANK AND MONEY MARKET ITEMS, NET (Note 8.15)	55,496,687	48,821,459	56,703,612	48,366,000
LIABILITY PAYABLE ON DEMAND	2,545,378	2,776,041	2,545,378	2,776,041
LIABILITY TO DELIVER SECURITY	13,104,938	13,592,478	13,104,938	13,592,478
DERIVATIVES LIABILITIES (Note 8.3)	5,139,845	3,508,210	5,139,845	3,508,210
DEBT ISSUED AND BORROWINGS (Note 8.16)	174,604,804	154,628,639	107,336,654	103,738,778
BANK'S LIABILITY UNDER ACCEPTANCE	879,171	682,147	879,171	682,147
PROVISIONS (Note 8.17)	6,422,076	7,334,404	4,108,822	5,175,737
DEFERRED TAX LIABILITIES (Note 8.18)	2,602,640	2,505,437	1,824,126	1,617,322
ACCOUNTS PAYABLE FOR INVESTMENTS	27,367	5,694,321	27,367	5,694,321
OTHER LIABILITIES (Note 8.20)	33,061,202	31,776,917	13,972,311	13,064,908
TOTAL LIABILITIES	1,057,933,995	958,479,381	974,032,452	891,209,949
EQUITY				
SHARE CAPITAL (Note 8.21)				
Authorized share capital				
7,574,143,747 ordinary shares of Baht 10 each	75,741,437		75,741,437	
7,089,392,755 ordinary shares of Baht 10 each		70,893,928		70,893,928
Issued and paid-up share capital				
6,074,143,747 ordinary shares of Baht 10 each	60,741,437	60,741,437	60,741,437	60,741,437
PREMIUM ON ORDINARY SHARES	13,802,216	13,802,216	13,802,216	13,802,216
OTHER RESERVES	6,572,436	5,983,000	6,531,881	5,985,325
RETAINED EARNINGS				
Appropriated				
Legal reserve	2,042,700	1,641,500	2,042,700	1,641,500
Unappropriated	38,210,268	31,154,242	16,268,614	13,086,308
TOTAL BANK'S EQUITY	121,369,057	113,322,395	99,386,848	95,256,786
NON-CONTROLLING INTEREST	278,899	163,719	-	-
TOTAL EQUITY	121,647,956	113,486,114	99,386,848	95,256,786
TOTAL LIABILITIES AND EQUITY	1,179,581,951	1,071,965,495	1,073,419,300	986,466,735

Table 7 Operating Performance of the bank at the end of year 2013

Operating Performance (THB million)	2013	2012	2011	2010	2009
Interest income	71,381	64,640	56,428	47,275	38,183
Interest expense	26,442	24,687	18,963	12,647	13,138
Interest income, net	44,939	39,953	37,465	34,628	25,045
Fees and service income, net	14,552	12,735	10,787	10,080	7,193
Non-interest and non-fee income	9,010	8,501	7,052	6,819	4,775
Other operating expenses	33,614	30,798	27,477	26,796	18,636
Impairment loss of loans and debt securities	18,959	11,385	12,214	12,391	10,216
Net profit	11,867	14,625	9,264	8,793	6,659

In Table 7, we can immediately see the steady growth in net profit during 2009 – 2012 reaching higher than 14,000 million baht at the end of 2012. There is dramatically decrease by 18.85% of net profit in 2013.

Table 8 Financial Ratios of the bank at the end of year 2013

Financial Ratios	2013	2012
Return on average assets (%)	1.05	1.45
Return on average equity (%)	10.11	13.53
Net profit per share (THB)	1.95	2.41
Cost / income ratio (%)	49.07	50.33
Capital adequacy ratio (%)	14.68	16.94
Tier 1 capital to risk assets ratio (%)	10.17	10.94
Book value per share (THB)	20.03	18.68
Loans to deposit ratio (%)	123.49	120.79
Loans to deposit plus debentures and bills of exchange ratio (%)	104.4	102.87
Net NPLs / loan (%)	1.33	1.34
Gross NPLs / loan (%)	2.67	2.39
Coverage ratio (%)	145.05	146.19

Unfortunately, the percentage of return on average assets and equity also dropped by 0.4% and 3.4% respectively. It is immediately apparent that the organization presents less efficiency in asset utilization for using in the market competition with new trends when doing businesses.

Table 9 Impairment loss of loans and debt securities of the bank at the end of year 2013 (THB Million)

Consolidated	Change YoY			
	2013	2012	THB mn	%
Impairment loss on debt instrument	(27)	41	(68)	(165.9)
Bad debt and doubtful accounts	17,407	10,355	7,052	68.1
Loss on debt restructuring	1,579	989	590	59.7
Total impairment loss of loan and debt securities	18,959	11,305	7,574	66.5

In Table 9, it is immediately seen that loss of loan and debt securities increased around 7,000 million baht roughly about 66.5% dramatic rise in 2013.

In overall, there are steady improvement in loan, net interest margin, fee & service income during 2009 and 2013 whereas net profits decrease from 14.67 million to 11.99 million baht which was just higher than 18% as seen in Figure 3.

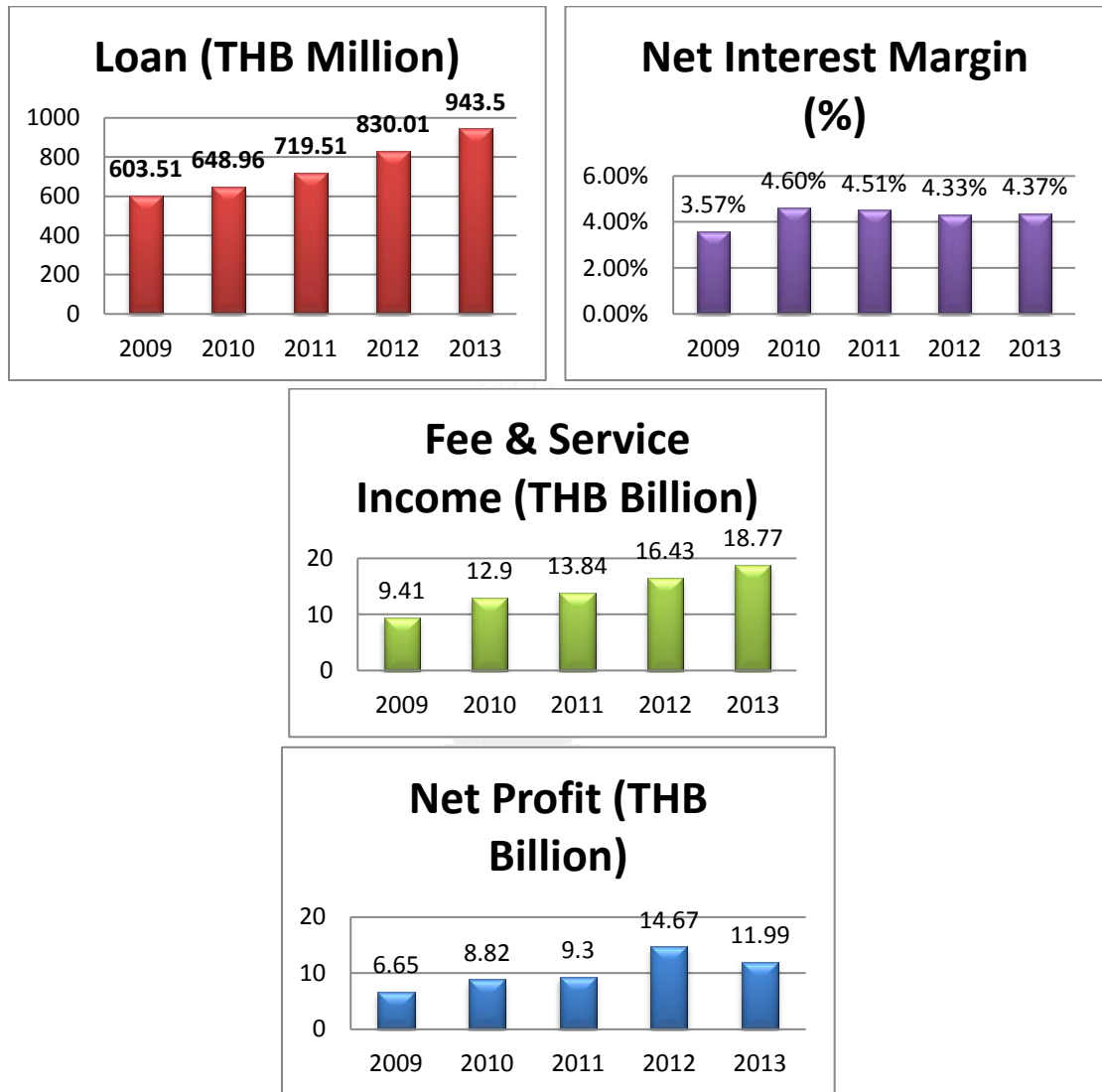


Figure 3 Financial performance between 2009 – 2013 of the bank

1.1.3 Comparison with competitors in Thailand

Table 10 Net Profit of the group (THB million)

Net Profit (Bt mn)	2Q14	2Q13	YoY (%)	1Q14	QoQ (%)
The Bank	3,460	3,035	14	3,266	5.9
Bank A	9,029	10,250	-11.9	8,965	0.7
Bank B	11,732	10,979	6.9	11,939	-1.7
Bank C	7,540	6,514	15.8	8,310	-9.3
Bank D	14,723	12,644	16.4	13,129	12.1
Bank E	992	1,159	-14.4	935	6.1
Bank F	1,235	4,078	-69.7	1,323	-6.7
Bank G	601	1,237	-51.4	700	-14.1
Bank H	2,575	252	923.8	1,602	60.8
Total	51888	50148	3.5	50169	3.4

The table illustrates that the bank takes 5th position of net profit at the second quarter of 2014. It is around 10,000 million baht less than number 1 of Thai Bank in profitability.

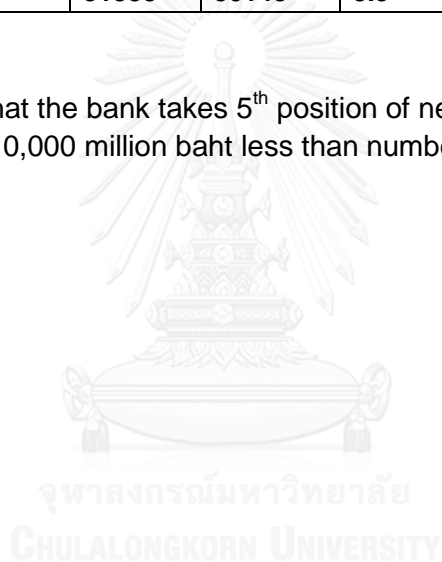


Table 11 Net Interest Margin and Cost to Income of the group (percentage)

NIM (percent)	2Q14	2Q13	YoY (bps)	1Q14	QoQ (bps)
The Bank	4.25	4.24	1.3	4.15	10.4
Bank A	2.35	2.31	3.9	2.20	14.8
Bank B	3.75	3.52	23.8	3.61	14
Bank C	2.90	2.77	12.7	2.78	11.4
Bank D	3.34	3.11	23.1	3.20	14.2
Bank E	2.94	2.80	14.1	2.68	26.3
Bank F	2.84	2.70	14.3	2.70	14.6
Bank G	3.45	3.85	-40	3.71	-25.9
Bank H	2.84	2.94	-9.4	2.82	2.5
Average	3.19	3.14	4.9	3.10	9.1

Cost-to-income (percent)	2Q14	2Q13	YoY (ppts)	1Q14	QoQ (ppts)
The Bank	49.18	43.48	5.7	50.08	-0.9
Bank A	45.21	33.75	11.5	41.39	3.8
Bank B	44.31	42.68	1.6	39.95	4.4
Bank C	41.61	42.67	-1.1	49.12	-7.5
Bank D	35.07	37.98	-2.9	35.70	-0.6
Bank E	36.85	41.14	-4.3	37.48	-0.6
Bank F	47.45	25.38	22.1	48.97	-1.5
Bank G	55.69	43.78	11.9	50.31	5.4
Bank H	51.35	46.31	5	55.11	-3.8
Average	45.19	39.69	5.5	45.35	-0.2

The bank performs the largest number of Net Interest Margin between the year 2013 – 2014. It presents that the bank gained the greatest interest compared to Thai leader banks at certain period. In contrast, it spends the third highest cost per income showing less efficiency in management perspectives.

Table 12 Return on Assets (RROA) and Return on Equity (RROE) of the group (percentage)

ROAA (percent)	2Q14	2Q13	YoY (ppts)	1Q14	QoQ (ppts)
The Bank	1.18	1.10	0.1	1.12	0.1
Bank A	1.41	1.67	-0.3	1.39	0
Bank B	2.19	2.21	0	2.26	-0.1
Bank C	1.20	1.10	0.1	1.32	-0.1
Bank D	2.32	2.13	0.2	2.11	0.2
Bank E	1.21	1.47	-0.3	1.11	0.1
Bank F	0.99	2.02	-1	1.90	-0.9
Bank G	0.94	1.98	-1	1.12	-0.2
Bank H	1.31	0.14	1.2	0.83	0.5
Average	1.42	1.54	-0.1	1.46	0

ROAE (percent)	2Q14	2Q13	YoY (ppts)	1Q14	QoQ (ppts)
The Bank	11.00	10.25	0.7	10.61	0.4
Bank A	11.65	14.43	-2.8	11.90	-0.2
Bank B	20.01	22.17	-2.2	21.18	-1.2
Bank C	14.09	13.60	0.5	15.76	-1.7
Bank D	22.37	22.01	0.4	20.57	1.8
Bank E	16.74	23.47	-6.7	15.93	0.8
Bank F	10.07	36.02	-25.9	10.99	-0.9
Bank G	6.75	14.56	-7.8	7.90	-1.2
Bank H	16.14	1.72	14.4	10.24	5.9
Average	14.31	17.58	-3.3	13.90	0.4

It is immediately apparent that RROA and RROE ratios of the bank present less value than Top3 Banks in Thailand showing inefficiency in assets and equity utilization along timeline. The bank should find the solutions to improve this value accordingly.

Table 13 Loans and Deposits of the group (THB Billion)

Loans (Bt bn)	2Q14	2Q13	YoY (%)	1Q14	QoQ (%)
The Bank	949	867	9.5	942	0.7
Bank A	1,768	1,671	5.8	1,749	1.1
Bank B	1,475	1,393	5.9	1,453	1.5
Bank C	1,813	1,651	9.8	1,770	2.4
Bank D	1,736	1,656	4.9	1,739	-0.1
Bank E	281	281	-0.1	285	-1.5
Bank F	784	789	-0.7	791	-0.9
Bank G	195	184	6.3	199	-1.8
Bank H	511	465	9.7	502	1.8
Average	9,511	8,956	6.2	9,431.00	0.9

Deposits (Bt bn)	2Q14	2Q13	YoY (%)	1Q14	QoQ (%)
The Bank	784	732	7.1	781	0.4
Bank A	1,903	1,873	1.6	1,933	-1.5
Bank B	1,567	1,467	6.8	1,554	0.9
Bank C	1,867	1,699	9.9	1,963	-4.8
Bank D	1,781	1,742	2.3	1,790	-0.5
Bank E	227	238	-4.8	228	-0.4
Bank F	713	703	1.5	676	5.4
Bank G	157	158	-0.7	145	8.2
Bank H	573	478	19.8	559	2.6
Average	9,573	9,089	5.3	9,627	-0.6

We can obviously see that the bank performs the fifth largest loans and deposits in the second quarter of 2014. It is just over than 1,000 billion baht below the leading banks in Thailand.

1.1.4 Organization Structure

The Bank's management/organization structure consists of the Board of Directors and Committees appointed by the Board of Directors to assist in performing duties and to ensure supervision and control of business risks. The Bank's operations are divided into two parts based on the responsibilities, namely business units and support units which works under the control of Chief Executive Officer and Presidents.



Figure 4 The bank's current organization structure

Business Units are responsible for driving business forward separated into 6 departments including: *Corporate Banking, Retail Banking, Distribution, Treasury and E-Business*. They support their customers across broad range of customers related to their different professions and areas.

Support Units also help business units to achieve their works, resource fulfillments and manage daily operations. There are absolutely 8 departments in this unit including: *Marketing, International Business Development, Finance, Risk Management, Human Resource, Legal & Compliance, Operations and Information Technology*.

1.1.5 Group of Subsidiaries

The bank has absolutely 18 subsidiaries which focus on different business types as you can see in Table 14.

Table 14 The bank's subsidiaries

No.	Company Name	Business Type
1	AMC Company	Asset management
2	Factoring Company	Factoring
3	Development Leasing Company	Finance (leasing & hire-purchase)
4	Capital Auto Lease Company	Finance (Auto financing)
5	CFG Services Company	Finance (Auto financing)
6	Capital Services Company	Finance (Credit Card and Personal Loan)
7	General Card Services Company	Finance (Credit Card and Personal Loan)
8	Card Company	Finance (Credit Card and Personal Loan)
9	Life Assurance Broker Company	Finance (Life Insurance Broker)
10	General Insurance Broker Company	Finance (Non-life Insurance Broker)
11	Total Services Solutions Company	Service (Collection)
12	Reality and Services Company	Service
13	Securities Company	Securities
14	Asset Management Company	Asset Management
15	Card Service Company	Finance (Credit Card and Personal Loan)
16	Life Insurance Broker Company	Finance (Life Insurance Broker)
17	N-General Insurance Broker Company	Finance (Non-life Insurance Broker)
18	Metro Design Company	Service

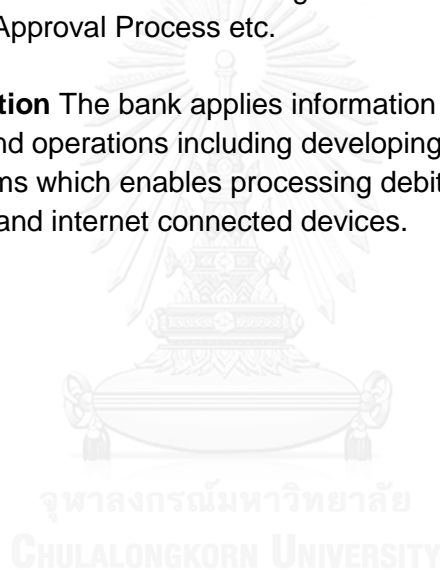
1.1.6 The current initiatives of the bank

The Bank's Project Team supports all business units and subsidiaries across many initiatives for enabling organizational change and improving higher quality & efficiency of product and services. We can consider initiatives as 3 parts including

Initiatives for Growth In order to meet business growth targets, we should ensure that the organization has the ability to meet new customer demands. The bank designs new service delivery model, enables new learning platform and apply People Soft Self Service.

Initiatives for Winning The bank must continuously strengthen our team, processes and technology to ensure we maintain the ability to be a leader in the local banking sector. The bank concentrates on market segmentation, new Sales & Service Model and improves Credit Approval Process etc.

Initiatives as Innovation The bank applies information technology solutions to automate business and operations including developing mobile applications and some payment systems which enables processing debit and credit payment via smart phone, tablets and internet connected devices.



1.1.7 Key Improvement Targets

The bank expected to improve loan, deposit, profitability, interest margin and fee & Service Income growth dramatically in 5 years illustrated in Table 15.

Table 15 Financial Targets of The bank in 2018

The Bank	2018
Loan Growth	50%
Deposit Mix Growth	95%
Profitability Growth	90%
Net Interest Margin Growth	15%
Fee and Service Income Growth	80%

The bank aims to become higher rank in Thai retail and corporate banking market in term of assets in 2018 as illustrated in Table 16.

Table 16 Target Market Position of the bank in Banking Industry in term of assets in 2018

Market Segments	Position in 2013	Position in 2018
Retail	Top 5	Top 3
Corporate	Top 5	Top 3

1.2 Requirements for of Business Process Re-Engineering

The current major problems of the bank

- Banking Products and services aren't distinguished or more attractive than any other banks, which won't be able to gain market share from leading banks. But there are other opportunities from subsidiaries' products and services.
- Current cost to income ratio, Return on average assets (ROAA) and Return on average equity (ROAE) are below industry average.
- Number of domestic, oversea bank's branches and ATMs are less than other leader banks. But there are subsidiaries' branches larger than bank branches.
- In Corporate and SME customer segment, the bank's current position is still far behind the market leaders.
- The bank has no competitive advantage when AEC will be effective in 2015 because of limited oversea branches in AEC.

The key targets of the bank in 5 years

- The bank aims to become Top 3 in Thai retail and corporate banking market in term of assets in 2018
- The bank targets to be no.1 retail and corporate bank in Thailand with the most preferred customer services by driving the innovation into product and services.
- Improve key financial growth dramatically in 5 years focusing on loan, deposit, profitability, interest margin and fee & Service Income growth.

After consideration of the current major problems and key targets in next 5 years, the current bank and group's strategy will need to be re-considered to be more aggressive for being able to achieve the target as the aspiration.

Its challenges need an action by defining business strategy and capabilities required to support enterprise to achieve the target successfully focusing on branch operation in retail banking segments. Therefore, new business and operation architecture should be developed to transform branches of the bank to support capabilities needed to accomplish the target.

1.3 Objectives

The objective of the research is to produce blueprints of Business and Operation architecture to transform branches of a retail bank in order to achieve the follows:

- More Flexibility in developing products and services
 - Branch services that greet and identify customers and offer customized services
 - Allowed the bank to consolidate its customer data for analyzing product and service needs automatically through branch applications
- More Responsive to customer needs
 - Make products available to all customers across all channels.
 - Capture customer transactions into opportunities to present additional customized services and products
- Reduce the cost and complexity for delivering new services through the branch and decrease time-to-market.
- Provide customer experience with value-added services that deliver increased revenue opportunities.

1.4 Scope

Business and Operation Architecture would critically concentrate on “**Retail bank’s branch operations of both financial and non-financial products/services**” as the pilot project before expanding to other business area at the next chance.

Branch operations would consist of both financial and non-financial activities serving for normal customers including *account opening, account maintenance, deposit/withdrawal, debit/credit card management, ATM, Cheque Clearing Operations, Financial Consulting Services, e-service and Loans*.

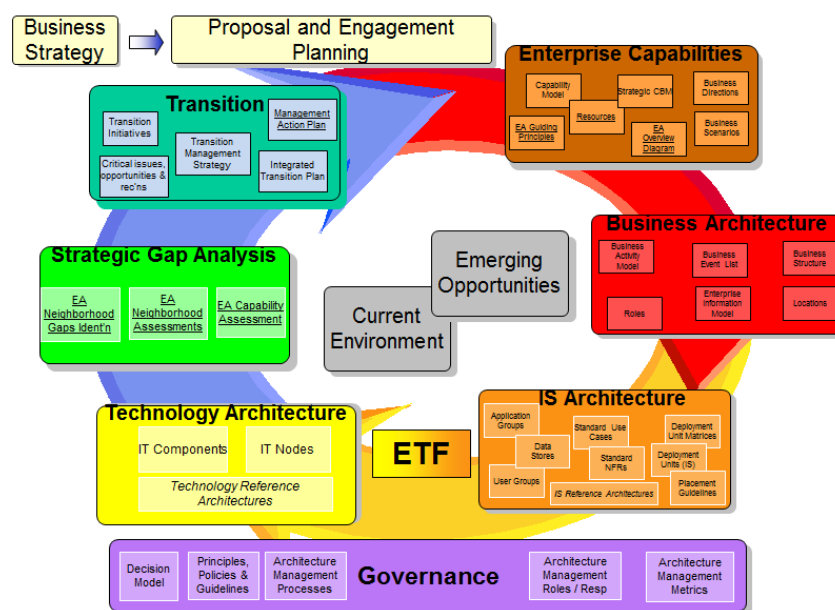


Figure 5 Enterprise Architecture Framework

The business process re-engineering blueprints to be developed follow the Enterprise Architecture Framework as shown in Figure 5, established by IBM, but focuses only on **Business Architecture** while using **Enterprise Capabilities** as inputs. **IS and Technology Architecture** that will be implemented after Business Architecture, are not included in the scope of this work.

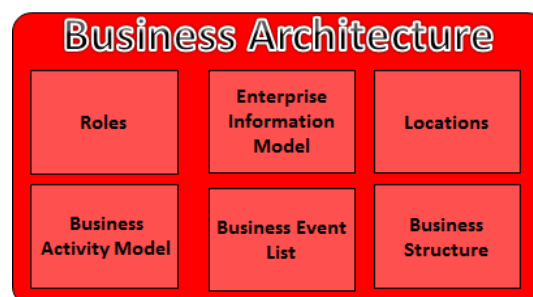


Figure 6 The deliverables of the research

The blueprints of business and operation architecture would definitely consist of:

- 1) **The Enterprise Information Model** is developed to gain a strategic understanding of the major groups of data managed by the business and to set a baseline for subsequent partitioning. It provides a single strategic view and understanding of the enterprise information requirements
- 2) **The Activity / Information Usage matrix** is a bi-directional mapping between the entities in the Enterprise Information Model and the activities in the Business Activity Model.
- 3) **The Business Roles and Locations** identify the roles and locations that are related to the enterprise's business and is used to analyze the business organization. It also provides a valuable input to several IT Architecture activities.
- 4) **The Business Event List** defines a couple of things that happen, most often outside the enterprise, that cause the enterprise to respond in some way. The Business Events List describes only the events of major business significance and these only at the higher level.
- 5) **Business Structure analysis** is used to investigate the possibilities of enhancing alignment of the corporate structure with business strategies, and exploiting economies of scope and scale – provides direct input to IT Architecture activities.
- 6) **Business Activity Model and Process Identification** provide a stable, complete view of the activities needed to conduct business independent of organization, technology and implementation. The development of a Business Activity Model has several purposes with the exact emphasis, priority and level of detail depending on the nature and objectives of the specific customer engagement.

After completing business architecture, There will be some recommendations on how to develop **high-level identification of IS and Technology Architecture** to support business architecture properly. These will help us transform use business architecture into IT system and multiple projects in practical ways much easier.

1.5 Benefits

The research provides blueprints of business and operation architecture of retail bank's branches to accomplish the following benefits:

- Use enterprise architecture to realize business strategy to enable its operations in retail banking industry
- Crystallize customer focusing enterprise strategy of retail banks by defining Enterprise Capabilities
- Identify structural capabilities and resources needed to become customer-focused retail banks concentrating on branch channels
- Generate new business design of retail banks' branches to increase flexibility in product/service development and become more proactive to customer demands
- Develop other related enterprise architectures to support new business architecture being more realistic

1.6 Research Methodology

Firstly, the research is initialized by simulating well-known bank in Thailand and making up data based on public information from many banks in Southeast Asia especially any banks located in Thailand. There is no insight information and some of them are making up to complete view similar to real life actual banks.

By following IBM Business Re-Engineering Methodology, the research is developed by following structured method as below:

Section1: Business Background and Requirements Firstly, it defines the bank's business. Secondly, we use defined information to identify the strategic requirements of the bank in this research. The section absolutely includes *Chapter1 Section 1.1 Business Background of The Bank and Section 1.2 Requirements for Business Process Re-engineering*.

Section2: Business Strategy Development From background information and the bank's requirements, the business strategy is developed by performing environment analysis, strategic positioning, business driver identification, strategic capabilities configuration need to achieve the strategy. Significantly, this section also covers the whole *Chapter3 Business Strategy Development* of the research.

Section3: Enterprise Architecture is the main part of the research. By following Enterprise Architecture Framework and from previous defined strategic capabilities configuration, required capabilities and resources are identified and summarized as the part “**Enterprise Capabilities**” to achieve business strategy. Then, “**Business and Operation Architecture**” is developed in order to support those particular capabilities and resources. This section is separated into 2 chapters: Chapter4 Enterprise Capabilities and Chapter5 New Business Design Development

In the research, we focus on re-engineering **business and operation architecture of retail bank by concentrating majorly on its branch** written in Chapter 5 by using information in Chapter 3 and 4 as inputs as illustrating in Figure 7.

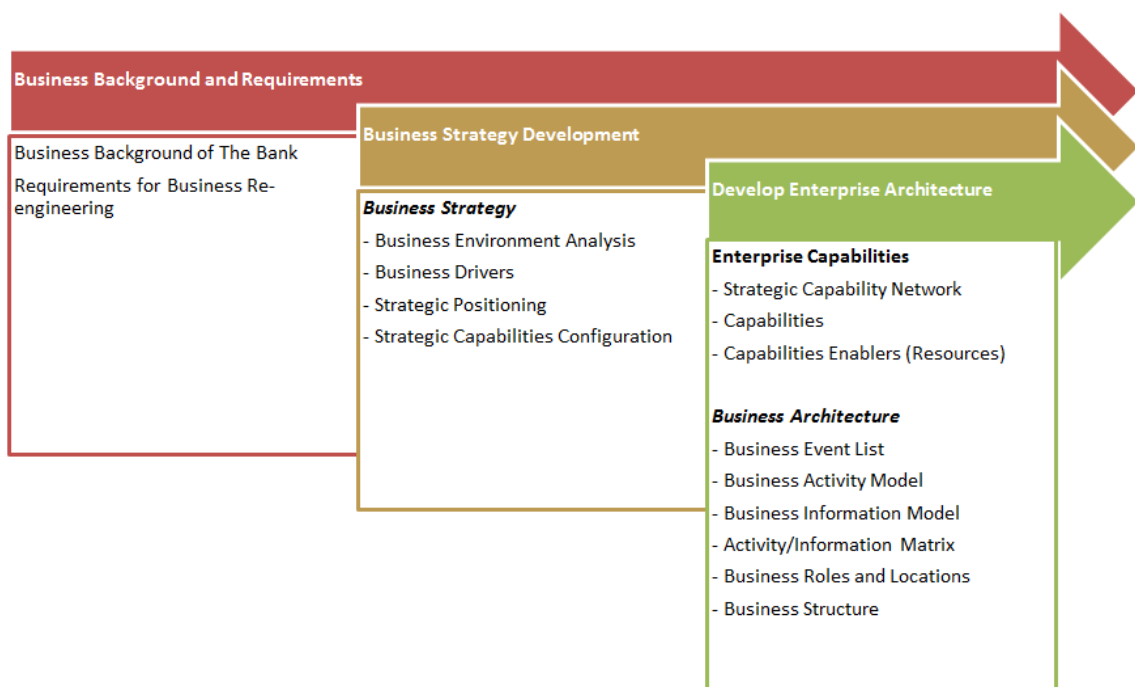


Figure 7 Research Methodology

The full description of methodology will be written in Chapter2 which will be discussed briefly in every step along business re-engineering processes.

CHAPTER II METHODOLOGY

In developing the blueprints for business process re-engineering of branches of the bank, the research follows the Enterprise Architecture Framework of IBM. Business Process Re-engineering and Enterprise Architecture are explained in this chapter.

2.1 Business Process Re-engineering: Consolidated Methodology

Business Process Re-Engineering (BPR) is the fundamental thinking and re-designs business operations to achieve dramatic improvements in specific areas. There are multiple methodologies on business process re-engineering which are published and proven to be applied in worldwide.

The methodology has been developed by Subramanian Muthu, Larry Whitman, and S. Hossein Cheraghi from University Wichita, United States of America. There are totally 5 major steps along consolidated methodology as shown in Figure 8.

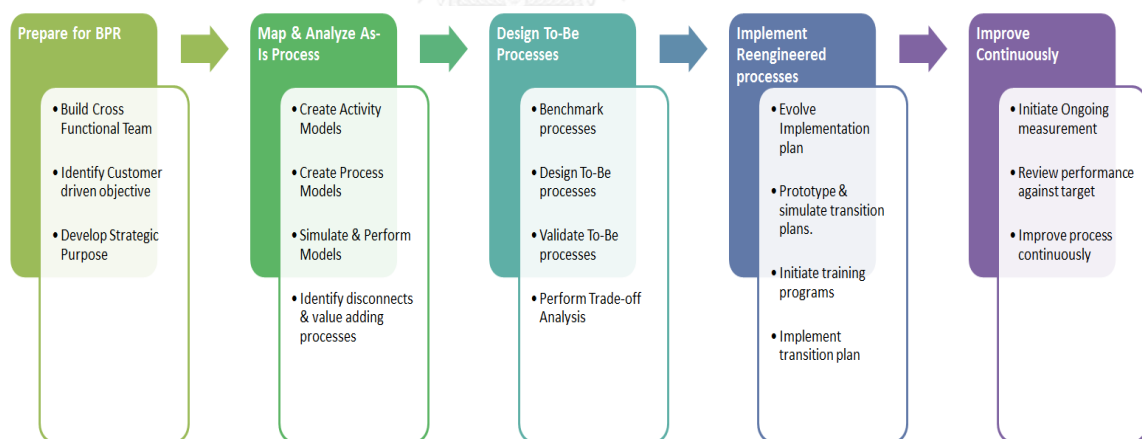


Figure 8 Consolidated Methodology for BPR

- 1) **Prepare for Business Process Re-Engineering** is normally started with building cross-functional team to ensure that the organization continues with several key players. Consequently, this team must carefully identify the objectives of BPR in order to develop correct strategic purpose.
- 2) **Map and Analyze As-Is Process** Functional Team should analyze current design and document all of team where relevant. The document includes

activity and process models. After that, simulation and execution should be performed in order to find the disconnected points and value adding activities.

- 3) **Design To-Be Process** The objective of this phase is to produce many alternatives to the current situation, which helps the organization to achieve the strategic goals. It begins with Benchmarking then it continues with identifying potential improvements of current process, the development of to-be process is done. However, all to-be processes must be validated and traded-off by executive players.
- 4) **Implement Re-Engineering Process** is the phase for implementing the to-be processes into real business environment. The activities include developing implementation plan, creating prototype and developing transition plans. It is significantly to communicate and train new business processes to all involved stakeholders in order to ensure the effectiveness of the implementation.
- 5) **Improve Continuously** After implementation to-be process, the team should measure the result and review the performance again the target which was actually defined at the beginning of Business Process Re-Engineering. It is very important to evaluate the success level and some feedbacks for continuous improvement.

These are 5 consolidated activities which need to be performed step by step from cross-functional team. It has been proved to be one of the successful models in Business Process Re-Engineering.

However, this research would apply IBM Business Re-Engineering Methodology along business strategy development and business redesign for retail bank's branches. The description of this IBM methodology will be discussed in Section 2.2.

2.2 IBM Business Re-Engineering Methodology

By following IBM Business Transformation Framework, the methodology involves the deep study about both interested industry and the enterprise subjected to re-engineering in order to understand enterprise's business background, its current problems and targets. Consequently, it continues with business environment analysis to be able to see current strategic positions and relationships with other stakeholders of the enterprise. Next, enterprise can identify to-be strategic positions by create 3 key components including market segments, business strategy and value propositions.

By following capability configuration process, enterprise can identify its capabilities to align with their strategic components successfully. Resources can be defined along enterprise capabilities process which is actually to bridge to business planning functions.

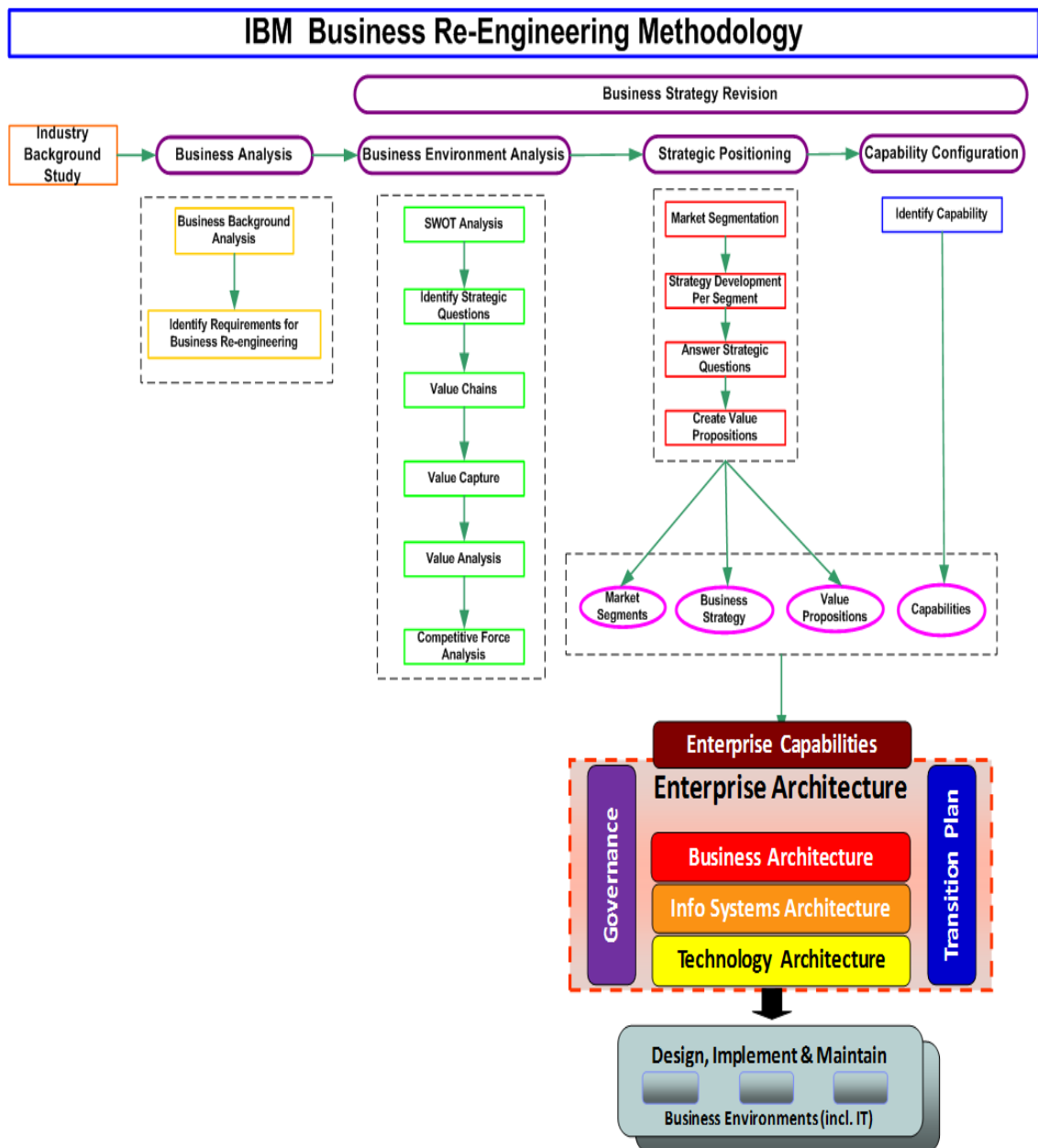


Figure 9 IBM Business Re-Engineering Methodology

In Figure 9, we can obviously separate methodology into 4 major phases including:

- 1) **Industry Background study** understands current industry environments, products, services, customer segments, available channels and their problems. *This step is mainly performed by business transformation consultants who lead business re-engineering process .*
- 2) **Business Analysis** study deeply about interested enterprise willing to re-engineering in order to understand the requirements which include enterprise's existing problems and its targets. These steps are normally

performed by business transformation consultants who collected information from both internal and external sources from targeted enterprise. All facts, findings and conclusions must be peer-reviewed and signed-off by enterprise's executives and working teams in order to ensure correctness of information. The topic areas of business analysis should be as following:

- a. **Business Background Analysis** includes overall description of the enterprise, vision & mission statement, current products/services, market positioning, financial performance, organization structure, groups of subsidiaries, existing initiatives & projects and key improvement targets.

See the example in Section 1.1 Business Background of The Bank

- b. **Requirements of Business Process Re-Engineering** identify major problems of the enterprise and its target. After consideration of the current major problems and key targets, the enterprise strategy can be considered as need to be re-considered to be more aggressive for being able to achieve the target as the aspiration.

See the example in Section 1.2 Requirements for of Business Re-Engineering

- 3) **Business Strategy Revision** is the phase for re-developing enterprise strategy. Developing successful strategies requires the critical emphasis on new developments in business models, markets, and technology. It includes business environment analysis, strategic positioning and capabilities configuration. Business Strategy Revision will be described more in Section 2.2.1

- 4) **Enterprise Architecture** is the organizing logic for business processes and IT infrastructure, reflecting the integration and standardization requirements of the company's operating model. Enterprise Architecture includes several domains including **Enterprise Capabilities , Business Architecture, Information System (IS) Architecture, Technology Architecture, Strategic Gap Analysis and Transition**. Noted that the research would cover only Enterprise Capabilities and Business Architecture domains. The main description of those two domains will be written in Section 2.2.2

Significantly, the blueprints of business re-engineering would normally identified by the work products of business architecture as the part of enterprise architecture.

2.2.1 Business Strategy Revision

Business Strategy Revision is the process of re-developing enterprise strategy. It includes business environment analysis, strategic positioning and capabilities configuration. These steps are normally performed by business transformation consultants who analyzed strategic components based on agreed problems and targets. All conclusions must be peer-reviewed and signed-off by enterprise's executives and working teams in order to ensure correctness of information carefully.

2.2.1.1 Business Environment Analysis

Business Environment analysis is to understand the client's business environment in terms of players, interactions, outside forces, and influences. Additionally, it defines the scope of the client's participation in its business environment and provides inputs into positioning and configuration analysis. There are 6 analytical steps along business environment analysis including SWOT Analysis, Identify Strategic Questions, Value Chains, Value Capture, Value Analysis and Competitive Force Analysis as illustrated in Figure 10.

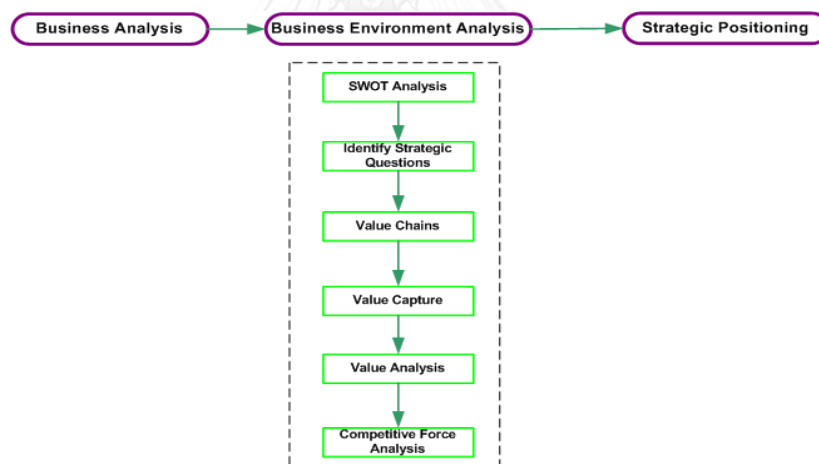


Figure 10 Business Environment Analysis Procedure

- 1) **SWOT Analysis** stands for Strength-Weakness-Opportunity-Threat Analysis. It is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in an enterprise.

See the example in Section 3.1.1 SWOT Analysis

- 2) **Identify Strategic Questions** By understanding the current evaluation of SWOT, the research should create sharp strategic questions to make full concentration on actions related to SWOT which will be answered after before strategic development.

See the example in Section 3.1.1 SWOT Analysis

- 3) Value Chains** It is the tool used to understand all roles in any value exchange and the relationships between all of them

See the example in Section 3.1.2 Value Chains of the bank

- 4) Value Analysis** It is the tool used to see the interactions between each player with deeper detail. We can use the Value System model to expand value analysis, map the business environment and understand the players and their interactions.

See the example in Section 3.1.3 Value Analysis

- 5) Competitive Force Model** According to Porter's competitive force model, we have to consider the following force components which influence industry structure and appropriate actions to deal with them including **Buyers (Customers), Suppliers, Potential Entrants, Substitutes and Rivalry**. Significantly, we have to analyze how strong/weak in each component in term of enterprise perspectives in order to create appropriate actions and strategic decisions based on the fact findings.

See the example in Section 3.1.4 Competitive Forces Analysis

It is really important that the enterprise must define business strategy to weaken the forces of potential entrants, buyers, substitutes and rivalry among the banking industry whereas it should keep supplier forces to remain weak bargaining power by utilizing the functions to maximize the outcomes for business growth.

The presentation of business environment analysis has been done. After analyzing both internal and external strategic components, it is the time to define strategic positioning for to-be state which will be discussed in Section 2.2.1.2.

2.2.1.2 Strategic Positioning

Strategic Positioning is to select a strategic position that provides competitive advantage. This involves making trade-offs to choose the segments to focus on and the basis on which the firm will differentiate itself from its competitors. Figure 11 illustrates the steps and procedures of strategic positioning.

See the example in Section 3.3 Strategic Positioning

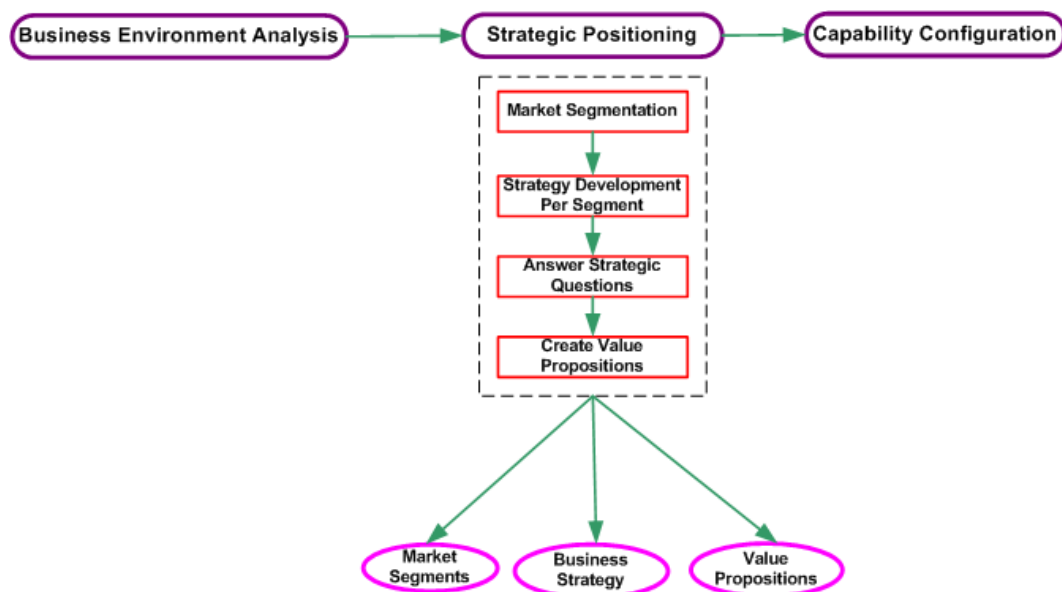


Figure 11 Strategic Positioning Procedure

To define strategic positioning and value propositions, the bank need to define the competitive space to be target which involves identifying the offering, customer, and access dimensions.

- **Offering** defines products and services
- **Customer** defines target customers to be focus
- **Access** defines the channels of the customers to use the products and services

It is very important to draw market segmentation cube to identify what will be offered to whom and how they will be reached. We called this step as “**Market Segmentation**”.

After finishing market segmentation cube, we can immediately develop business strategy for each particular customer segments which is called “**Strategy Development Per Segment**”.

Significantly, we can collect the whole information along business environment analysis, market segmentation and specific strategy in each segment to answer strategic questions being asked after completing SWOT Analysis.

The collection of answers in those strategic questions can be concluded as the value that enterprise needs to be which helps achieving its target. It is called “**Value Propositions**” of the enterprise. It is what a company needs to be in order to offer a differentiated value to the market.

See the example in Section 3.3 Strategic Positioning

To realize value propositions, the bank should focus on building required capabilities to support accordingly. The process of building capabilities is called “**Capability Configuration**”.

2.2.1.3 Capability Configuration

Capability Configuration The capability configuration model captures the key aspects of the strategic position and identifies the configuration required to support the position as presented in Figure 12.

See the example in Section 3.4 Capabilities Configuration

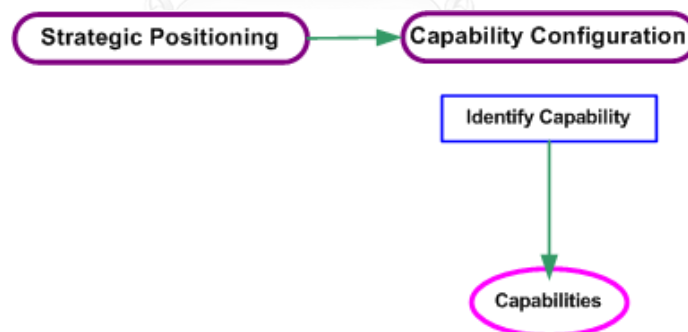


Figure 12 Capability Configuration Procedure

Capabilities are what the company needs to be able to do to deliver the value outcomes. The dimensions on which we can look at the capabilities are *process, organization, technology knowledge and location*.

By using strategic positioning as inputs, we make consideration in the value propositions and other value elements along value chains, value capture and analysis to create required business capabilities to support the enterprise as shown in Figure 13. We will finally get the set of capabilities along this step.

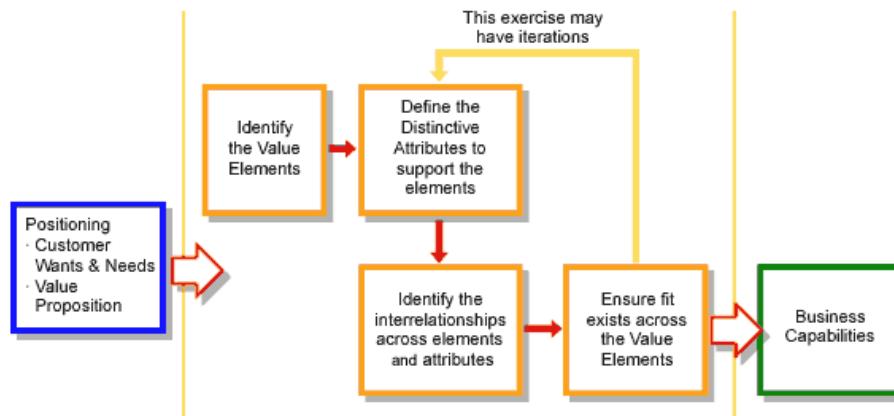


Figure 13 Logical Thinking Steps for developing capabilities

This is the final step of strategy revision process which generates outcomes to re-design the way to work in the enterprise.



Figure 14 The main outcomes of business revision process

The outcomes in Figure 14 will be the inputs of developing Enterprise Architecture by following IBM Enterprise Architecture Framework as the methodology. These inputs will be transferred to Enterprise Architects who apply some procedures along IBM Enterprise Architecture Framework.

2.2.2 Enterprise Architecture

Enterprise Architecture is the planning functions which realize the business strategy and other strategic components. Enterprise Architecture ensures harmonization between enterprise strategic initiatives and their implementation.

By following Enterprise Architecture Framework and from previous defined strategic capabilities configuration, required capabilities and resources are identified and summarized as the part “**Enterprise Capabilities**” to achieve business strategy. Then, “**Business Architecture**” is developed in order to support those particular capabilities and resources. This chapter will describe only 2 enterprise architecture domains including Enterprise Capabilities and Business Architecture. (See information about other related module in Section 7.2 Recommendation)

The stakeholders, who develop Enterprise Architecture, can be divided into 2 teams:

- **Enterprise Architects** – perform Enterprise Capabilities and transfer the outcomes to Business Architects. These roles manage all activities along Enterprise Architecture Framework including Business Architecture and other following domains.
- **Business Architects** – perform business architecture development based on the inputs from Enterprise Capabilities

All deliverables from 2 domains must be reviewed and signed-off by enterprise executives and working teams in order to ensure the agreement on the blueprints.

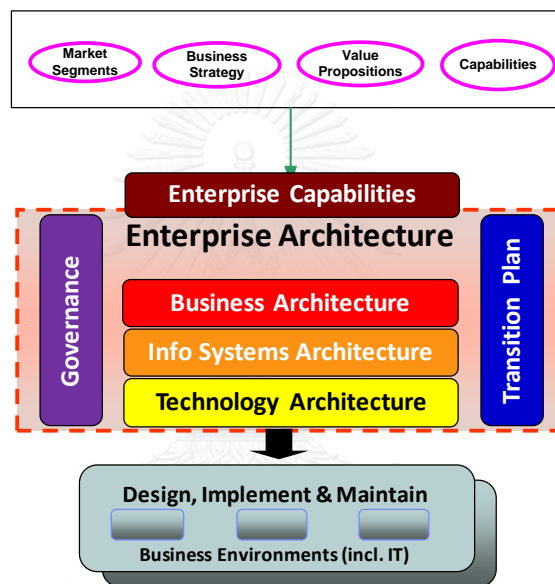


Figure 15 The linkage between Business Strategy and Enterprise Architecture

2.2.2.1 **Enterprise Capabilities**

Enterprise Capabilities are a key input to the work performed in an enterprise process re-engineering which must support and enable the business strategy of the enterprise. Enterprise Capabilities represent the “bridge” between an organization’s business strategy and the components that support and enable the strategy.

There are three extremely important sections of the chapter named Strategic Capabilities Network (SCN), Business Scenarios and Capability Enablers (Resource).

- 1) **Strategic Capability Network (SCN)** is the tool for illustrating the relationship between value propositions – capabilities, capabilities – capabilities and capabilities – resources.

See the example in Section 4.1 Strategic Capability Network

- 2) **Business Scenarios** provide a narrative description of how the business operations should be occurred using future capabilities and enablers. It helps to visualize the use and importance of key capabilities for further business re-designs activities. We can define business scenarios which are actually related to pre-defined capabilities

See the example in Section 4.2 Business Scenarios

- 3) **Capability Enablers (Resources)** is what we need to have in order to deliver those capabilities -- specifically "how" the capability will be enabled. Enablers represent the **process, knowledge, organization, technology and resource** assets of the enterprise. The resources can be defined by analyzing each business capabilities and propose appropriated resources via group discussion.

See the example in Section 4.3 Capability Enablers

After defining resources, it is the time to create to blueprints of business architecture by using enterprise capabilities components as the inputs.

2.2.2.2 Business Architecture

Business Architecture is the structure of a business, which comprises processes, resources, goals, and information, the externally visible properties of those parts, and the relationships amongst them. It also describes the configuration of the business constructs required to provide a common and understandable definition of a business in the certain business area.

Business Architecture translates those work products of Enterprise Capabilities into future-state models and views which can identify enterprise initiative, and resource relationship dependencies for business simplification.

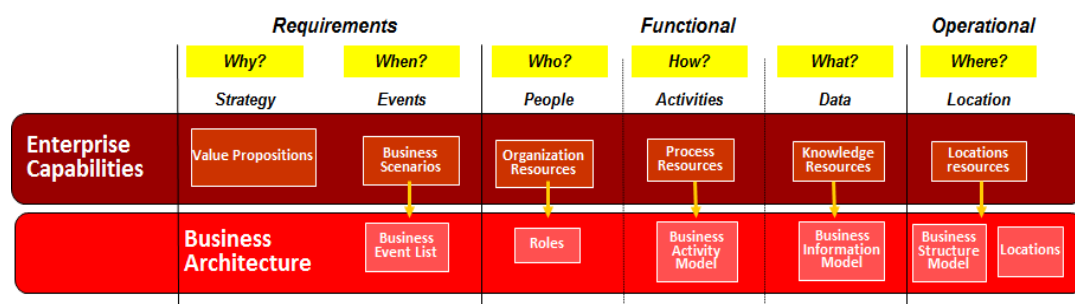


Figure 16 The linkage between Enterprise Capabilities and Business Architecture

- 1) **The Business Events List** describes only the events of major business significance and these only at the high level. It identifies the key triggers which cause the enterprise's activities to respond in some ways. *Business Event List is developed by mapping business scenarios from enterprise capabilities phase.*

See the example in Section 5.1 Business Event List Identification

- 2) **Business Activity Model** is focused on identifying the process activities within the organization. It is used to help define how a business currently operates or would like to operate in the future. Business Activity Model of the branches of retail bank can be developed by referencing to **IBM Business Component Model (CBM)** framework. *Business Activity is developed by mapping process resources from enterprise capabilities phase.*

See the example in Section 5.2 Business Activity Model Development

- 3) **The Business Information Model** is developed to gain a strategic understanding of the major groups of data managed by the business. It provides a single strategic view and understanding of the enterprise information requirements. We would apply **Entity Relationship Diagram** to show business information building blocks and the relationship between each entity within the scope. *Business Information is developed by mapping knowledge resources from enterprise capabilities phase.*

See the example in Section 5.3 Business Information Model Development

- 4) **The Activity / Information Usage matrix** is a bi-directional mapping between the entities in the Enterprise Information Model and the activities in the Business Activity Model. The matrix defines the relationship between business activities and business information by one-to-one approach or one-to-many approach.

See the example in Section 5.4 Activity and Information Integration

- 5) **The Business Roles and Locations** identify the roles and locations that are related to the enterprise's business and are used to analyze the business organization.
- **Business Roles** are logical, categories of jobs that perform the business activities of the enterprise. We look to combine roles based on common activities they perform. This step includes skill identification and qualification of each business role as well. *Business role is developed by mapping organization resources from enterprise capabilities phase.*

See the example in Section 5.5.1 Business Roles

- **Business Locations** are the sites where the activities of the business are carried out. *Business location is developed by mapping location resources from enterprise capabilities phase.*
See the example in Section 5.5.2 Business Locations

6) Business Structure is another operational aspect of the business architecture, describing how the enterprise wishes to deploy its resources across its locations. *Business Structure is developed by mapping location resources from enterprise capabilities phase and deploy each role into the locations.*

See the example in Section 5.6 Business Structure Development

After completing whole procedures of business architecture, blueprints of business re-engineering will be developed in business and operation point of view. Next chapter will be real practice of business re-engineering by starting at business analysis process.



CHAPTER III

BUSINESS STRATEGY DEVELOPMENT

By following IBM Business Re-Engineering Methodology, from background information and the bank's requirements, the business strategy will be developed by performing environment analysis, strategic positioning, business driver identification, strategic capabilities configuration need to achieve the strategy along business strategy revision process.

Developing successful strategies requires the critical emphasis on new developments in business models, markets, and technology. It is extremely important that the bank must concentrate on defining value propositions to support business strategy.

The value propositions are the implicit promise that the bank makes to a specific group of customers to deliver a particular combination of values such as price, quality, performance, selection or convenience. Consequently, capabilities and supporting resources must be identified in order to support particular value propositions.

3.1 Business Environment Analysis

To define effective business strategy, the bank requires the analysis on both internal and external environment of the market.

The purpose of an environmental analysis is to:

- Understand the client's business environment in terms of players, interactions, outside forces, and influences.
- Define the scope of the client's participation in its business environment.
- Provide inputs into positioning and configuration analysis.

3.1.1 SWOT Analysis

By following Strength-Weakness-Opportunity-Threat (SWOT) Analysis, an evaluation of internal competency and external issues of the bank would be shown as following:

Table 17 SWOT Analysis of the bank

Factors	Description
Strength	<ul style="list-style-type: none"> ▪ The group is leading personal loan and credit card market by being the 1st position in Thailand with 27% market share as of December 2013. ▪ The bank's subsidiaries have full varieties of financial products, especially on security and asset management, which made strong positioning on wealth management. ▪ The company's growth has been steady and planned. ▪ The bank has major international bank as a strong major shareholder. ▪ The bank has variety of expertise from company acquisition in the past. ▪ There are significantly numerous subsidiaries branches and outlets operated as of now.
Weakness	<ul style="list-style-type: none"> ▪ In retail banking, The bank, which is no.5, has net profits less than 5 times and 3 times from no.1 bank and no.3 bank respectively. ▪ Current cost to income ratio, Return on average assets (ROAA) and Return on average equity (ROAE) are below industry average. ▪ As the result of its steady, planned growth strategy, number of domestic, oversea bank's branches and ATMs are less than other leader banks. ▪ Banking Products and services aren't distinguished or more attractive than any other banks, which won't be able to gain market share from leading banks. ▪ Before acquisition and mergers, the bank position on Corporate and SME customer segment was just average in the market. (After mergers, Bank was significantly improved)

Factors	Description
Opportunity	<ul style="list-style-type: none"> ▪ Asean Economic Community (AEC) will be effective on 2015 which make the competition is looking to international, rather than domestic markets, for growth opportunities. ▪ It is possible to expand new customers of banking and financial products and services through subsidiaries' existing customers. ▪ It is possible to share branches and channel with subsidiaries.
Threat	<ul style="list-style-type: none"> ▪ The bank has no competitive advantage when AEC will be effective in 2015 because of limited oversea branches in AEC. ▪ Many leading banks are really aggressive in launching innovative products and services to attract customers which could reduce market share dramatically.

Conclusion of SWOT analysis To define the new business strategy, we should be able to answer the following questions:

How should the bank address its strategy for each market segment?

How can the bank gain market share (Revenue, Profits and Customer Base) for all market segments?

How can the bank utilize leadership in consumer markets?

Why does the bank have higher operational cost structure than market average?

How can the bank reduce the operating cost?

How can the bank optimize branches and channels structure?

What should be the bank position on AEC?

How can we maximize revenue by utilizing the assets and equity?

In order to answer those questions correctly, the critical study on stakeholders and relationship between them is the pre requisite. Then, the bank can identify customer segment and some channels needed to be considered which leads to strategy development at the end.

Business Environment analysis helps the business make strategic choices with respect to roles to be adopted in the environment and actions to be taken to capture and sustain greater value. It makes us to understand the players in the client's business environment, their interactions, and the creation and distribution of value as you can see Figure 17.

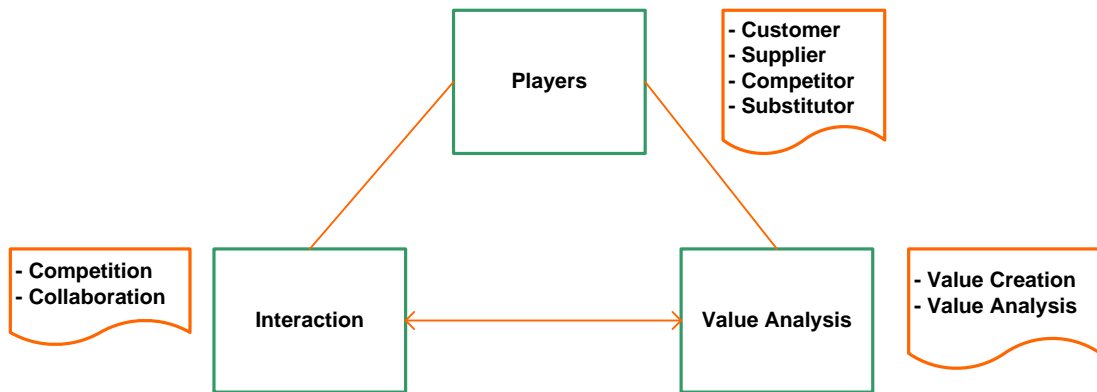


Figure 17 The components of Business Environment Analysis

3.1.2 Value Chains of the bank

The use of value chains is an important tool for environment analysis. It is the tool used to explore cooperative strategies and identify all roles in any value exchange and determine how to provide increased values.

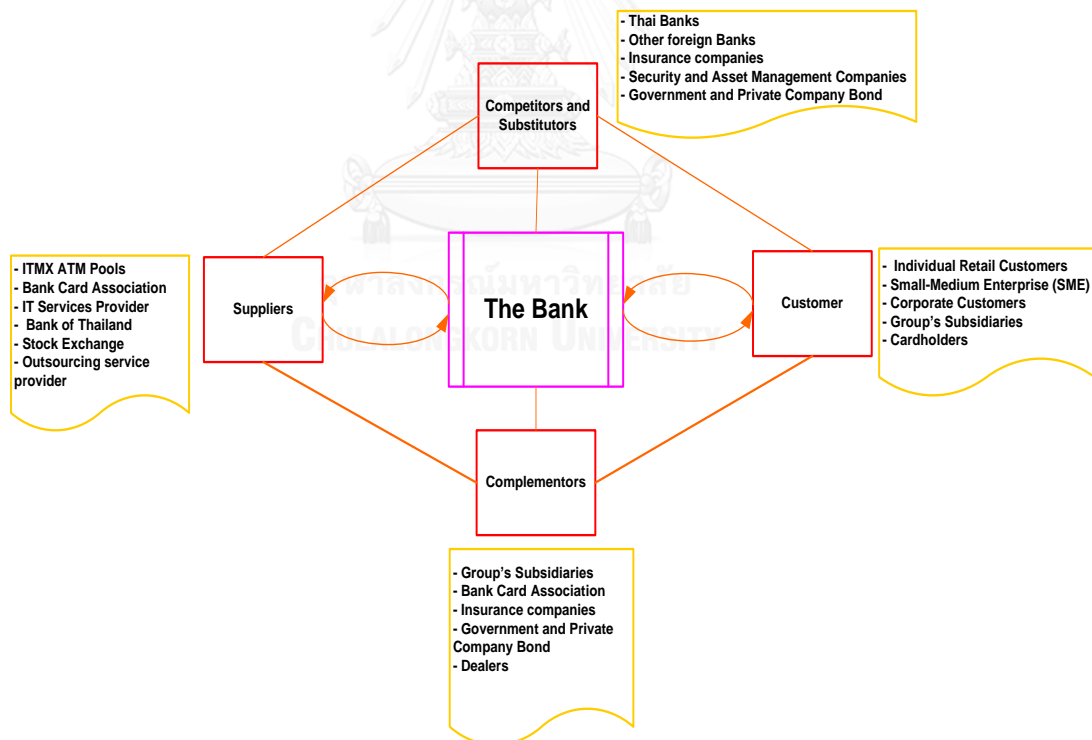


Figure 18 Value Chains of the bank

In Figure 18, it shows key stakeholders interfaced with the bank. Roles are classified into 4 players in value chains including:

- 1) **Customer** is a party that receives the products and services which has the ability to choose between different products and suppliers. According to the bank's business background, their customers would be considered to be approximately 5 groups:
- Individual Retail Customers are the consumer of financial products and services for personal or families use. It is mainly considered to be retail banking segments using current accounts, saving accounts, cards, cheque, bill payment services, funds and etc. Bank's target is the retail customers located in Thailand and borders. We can classify customer segment by their asset value which contain 6 levels including
 - Very High: customer's asset value is over than 100 million baht
 - High: customer's asset value is between 50 – 100 million baht
 - Medium-High: customer's asset value is between 5 – 50 million baht
 - Medium: customer's asset value is between 500,000 – 5 million baht
 - Medium-Low: customer's asset value is between 100,000 – 500,000 baht
 - Low: customer's asset value is less than 100,000 baht
 - Small and Medium Enterprises (SME) The bank provided the portfolio of products and services offered by our financial subsidiaries, such as asset management in order to empowering customers to grow their businesses and realize new business opportunities. The customer target is certainly small and medium sized companies which are preferred to survive in the market and attempts to grow in long term period.
 - Corporate Customers are the consumer of financial products and services for driving their businesses in financial-related areas. The products of commercial banks can include business loans, capital raising, project finance, financial risk management, cash management services (e.g. Remote Deposit Capture, Merchant Processing). Bank's target is large local and international enterprises which operates their business operations in Thailand and neighborhoods.
 - Group of Subsidiaries Bank is source of fund for subsidiaries. (Refer to Table 16)
 - Cardholders are the person who owns a card, such as a cardholder of a credit card which receive direct services from the bank.

- 2) **Competitors** are the companies operating in the same industry or a similar industry which offer similar products or services. Competitors are leading banks in Thailand including:
- Thai Banks are Thai nation banks operated in Thailand and neighborhoods. The ranking of Thai banks, is justified by considering profitability and assets. The bank is considered to be No.5 Thai Bank.
 - Other foreign Banks There are multinational banks which operate in metropolitan and upcountry areas such as the banks from Malaysia , Singapore, Japan, China, Hong Kong, United States of America, United Kingdom, Western Europe and etc.
 - Insurance Companies can be the competitors of the bank as well because of some similar insurance services which the bank also provides for the same groups of customers including both individual and corporate customers.
 - Security and Asset Management Companies should be considered as the competitors as well. It gains their income based on securities and asset management services from the same groups of customers with the banks. They reduce market share of these products and services from the bank.
 - Government and Private Company Bond will pull money from our deposits.
- 3) **Complementors** are the businesses that directly provide products and services that complement the product or service of the bank by adding value to mutual customer. There are approximately 5 complementors of the bank to be considered:
- Group of Subsidiaries provides financial products and services that complement the product or service to bank's customers as well. The bank has absolutely 18 subsidiaries which focus on different business types illustrated at Table 16.
 - Government and Private Company Bond When the bank is the agent to sell the Government Bond, Bank will get service fee.
 - Insurance Companies When the bank is the agent to sell insurance products, Bank will get brokerage fee.

- Dealers are the companies which helps providing products and services for the customers on behalf of the bank. There are above 15,000 dealers of the bank at the end of year 2013.
- Bank Card Association is definitely an organization owned by financial institutions that has the authority to license bank credit card programs. It operates a set of functions for its members including transactions processing, authorization management, interchange settlement and commission fee processing. The examples are American Express, VISA, Master Card and etc. It should be considered as the complementors of the bank as well.



Figure 19 Leading Bank Card Association

- 4) **Suppliers** provide products and services as specialized input to the bank's business operations and deliverables which can be regular, contractors or subcontractors. The Suppliers would be considered being the following parties:
- ITMX ATM Pool is the service company who provide middle system to enable payments between banks via channel ATM. The bank's ATM System has direct interface with ITMX system making this company considered as supplier of the bank.
 - Bank Card Association should be also considered to be supplier as well. It operates input transactions of Bank services including debit and credit transactions, authorization management, interchange settlement and commission fee processing.
 - Stock Exchange is the market to support securities trading. Bank uses Stock Exchanges services for securities investment.
 - Bank of Thailand provides banking facilities for the financial institutions included bank and government by acting as the registrar for the government bonds. It supports payment systems between the banks in Thailand and also manage Thai's foreign exchange rate in daily operations. This organization would absolutely be the supplier of every bank in Thailand.

- IT Solutions providers would be considered to be suppliers as well because they help maintain IT infrastructure, application development and solutions consulting in order to drive business growth.
- Outsourcing service providers are the third-parties with the contracts to perform business operations instead of the bank itself. The functions depend on the bank's decision whether to operate functions internally or outsource to other companies for some specific purposes. The bank currently outsourced one of the most popular IT services company to operate IT Infrastructure for them. They are considerably the suppliers as well.

Interactions between the players may be thought of in terms of partnerships that create value for the customers, with each player performing a specific set of value-adding activities.

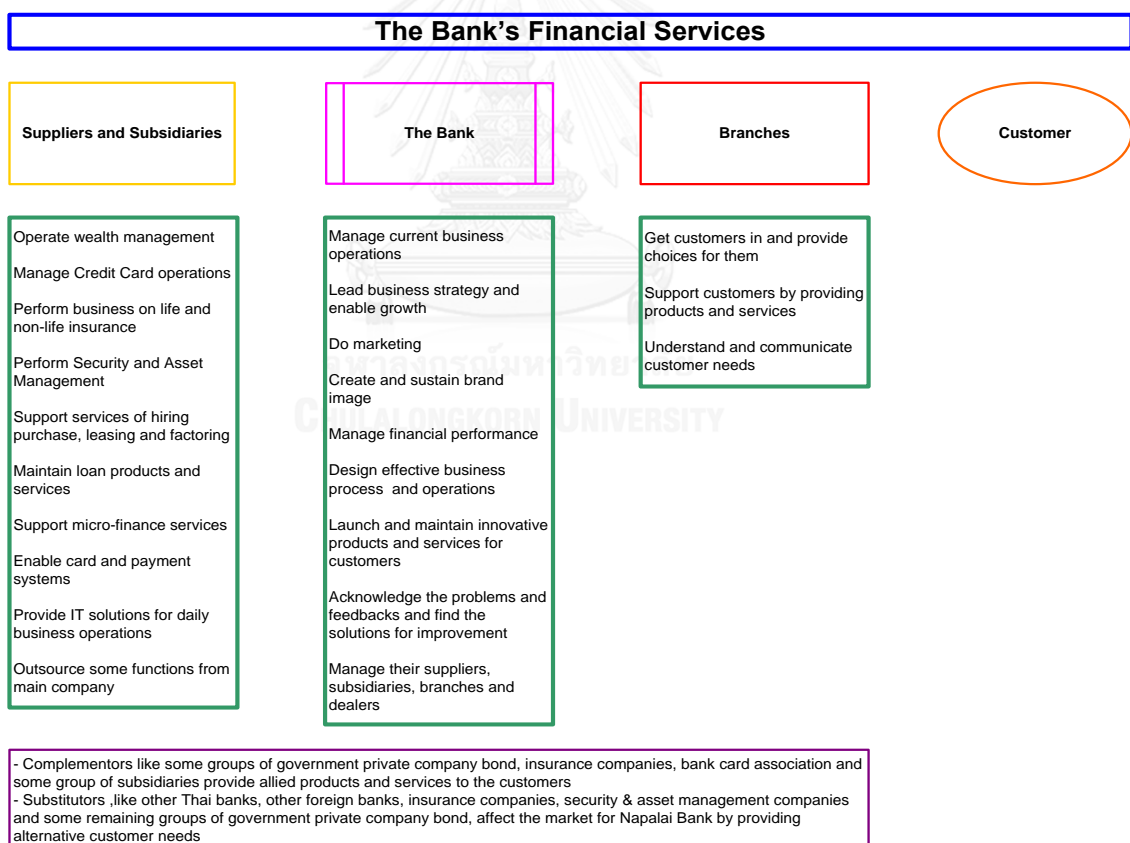


Figure 20 Value Capture of the bank's players

In Figure 20, Players compete to capture a larger share of the value created in the interaction by leveraging certain activities, competencies, or customer information.

It is absolutely clear that **suppliers and subsidiaries** perform their own roles to supply outcome to the main Bank. They operates back-end business operations for the bank including Wealth Management, Credit Cards, Life/Non-life Insurance, Security & Asset Management, Loans, Micro Finance, Payments and other supporting services.

The bank acts as the main player of the value chain. It manages current business operations; define the business strategy and relevant actions for business growth. The bank also needs to realize the problems, issues and customer feedbacks in order to be the input of any improvements and resolutions.

Branches have direct interface with end customers. They provides financial products and services to bank's customers as well as gaining customer needs and communicate to main bank for further improvement.



3.1.3 Value Analysis

Value analysis must consider value chain separately from value creation, since firms that create the value may not always be in a position to capture it. Many factors can help or hinder a player's ability to capture value from the interaction. We can use the Value System model to expand Value Net analysis, map the business environment and understand the players and their interactions.

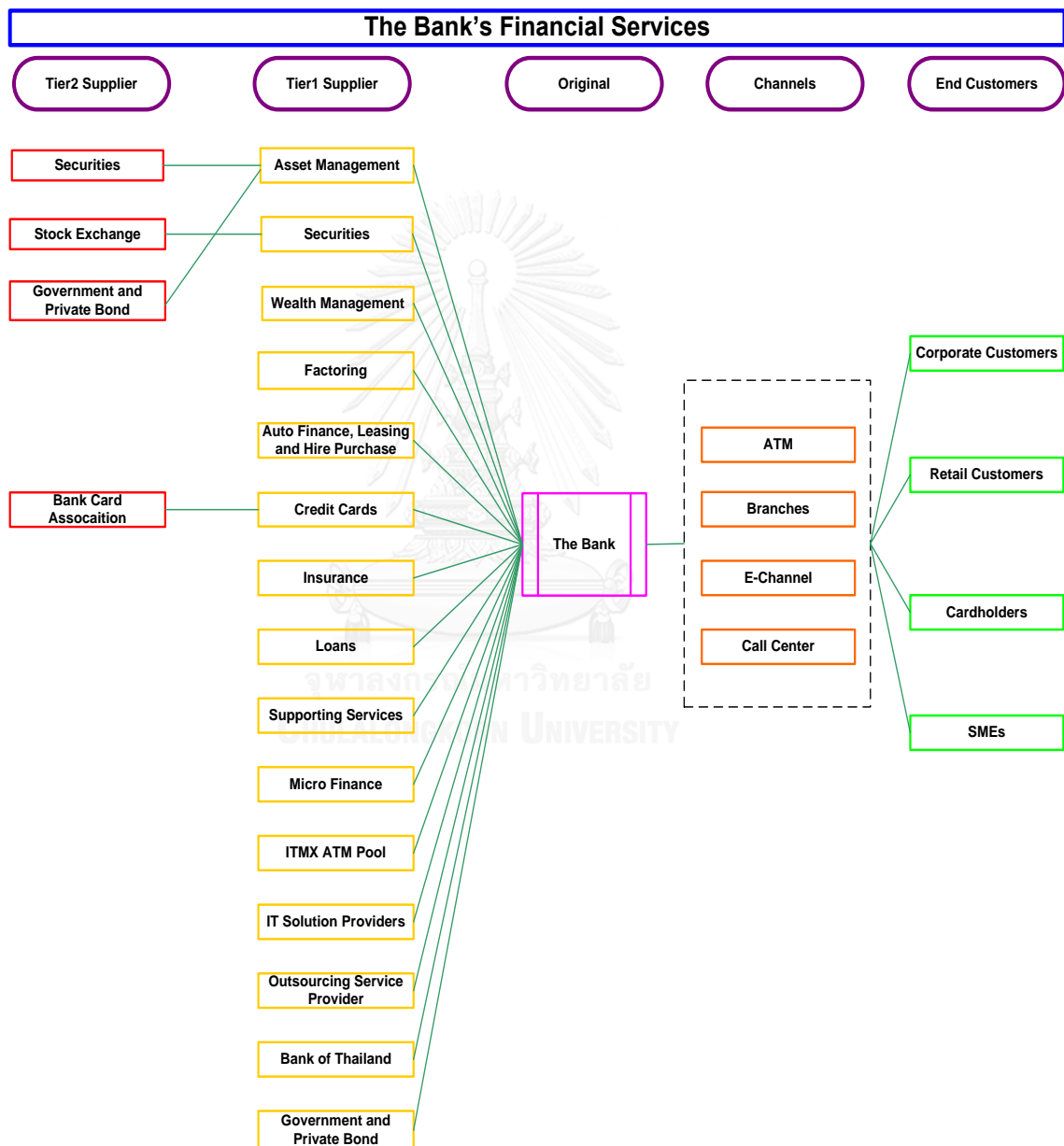


Figure 21 Value System Model of the bank

The value systems separate the payers into 5 layers including:

- 1) **End Customers** categorize by the segments in the market which have different kinds of interactions with the bank. All customers would be able to access and use financial products and services variety of channels including branches, ATM, Call Center and Electronic Channel such as Internet Banking and Mobile Banking.
 - *Retail Customers* majorly receive banking products and services on every channel. Retail Customers tend to increasingly use basic banking functions such as transfer, statement & balance inquiry and payments via E-Channel whereas they still perform the same functions via branches, ATM and call center. On the other hand, above 60% of retail financial products and services still operate at branch as the major channel such as personal loans, account opening, cheques, cards and etc.
 - *Corporate and SME Customers* mostly perform and manage their financial transactions via branches but they contact sales and product specialists for utilizing specific financial products directly such as business loans, asset management, project finance, financial risk management, cash management services for driving their businesses in financial-related areas. The banking features which run on E-Channel, ATM and call center are still limited based on current business design.
 - *Card Holders* can access all channels for cards functions including setting card authorization, setting limited financial amount, disable card and etc.

- 2) **Channels** are the ways which the customers can access the bank's financial products and services. The bank always focus on 4 majors channels including:
 - Branches are definitely the retail locations where the banks can offer a sets for both face-to-face and automated services to the customers. In the existing environment, we can classify the branches into many categories based on size, customer segments and locations including:
 - Small (Size S): Target low – medium income customers
 - Medium (Size M): Target low – medium high income customers
 - Large (Size L): Target low – high income customers
 - Premium: Target high – very high income customers

- Department Store: Target medium low – high income customer who buy the products at the department store

(See the customer segments in section 2.3.1.2 Value Nets of the bank part customers)

- ATM is an electronic telecommunications device that enables the customers of a financial institution to perform financial transactions without the need for a human cashier, clerk or bank teller. In this term, the bank also includes Cash Deposit Machine (CDM) and Passbook Printing Machine considered as ATM channel.
 - Call Center a centralized office used for the purpose of receiving or transmitting a large volume of requests by telephone. Customers can access their bank deposit or credit accounts to make several transactions such as inquiry balance, inquiry activity, inquiry statement, order cheque book, cancel cards, do bill payment and etc. Call Center in retail banking industry also creates two ways communication between customer and bank officer via sound.
 - Electronic Channels (E-Channel) can separated in two banking E-Channels as following:
 - *Mobile Banking* is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or tablet.
 - *Internet Banking* is an electronic payment system that enables customers to conduct financial transactions on a website operated by the bank.
- 3) **The Bank (Main Bank)** manages the interaction between their suppliers, branches and channels to make sure that they apply services' quality as the bank's expectation. It also performs quality assurance of products and services inputted from suppliers in order to operate for the expected outcome to the customers.
- 4) **First Tier Suppliers** The key role is to supply financial products and services based on defined functions assign to the companies. Their outcome will turn to be the input for main bank directly to operate and provide them to the end customers. In this case, First Tier Suppliers of the bank should be Asset Management, Securities, Wealth Management, Factoring, Finance, Credit Cards, Insurance, Loans, Micro Finance, ITMX ATM Pool, Government, IT and outsourcing service providers.

- 5) **Second Tier Suppliers** are the players who perform their operations to support or supply outcome to the first tier suppliers' functions. Consequently, Securities, Stock Exchange, Government & Private Bond and Bank Card Association should be considered as the second tier suppliers for the bank. Securities are also the second tier suppliers as they supply security services to be the input of asset management.

Now, we understand the values of each player as well as interactions between each particular one in the value system model. The strategy should maximize the values of each player and utilize them to achieve the bank's targets. It is also important to analyze external factors which can affect the value system as well. Next topic will discuss about industry force of banking environment.

3.1.4 Competitive Forces Analysis

Environment analysis consists of understanding the value system and competitive forces which can affect the company accordingly.

According to Porter's competitive force model, we have to consider the following force components which influence industry structure and appropriate actions to deal with them illustrated at Figure 22 and Table 18.

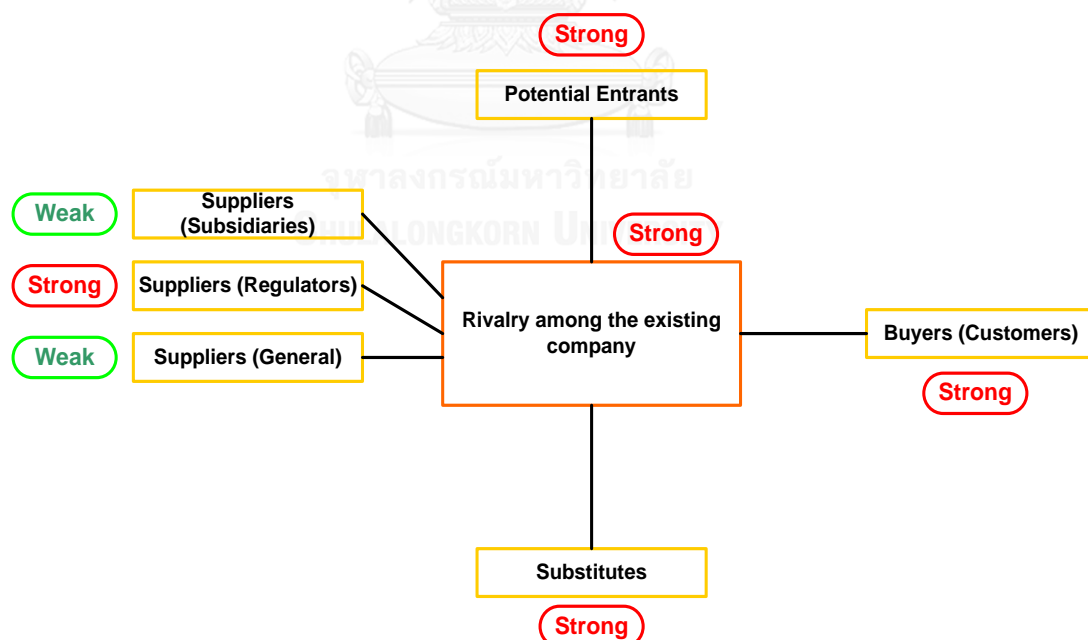


Figure 22 Porter's Competitive Force Model

Table 18 Porter's competitive analysis of the Bank

Force	Current Environment of the bank		Actions
	Bargaining Power	Description	
Buyers (Customers)	Strong	<p>Many Thai leading banks are really aggressive in launching innovative products and services to attract customers. Customers have so many choices to select in banking industry as of now.</p> <p>Furthermore, ASEAN Economic Community (AEC) will be effective on 2015 which allow foreign banks to increasingly operate their businesses in Thailand. Customers will have even more choices for banking services in Thailand.</p> <p>Key Factor: Customer demand, price and quality</p>	<p>Create and sustain brand loyalty to the customers with the perception of the bank being:</p> <p>The best products they can get from the market</p> <p>The best services they can receive from the bank personal</p>
Suppliers (Subsidiaries)	Weak	<p>Most of suppliers are the bank's subsidiaries and service providers which fully manage and control by the main bank.</p>	<p>Continuing utilize shared resources through subsidiaries to create more value of business.</p>
Suppliers (Regulators)	Strong	<p>Both Bank of Thailand is the regulator and provide central payment services to every bank in Thailand.</p> <p>ITMX ATM Pool and Bank Card Association are also the central service providers for all banks.</p>	<p>They are equally applicable to all banks. No action will be required.</p>
Suppliers (General)	Weak	<p>The bank can negotiate based on commercial termed which make IT Service Providers and Outsourcing Service Providers having less bargaining power.</p>	<p>Build strategic partnership with service providers for long term relationship and the best services from them.</p>

Force	Current Environment of the bank		Actions
	Bargaining Power	Description	
Potential Entrants	Strong	ASEAN Economic Community (AEC) will be effective on 2015 which allow foreign banks to increasingly operate their businesses in Thailand.	Reduce entrants' negotiating power by continually launching innovative products and services to satisfy customer needs. Improving business design to support flexibility in product and service development. Creating strong brand loyalty
Substitutes	Strong	There are numerous financial institutions which provide similar financial products and services with the bank such as insurance companies, government private bond and security & asset management companies	Utilize their subsidiaries' products and services in the group to synergize their value to the customer
Rivalry	Strong	Number of domestic, oversea bank's branches and ATMs are less than other leader banks. Banking Products and services aren't distinguished or more attractive than any other banks, which won't be able to gain market share from leading banks.	Reduce Rivalry' negotiating power by: Provide unique products and services to satisfy customer needs by building appropriate the bank's capabilities and resources making rivalry hard to imitate

In conclusion, it is really important that the bank must define business strategy to weaken the forces of potential entrants, buyers, substitutes and rivalry among the banking industry whereas it should keep supplier forces to remain weak bargaining power by utilizing the functions to maximize the outcomes for business growth. Complementors can be supporting parties who help selling the banking financial products and services to customers which should be the benefits of the bank in term of profitability. Moreover, related external factors such as economics, technological, societal, legal, and political factors can also affects business environment as well.

According to defined the business re-engineering requirements, the target of the bank is to become number 3 Thai retail and corporate banks in term of assets and no.1 Thai retail and corporate bank with the most preferred customers in 2018. If the bank still needs to achieve this target, business strategy must be clearly defined and supported by appropriate value propositions, capabilities and resources of the bank.

3.2 Business Drivers

Business drivers identify the top business priorities which the enterprise need to focus on. They can be thought of as high-level immutable requirements which the infrastructure, business and Information Technology (IT) must support. In this case, Business drivers of the Bank should be:

- 1) Create and sustain brand loyalty to the customers with the perception of the bank by the best products and services.
- 2) Optimize the value of the bank's channels by applying them to collect customer requirements and feedbacks for further products and service configuration.
- 3) Improving business design to support flexibility in product and service development.
- 4) Utilize their subsidiaries' products and services in the group to synergize their value to the customer.

3.3 Strategic Positioning

This is the step for identifying market segmentation, business strategy and value propositions required to achieve business target with competitive advantage. The purpose of strategic position is to:

- To select a strategic position that provides competitive advantage. This involves making trade-offs to choose the segments to focus on and the basis on which the firm will differentiate itself from its competitors.
- The basis on which the firm will differentiate itself from its competitors.
- To provide the basis for configuring the capabilities and resources.
- To define strategic positioning and value propositions, the bank need to define the competitive space to be target which involves identifying the offering, customer, and access dimensions.
 - **Offering** defines products and services
 - **Customer** defines target customers to be focus
 - **Access** defines the channels of the customers to use the products and services

The customers, offerings, and access dimensions to be considered will depend on the roles that the bank decides to take within the competitive market. The competitive space can be expressed as a **Market Segmentation Cube** to identify what will be offered to whom and how they will be reached.

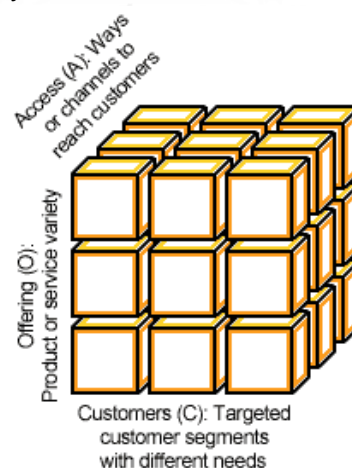


Figure 23 Market Segmentation Cube

In Table 19, it illustrates the customers, offerings and access components of the bank in the banking competitive environment.

Table 19 The components of Market Segmentation Cube of the bank

The Components	Description
Customers	<p><i>C1: Retail Customers separates by customer groups (* V = Asset Value)</i> C1A - Low Asset Value ($V < 100,000$ Baht)* C1B - Medium-Low Asset Value ($100,000 < V < 500,000$ Baht)* C1C - Medium Asset Value ($500,000 < V < 5,000,000$ Baht)* C1D - Medium-High Asset Value ($5 \text{ million} < V < 50 \text{ million}$ Baht)* C1E - High Asset Value ($50 \text{ million} < V < 100 \text{ million}$ Baht)* C1F - Very High Asset Value ($V > 100 \text{ million}$ Baht)*</p> <p><i>C2: Small Medium Enterprise (SME) Customers</i> <i>C3: Corporate Customers</i> <i>C4: Cardholders</i></p>
Access (A)	<p>A1: Branches A2: ATM A3: Call Center A4: E-Channel (Internet Banking and Mobile Banking)</p>
Offerings (O)	<p>O1: Deposits O2: Domestic Money Transfers O3: International Money Transfers O4: Personal Loans O5: Corporate Loans O6: Life Insurance O7: Non-life Insurance O8: Cheque O9: Mutual Funds O10: Credit Cards O11: Debit Cards O12: Payments O13: Wealth Management O14: Asset Management O15: Securities O16: Hire Purchase O17: Equipment Leasing O18: Factoring O19: Micro Finance O20: Government Bonds O21: Foreign Exchanges O22: Cash Management O23: Trade Finance O24: Private Bonds</p>

As defined in problem statements, the bank targets to be no.1 retail and corporate bank in Thailand with the most preferred customer services by driving the innovation into product and services. Consequently, the approach of the bank should be building customer centricity by allowing target customers to access products and services through the channels.

In customer centric view, the analysis should focus about what offerings we can reach the customers via the channels. The matrix should contain access (A) as x-axis and offerings as y-axis. There are about 9 matrices to identify target offerings and channels to reach each particular customer segments.

	<i>First Question</i>	<i>Second Question</i>	<i>Third Question</i>
Customer Access Offering	<i>Who are our (potential) customers?</i>	<i>How can we or should we reach these customers?</i>	<i>What offering(s) can we or should we offer?</i>
Customer Offering Access	<i>Who are our (potential) customers?</i>	<i>What offering(s) can we or should we offer?</i>	<i>How can we or should we reach these customers?</i>

Figure 24 Customer Centric View of the bank

Assume that X = current offering and Z = additional offering of the Bank

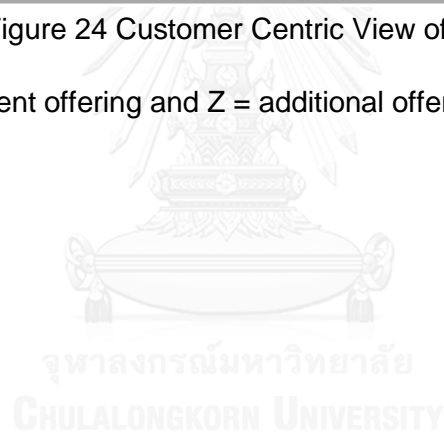


Table 20 Offering – Access Matrix for Low Asset Value Retail Customers of the bank (V < 100,000 Baht)*

Target customers should be starter income who plans for their future. Additionally, another group of customer in this segment is somebody who leaves outside Bangkok especially the cities in Thailand.

C1A - Low Asset Value	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X			X
O3: International Money Transfers				
O4: Personal Loans				
O5: Corporate Loans				
O6: Life Insurance	Z			
O7: Non-life Insurance	Z			
O8: Cheque				
O9: Mutual Funds	Z			Z
O10: Credit Cards				
O11: Debit Cards	X	X		X
O12: Payments	X	X		X
O13: Wealth Management				
O14: Asset Management				
O15: Securities				
O16: Hire Purchase	X			
O17: Equipment Leasing				
O18: Factoring				
O19: Micro Finance	X			
O20: Government Bonds				
O21: Foreign Exchanges				
O22: Cash Management				
O23: Trade Finance				
O24: Private Bond				
	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel

Low Asset Value Retail Customers are the group of individual customers who have their assets less than 100,000 baht. The bank continues to optimize existing services on deposit, money transfer, debit cards and payments through the channels. Hire Purchase and Micro Finance also supports lending activities of these customers through domestic branches.

For branch channels, Insurance and Mutual Funds services are expanded to provide for this customer segment in order to gain more market share in low-end market which contains significantly higher number of products per customer. On the other hand, call center isn't the target of this segment.

The key strategy is to create customer convenience in order to catch more revenue from this customer segment.

Table 21 Offering – Access Matrix for Medium-Low Asset Value Retail Customers of the bank (100,000 < V < 500,000 Baht)*

Target customers should be average workers.

C1B - Medium-Low Asset Value	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X	X		X
O3: International Money Transfers	X			
O4: Personal Loans	X			
O5: Corporate Loans				
O6: Life Insurance	X			
O7: Non-life Insurance	X			
O8: Cheque	X			Z
O9: Mutual Funds	X			X
O10: Credit Cards	X	X	X	X
O11: Debit Cards	X	X	X	X
O12: Payments	X	X	X	X
O13: Wealth Management				
O14: Asset Management				
O15: Securities	X			X
O16: Hire Purchase	X			
O17: Equipment Leasing				
O18: Factoring				
O19: Micro Finance	X			
O20: Government Bonds				
O21: Foreign Exchanges	X			
O22: Cash Management				
O23: Trade Finance				
O24: Private Bond				
	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel

Medium-Low Asset Value Retail Customers are the group of individual customers who have their assets between 100,000 and 500,000 baht. Deposits, Domestic Transfers, Cards and Payments are generalized for this customer segment or above. The bank focuses on customize the loan insurance and securities products to satisfy the customer demand using branch channel in majority. There are also a couple of services of international money transfers and exchanges for supporting the foreigners and travellers.

Moreover, Hire Purchase and Micro Finance services are still operated to support this group of customers. Additionally, cheque clearing services can be also accessed through both branches and electronic channels.

The key strategy for this group is to provide satisfied services which meet customer needs by understanding their behavior.



Table 22 Offering – Access Matrix for Medium Asset Value Retail Customers of the bank (500,000 < V < 5,000,000 Baht)*

Target customers should be mid-range income customers.

C1C - Medium Asset Value	A1: Branches	A2: ATM	A3: Call Center	A4: E- Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X	X		X
O3: International Money Transfers	X			
O4: Personal Loans	X			
O5: Corporate Loans				
O6: Life Insurance	X			
O7: Non-life Insurance	X			
O8: Cheque	X			Z
O9: Mutual Funds	X			X
O10: Credit Cards	X	X	X	X
O11: Debit Cards	X	X	X	X
O12: Payments	X	X	X	X
O13: Wealth Management	Z		Z	Z
O14: Asset Management				
O15: Securities	X			X
O16: Hire Purchase	X			
O17: Equipment Leasing				
O18: Factoring				
O19: Micro Finance				
O20: Government Bonds	X			
O21: Foreign Exchanges	X			
O22: Cash Management				
O23: Trade Finance				
O24: Private Bond	X			
	A1: Branches	A2: ATM	A3: Call Center	A4: E- Channel

Medium Asset Value Retail Customers are the group of individual customers who have their assets between 500,000 and 5,000,000 baht. It is similar to Low-Medium Asset Value Retail Customers. Some premium products, such as government bonds and private bond, are available for the customers.

The bank should add wealth management services to this segment across multi-channels to expand market share of the bank.

The key strategy is to apply premium products and excellent service offerings to create strong customer loyalty and attack to gain more customers in this segment.

Table 23 Offering – Access Matrix for Medium-High Asset Value Retail Customers of the bank (5 million < V < 50 million Baht)*

Target customers should be middle high-range income customers.

C1D - Medium-High Asset Value	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X	X		X
O3: International Money Transfers	X			
O4: Personal Loans	X			
O5: Corporate Loans				
O6: Life Insurance	X			
O7: Non-life Insurance	X			
O8: Cheque	X			Z
O9: Mutual Funds	X		Z	X
O10: Credit Cards	X	X	X	X
O11: Debit Cards	X	X	X	X
O12: Payments	X	X	X	X
O13: Wealth Management	X		X	Z
O14: Asset Management	Z		Z	Z
O15: Securities	X		Z	X
O16: Hire Purchase	X			
O17: Equipment Leasing				
O18: Factoring				
O19: Micro Finance				
O20: Government Bonds	X			
O21: Foreign Exchanges	X		Z	Z
O22: Cash Management				
O23: Trade Finance				
O24: Private Bond	X		Z	Z
	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel

Medium-High Asset Value Retail Customers are the group of individual customers who have their assets between 500,000 and 5,000,000 baht. Wealth Management products are always operated to support this customer segment by branches and call centers.

The bank should add asset management services to this segment across multi-channels to expand market share of the bank. It can maximize the service availability by adding channels for existing services such as mutual fund & securities via call center, foreign exchanges & private bond via electronic channel.

The key strategy is to apply premium products and excellent cross-channel services to create stronger customer loyalty and attack to gain more customers in this segment.



Table 24 Offering – Access Matrix for High Asset Value Retail Customers of the bank (50 million < V < 100 million Baht)*

Target customers should be high-range income customers.

C1E - High Asset Value	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X	X		X
O3: International Money Transfers	X			
O4: Personal Loans	X			
O5: Corporate Loans				
O6: Life Insurance	X			
O7: Non-life Insurance	X			
C8: Cheque	X			Z
O9: Mutual Funds	X		Z	X
O10: Credit Cards	X	X	X	X
O11: Debit Cards	X	X	X	X
O12: Payments	X	X	X	X
O13: Wealth Management	X		X	Z
O14: Asset Management	X		Z	Z
O15: Securities	X		Z	X
O16: Hire Purchase	X			
O17: Equipment Leasing				
O18: Factoring				
O19: Micro Finance				
O20: Government Bonds	X			
O21: Foreign Exchanges	X		Z	Z
O22: Cash Management				
O23: Trade Finance				
O24: Private Bond	X		Z	Z
	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel

High Asset Value Retail Customers are the group of individual customers who have their assets between 50 million and 100 million baht.

The bank focuses on providing premium products and services to the customers through multi-channels. It is quite similar to Medium-High Asset Value Retail Customers. The products should be customized to satisfy the customer demands to be more customers to the bank leading to significantly revenue increasing.

The key strategy is to apply premium products and excellent cross-channel services to create stronger customer loyalty and attack to gain more customers in this segment.



Table 25 Offering – Access Matrix for Very High Asset Value Retail Customers of the bank (V > 100 million Baht)*

Target customers should be very high-range income customers.

C1F - Very High Asset Value	A1: Branches	A2: ATM	A3: Call Center	A4: E- Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X	X		X
O3: International Money Transfers	X			
O4: Personal Loans	X			
O5: Corporate Loans				
O6: Life Insurance	X			
O7: Non-life Insurance	X			
O8: Cheque	X			Z
O9: Mutual Funds	X		X	X
O10: Credit Cards	X	X	X	X
O11: Debit Cards	X	X	X	X
O12: Payments	X	X	X	X
O13: Wealth Management	X		X	Z
O14: Asset Management	X		Z	Z
O15: Securities	X		Z	X
O16: Hire Purchase	X			
O17: Equipment Leasing				
O18: Factoring				
O19: Micro Finance				
O20: Government Bonds	X			
O21: Foreign Exchanges	X		Z	Z
O22: Cash Management	Z			Z
O23: Trade Finance				
O24: Private Bond	X		Z	Z
	A1: Branches	A2: ATM	A3: Call Center	A4: E- Channel

Very High Asset Value Retail Customers are the group of individual customers who have their assets over than 100 million baht. The major products and services should be the same as High Asset Value Retail Customers.

The bank can apply some suitable corporate banking products and services to provide for this group of customers such as cash management services through branches, internet and mobile for retail customers.

The key strategy is to individualize and personalize products and services to create very high customer satisfaction and loyalty.

Table 26 Offering – Access Matrix for SME Customers of the bank

C2: Small Medium Enterprise (SME) Customers	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X	X		X
O3: International Money Transfers	X			
O4: Personal Loans				
O5: Corporate Loans	X			X
O6: Life Insurance	X			
O7: Non-life Insurance	X			
O8: Cheque	X			Z
O9: Mutual Funds	X		X	X
O10: Credit Cards	X	X	X	X
O11: Debit Cards				
O12: Payments	X	X	X	X
O13: Wealth Management				
O14: Asset Management				
O15: Securities				
O16: Hire Purchase				
O17: Equipment Leasing	X			
O18: Factoring	X			
O20: Government Bonds				
O21: Foreign Exchanges	X			
O22: Cash Management	X			Z
O23: Trade Finance	X			Z
O24: Private Bond				
	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel

SME Customers also need general financial services including transfers, deposits, payments, cards and exchanges. Significantly, the bank should customize corporate products to fit with SME customers' demands including corporate loan, factoring, trade finance, cash management and increase flexibility by adding channels to some SME products. Variety of products and services should be adapted for wide range of client's industry and operated in correct locations.

The key strategy is to provide excellent services and financial advices with good understanding in the customers to create strong customer loyalty.

Table 27 Offering – Access Matrix for Corporate Customers of the bank

C3: Corporate Customers	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X	X		X
O3: International Money Transfers	X			
O4: Personal Loans				
O5: Corporate Loans	X			X
O6: Life Insurance	X			
O7: Non-life Insurance	X			
O8: Cheque	X			Z
O9: Mutual Funds	X		X	X
O10: Credit Cards	X	X	X	X
O11: Debit Cards				
O12: Payments	X	X	X	X
O13: Wealth Management				
O14: Asset Management				
O15: Securities	X			X
O16: Hire Purchase	X			
O17: Equipment Leasing	X			
O18: Factoring	X			
O19: Micro Finance				
O20: Government Bonds				
O21: Foreign Exchanges	X			
O22: Cash Management	X			Z
O23: Trade Finance	X			Z
O24: Private Bond	X			
	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel

Corporate Customers focus on supporting large enterprises on both domestic and international companies. The products and services are similar to SME customers but it is larger volume of money in the system. Variety of products and services should be adapted for wide range of client's industry and operated in correct locations. The branch is key channel of this segment.

The key strategy is to individualize and personalize products and services to create very high customer satisfaction and loyalty.

Table 28 Offering – Access Matrix for Cardholders of the bank

C4: Cardholders	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel
O1: Deposits	X	X		X
O2: Domestic Money Transfers	X	X		X
O3: International Money Transfers	X			
O4: Personal Loans	X			
O5: Corporate Loans				
O6: Life Insurance	X			
O7: Non-life Insurance	X			
O8: Cheque				
O9: Mutual Funds	X			X
O10: Credit Cards	X	X	X	X
O11: Debit Cards	X	X	X	X
O12: Payments	X	X	X	X
O13: Wealth Management				
O14: Asset Management				
O15: Securities	X			X
O16: Hire Purchase	X			
O17: Equipment Leasing				
O18: Factoring				
O19: Micro Finance	X			
O20: Government Bonds				
O21: Foreign Exchanges	X			
O22: Cash Management				
O23: Trade Finance				
O24: Private Bond				
	A1: Branches	A2: ATM	A3: Call Center	A4: E-Channel

Cardholders are specifically considered to be similar to Low-Medium Asset Value Retail Customers. The main focus is on increasing flexibility in customizing card-related services to maximize the volume of the cardholders and gain the market share from the competitors through multi-channels.

The key strategy for this group is to provide satisfied services which meet customer needs by understanding their behavior and offer value-added products and offerings from third-parties partners.

There are about 4 matrices to identify target offerings and customers to by approaching via variety of channels

Assume that X = current offering and Z = additional offering of the bank



Table 29 Offering – Customer Matrix for Branches Channel of the bank

A1: Branches	C1A - Low Asset Value	C1B - Medium-Low Asset Value	C1C - Medium Asset Value	C1D - Medium-High Asset Value	C1E - High Asset Value	C1F - Very High Asset Value	C2: Small Medium Enterprise (SME) Customers	C3: Corporate Customers	C4: Cardholders
O1: Deposits	X	X	X	X	X	X	X	X	X
O2: Domestic Money Transfers	X	X	X	X	X	X	X	X	X
O3: International Money Transfers		X	X	X	X	X	X	X	X
O4: Personal Loans		X	X	X	X	X			X
O5: Corporate Loans							X	X	
O6: Life Insurance	Z	X	X	X	X	X	X	X	X
O7: Non-life Insurance	Z	X	X	X	X	X	X	X	X
O8: Cheque		X	X	X	X	X	X	X	
O9: Mutual Funds	Z	X	X	X	X	X	X	X	X
O10: Credit Cards		X	X	X	X	X	X	X	X
O11: Debit Cards	X	X	X	X	X	X			X
O12: Payments	X	X	X	X	X	X	X	X	X
O13: Wealth Management			Z	X	X	X			
O14: Asset Management				Z	X	X			
O15: Securities		X	X	X	X	X		X	X
O16: Hire Purchase	X	X	X	X	X	X		X	X
O17: Equipment Leasing							X	X	
O18: Factoring							X	X	
O19: Micro Finance	X	X							X
O20: Government Bonds			X	X	X	X			
O21: Foreign Exchanges		X	X	X	X	X	X	X	X
O22: Cash Management						Z	X	X	
O23: Trade Finance							X	X	
O24: Private Bond			X	X	X	X		X	

All banking products and services already operated by branches channels to support wide range of customers.

The key focus of branch channel is how to optimize value of branch operations to be input of customization processes and branch segmentation in order to reach customer needs and increase flexibility of products and services.

Table 30 Offering – Customer Matrix for ATM Channel of the bank

A2: ATM	C1A - Low Asset Value	C1B - Medium-Low Asset Value	C1C - Medium Asset Value	C1D - Medium-High Asset Value	C1E - High Asset Value	C1F - Very High Asset Value	C2: Small Medium Enterprise (SME) Customers	C3: Corporate Customers	C4: Cardholders
O1: Deposits	X	X	X	X	X	X	X	X	X
O2: Domestic Money Transfers		X	X	X	X	X	X	X	X
O3: International Money Transfers									
O4: Personal Loans									
O5: Corporate Loans									
O6: Life Insurance									
O7: Non-life Insurance									
O8: Cheque									
O9: Mutual Funds									
O10: Credit Cards		X	X	X	X	X	X	X	X
O11: Debit Cards	X	X	X	X	X	X			X
O12: Payments	X	X	X	X	X	X	X	X	X
O13: Wealth Management									
O14: Asset Management									
O15: Securities									
O16: Hire Purchase									
O17: Equipment Leasing									
O18: Factoring									
O19: Micro Finance									
O20: Government Bonds									
O21: Foreign Exchanges									
O22: Cash Management									
O23: Trade Finance									
O24: Private Bond									

The bank applies ATM channel to use basic financial services on payments, card operations and transfers which actually the same approach with another banks in Thailand.

Table 31 Offering – Customer Matrix for Call Center Channel of the bank

A3: Call Center	C1A - Low Asset Value	C1B - Medium-Low Asset Value	C1C - Medium Asset Value	C1D - Medium-High Asset Value	C1E - High Asset Value	C1F - Very High Asset Value	C2: Small Medium Enterprise (SME) Customers	C3: Corporate Customers	C4: Cardholders
O1: Deposits									
O2: Domestic Money Transfers									
O3: International Money Transfers									
O4: Personal Loans									
O5: Corporate Loans									
O6: Life Insurance									
O7: Non-life Insurance									
O8: Cheque									
O9: Mutual Funds				Z	Z	X	X	X	
O10: Credit Cards		X	X	X	X	X	X	X	X
O11: Debit Cards		X	X	X	X	X			X
O12: Payments		X	X	X	X	X	X	X	X
O13: Wealth Management			Z	X	X	X			
O14: Asset Management				Z	Z	Z			
O15: Securities				Z	Z	Z			
O16: Hire Purchase									
O17: Equipment Leasing									
O18: Factoring									
O19: Micro Finance									
O20: Government Bonds									
O21: Foreign Exchanges				Z	Z	Z			
O22: Cash Management									
O23: Trade Finance									
O24: Private Bond				Z	Z	Z			

The bank significantly focuses more on adding premium financial products through call center channel such as *Mutual Fund, Asset Management, Securities, Foreign Exchanges and Private Bond* in order to gain larger high-end retail customers from the market.

Table 32 Offering – Customer Matrix for E-Channel of the bank

A4: E-Channel	C1A - Low Asset Value	C1B - Medium-Low Asset Value	C1C - Medium Asset Value	C1D - Medium-High Asset Value	C1E - High Asset Value	C1F - Very High Asset Value	C2: Small Medium Enterprise (SME) Customers	C3: Corporate Customers	C4: Cardholders
O1: Deposits	X	X	X	X	X	X	X	X	X
O2: Domestic Money Transfers	X	X	X	X	X	X	X	X	X
O3: International Money Transfers									
O4: Personal Loans									
O5: Corporate Loans							X	X	
O6: Life Insurance									
O7: Non-life Insurance									
O8: Cheque		Z	Z	Z	Z	Z	Z	Z	
O9: Mutual Funds	Z	X	X	X	X	X	X	X	X
O10: Credit Cards		X	X	X	X	X	X	X	X
O11: Debit Cards	X	X	X	X	X	X			X
O12: Payments	X	X	X	X	X	X	X	X	X
O13: Wealth Management			Z	Z	Z	Z			
O14: Asset Management				Z	Z	Z			
O15: Securities		X	X	X	X	X		X	X
O16: Hire Purchase									
O17: Equipment Leasing									
O18: Factoring									
O19: Micro Finance									
O20: Government Bonds									
O21: Foreign Exchanges				Z	Z	Z			
O22: Cash Management						Z	Z	Z	
O23: Trade Finance							Z	Z	
O24: Private Bond				Z	Z	Z			

There are numerous existing financial products which should be activated to run on E-channel such as *Cheque Clearing, Foreign Exchanges, Wealth Management, Asset Management, Cash Management, Trade Finance and Private Bond*. By adding this channel, the bank can enable more flexibility, accessibility, availability of premium products down to lower-level of retail customers in the market.

According to each customer segment, we can summarize key business strategy identified by the bank per each segment in Table 33.

Table 33 The Summary of key strategy for each customer segment

Customer Segmentation	Key Strategy
C1A - Low Asset Value	Create customer convenience in order to catch more revenue from this customer segment.
C1B - Medium-Low Asset Value	Provide satisfied services which meet customer needs by understanding their behavior.
C1C - Medium Asset Value	Apply premium products and excellent service offerings to create strong customer loyalty and attack to gain more customers in this segment.
C1D - Medium-High Asset Value	Apply premium products and excellent cross-channel services to create stronger customer loyalty and attack to gain more customers in this segment.
C1E - High Asset Value	Apply premium products and excellent cross-channel services to create stronger customer loyalty and attack to gain more customers in this segment.
C1F - Very High Asset Value	Individualize and personalize products and services to create very high customer satisfaction and loyalty.
C2: Small Medium Enterprise (SME) Customers	Provide excellent services and financial advices with good understanding in the customers to create strong customer loyalty.
C3: Corporate Customers	Individualize and personalize products and services to create very high customer satisfaction and loyalty.
C4: Cardholders	Provide satisfied services which meet customer needs by understanding their behavior and offer value-added products and offerings from third-parties partners.

The bank has to optimize the branches to be utilized and gaining revenue from retail customers (C1A – C1F, C4), SME (C2) and corporate (C3) customers.

From Conclusion of Strategic Positioning: To define the new business strategy, we can answer the questions which are asked at the end of section 3.3.1.1 as below:

Table 34 Answer the strategic questions

Question#	Strategic Questions	Strategic Answers
A	How should the bank address its strategy for each market segment?	The bank must have the key strategy for each customer segment (Refer to Table 33)
B	How can the bank gain market share (Revenue, Profits and Customer Base) for all market segments?	<ol style="list-style-type: none"> 1) Increase number of customers by focusing on key strategy for each customer segment (Refer to Table 33) 2) Increase more revenue per customer (Refer to C.1, E.1-4, E.7, F) 3) Increase process efficiency 4) Effective and Efficient Branch Utilization 5) Use leading edge technologies as bank's strategic enablers
C	How can the bank utilize leadership in consumer markets?	Grow consumer customers to become higher customer segment with more products and services.
D	Why does the bank have higher operational cost structure than market average?	<ol style="list-style-type: none"> 1) Consumer customers have higher risk and higher operating cost 2) Average revenue per branch is currently less than the average competitors 3) There are low number of products owned by each individual customer 4) Valued Customer base market share is less than competitors which generated lower income 5) Subsidiaries and dealers have numerous branches 6) The bank's customer service and selling processes are slightly less effective and efficient than the competitors in average

Question#	Strategic Questions	Strategic Answers
E	How can the bank reduce the operating cost?	<ol style="list-style-type: none"> 1) Effective risk management capabilities for loan approval process 2) Increase market share by utilizing leadership positioning in consumer markets (Refer to Item C.1) 3) Create capability to sell more products and services per segment 4) Utilize branch capabilities to be more effective revenue generation by sharing subsidiaries' resources 5) Reduce number of branches 6) Integrate other channels with branch operations to lower and optimize bank operation cost 7) Increase market share of middle to high asset value customers by understanding each segment of customers and provide premium products and services which meet the requirements 8) Utilize technologies to automate business processes
F	How can the bank optimize branches and channels structure?	<ol style="list-style-type: none"> 1) Promote and encourage the customers to perform simple transactions via E-Channel 2) Apply customer centricity to branch operations for being excellent services and gain customer satisfaction to create customer loyalty 3) Create new and improve products and services which will be attractive to each customer segmentation 4) Improve branch productivity by understanding each segment of customers and provide premium products and services which meet the requirements 5) Integrate other channels with branch operations to lower and optimize bank operation cost 6) Use branches as the center for the customers face to face relationship management, with the complementation by other channels including call center and E-Channel

Question#	Strategic Questions	Strategic Answers
G	What should be the bank position on AEC?	1) Looking forward for partnering with other foreign banks to synergize both capabilities 2) Establish business centers as overseas branches focusing on trade finance, corporate and investment banking 3) Support the local branches' SME and corporate customers on AEC overseas financial services through overseas bank's business centers
H	How can we maximize revenue by utilizing the assets and equity?	Utilize branches to be more effective and efficient (Refer to E, F, G)

As the conclusion from above questions on new business strategy, the value propositions of the bank are:

1) Number 3 Thai Bank

The bank aims to become number 3 in Thai retail and corporate banking market in terms of assets in 2018

2) Customer Preferred Bank

The bank appears to be the bank of first choice for wide-ranged customers with strong loyalty, trust and recognition of best product and services.

3) Effective and Efficient Branch Services

The bank appears to have effective and efficient branch operations to support the face-to-face services by optimizing the value of resources to the maximum.

4) Innovative Product and Service Excellence

The bank leads the market by launching excellent products and services which meet the customer needs.

5) Leading Edge Technology Bank

The bank aims to be the leader in applying technologies to automate business processes and operations.

6) Expertise service-minded staffs

The bank builds employee expertise and skills to provide consultative advice for the customers with care and service-minded.

7) Cost Effectiveness Financial Enterprise

The bank appears to be the bank which utilizes its cost to generate maximum outcome from the business.

8) Ready for AEC

As AEC will be effective in 2015, the bank aims to be competitive for overseas markets in ASEAN.

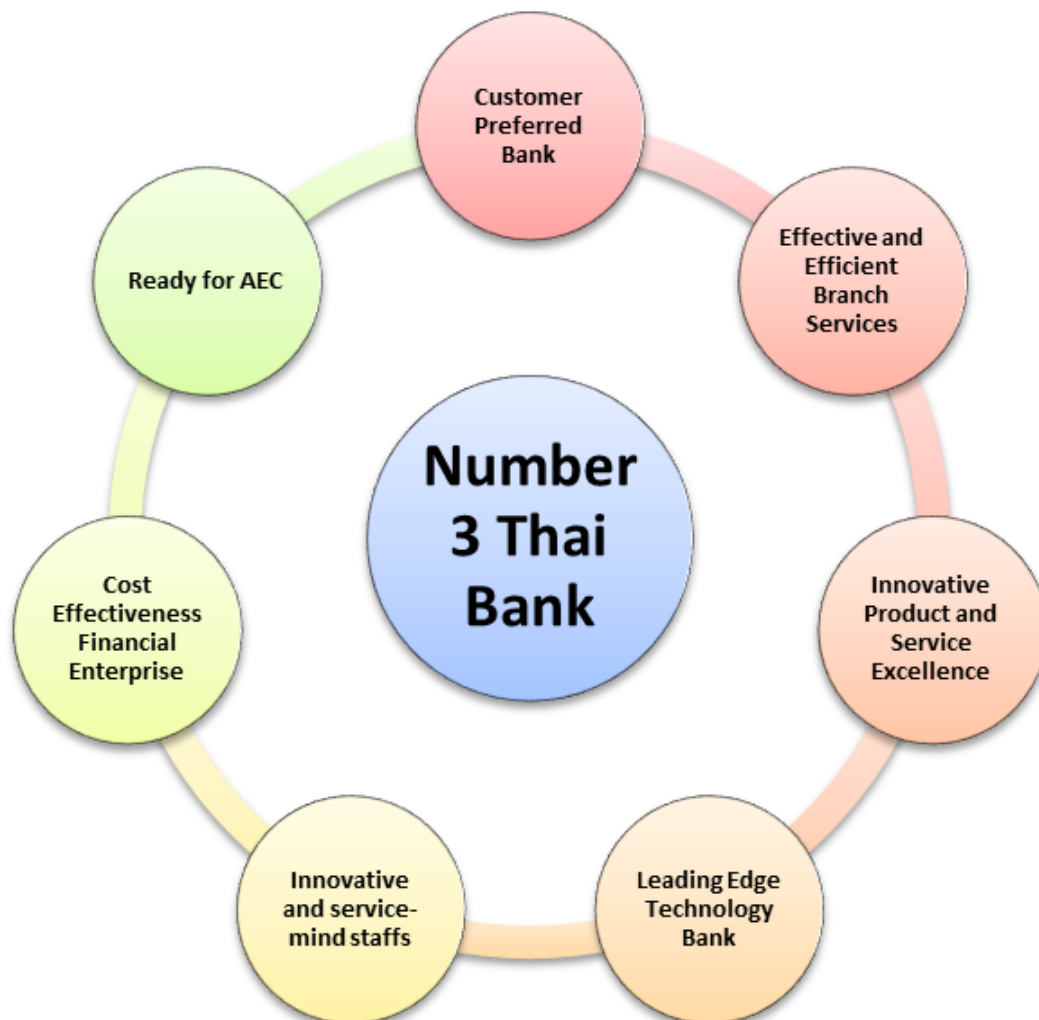


Figure 25 Value Propositions of The Bank

To realize value propositions, the bank should focus on building required capabilities to support accordingly. The process of building capabilities is called “**Capability Configuration**” which will be described in section 3.4.

3.4 Capabilities Configuration

The capability configuration captures the key aspects of the strategic position and identifies the configuration required to support the position.

The purpose of capabilities configuration is to:

- To enable the firm to create a viable and sustainable strategic position by configuring a set of outcomes and supporting capabilities that is consistent, compatible and mutually reinforcing.
- To develop a framework that captures the configuration with sufficient clarity and detail for development of business capabilities.

To enable and sustain the strategic position, the company needs to configure a system of outcomes of value and the capabilities to deliver the outcomes:

- **Outcomes**, when taken together, deliver the unique value mix in a selected segment and represent the Value Proposition of the company.
- **Capabilities** are "what the company needs to be able to do" to deliver the value outcomes. The dimensions on which we can look at the capabilities are process, organization, technology, and knowledge.

In order to enable the value propositions, the banks needs the required capabilities to support as illustrated in Table 35.

Table 35 Capability Configuration of the Bank

Capability ID	Capability Name	Level	Support to	Support By
CAP-001	Be able to have key strategy for each customer segment	Level 3	CAP-002 CAP-003 CAP-015 CAP-019 CAP-010 CAP-032	CAP-028 CAP-033
CAP-002	Be able to increase number of customers by focusing on key strategy for each customer segment	Level 1	VAL-000	CAP-001 CAP-007 CAP-009 CAP-013 CAP-018 CAP-019 CAP-024 CAP-025

Capability ID	Capability Name	Level	Support to	Support By
CAP-003	Be able to increase more revenue per customer	Level 1	VAL-000	CAP-001 CAP-007 CAP-010 CAP-013 CAP-014 CAP-015 CAP-019 CAP-020 CAP-033
CAP-004	Be able to increase process efficiency	Level 2	CAP-005 CAP-020	CAP-011 CAP-016
CAP-005	Be able to have Effective and Efficient Branch Utilization	Level 1	VAL-002 VAL-006	CAP-004 CAP-012 CAP-017 CAP-020 CAP-021 CAP-022 CAP-028
CAP-006	Be able to use leading edge technologies as bank's strategic enablers	Level 1	VAL-004	CAP-016 CAP-021 CAP-029 CAP-030 CAP-031 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-007	Be able to grow consumer customers to become higher customer segment with more products and services	Level 2	CAP-002 CAP-003 CAP-009	CAP-008 CAP-015 CAP-018 CAP-019 CAP-026 CAP-027 CAP-032 CAP-034 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-008	Be able to have Effective risk management capabilities for loan approval process	Level 2	CAP-009 CAP-019 CAP-007	CAP-039

Capability ID	Capability Name	Level	Support to	Support By
CAP-009	Be able to increase market share by utilizing leadership positioning in consumer markets	Level 1	VAL-000 CAP-002 CAP-014	CAP-007 CAP-008
CAP-010	Be able to sell more products and services per segment	Level 2	VAL-000 VAL-001 CAP-003 CAP-014	CAP-001 CAP-015 CAP-019 CAP-020 CAP-024 CAP-025 CAP-026 CAP-027 CAP-029 CAP-032 CAP-033 CAP-034 CAP-038 CAP-039 CAP-040
CAP-011	Be able to utilize branch capabilities to be more effective revenue generation by sharing subsidiaries' resources	Level 2	CAP-004 CAP-018	CAP-026 CAP-034
CAP-012	Be able to reduce number of branches	Level 2	CAP-005	CAP-017 CAP-021 CAP-028 CAP-030 CAP-031 CAP-036 CAP-037
CAP-013	Be able to have customer relationship management (CRM)	Level 2	VAL-001 CAP-002 CAP-003 CAP-015 CAP-018 CAP-019 CAP-022	CAP-016 CAP-021 CAP-030 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-014	Be able to increase market share of middle to high asset value customers	Level 1	VAL-000 CAP-003	CAP-009 CAP-010 CAP-019 CAP-020 CAP-021 CAP-022 CAP-026 CAP-027 CAP-029 CAP-034

Capability ID	Capability Name	Level	Support to	Support By
CAP-015	Be able to understand each segment of customers and provide premium products and services which meet the requirements	Level 2	CAP-003 CAP-010 CAP-018 CAP-019 CAP-020 CAP-032 CAP-007	CAP-001 CAP-013 CAP-033 CAP-038 CAP-039 CAP-040
CAP-016	Be able to utilize technologies to automate business processes	Level 3	CAP-004 CAP-006 CAP-013	CAP-029
CAP-017	Be able to promote and encourage the customers to perform simple transactions via E-Channel	Level 3	CAP-005 CAP-012	CAP-021 CAP-031 CAP-032
CAP-018	Be able to apply customer centricity to branch operations for being excellent services and gain customer satisfaction to create customer loyalty	Level 2	VAL-002 CAP-002 CAP-007 CAP-020	CAP-011 CAP-013 CAP-015 CAP-019 CAP-024 CAP-025 CAP-026 CAP-027 CAP-028 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-019	Be able to create new and improve products and services which will be attractive to each customer segmentation	Level 2	VAL-003 CAP-002 CAP-003 CAP-007 CAP-010 CAP-014 CAP-018	CAP-001 CAP-008 CAP-013 CAP-015 CAP-033 CAP-038 CAP-039 CAP-040
CAP-020	Be able to improve branch productivity by understanding each segment of customers and provide premium products and services which meet the requirements	Level 2	CAP-003 CAP-005 CAP-010 CAP-014	CAP-004 CAP-015 CAP-018 CAP-028 CAP-033 CAP-038 CAP-039 CAP-040

Capability ID	Capability Name	Level	Support to	Support By
CAP-021	Be able to integrate other channels with branch operations to lower and optimize bank operation cost	Level 3	CAP-005 CAP-006 CAP-012 CAP-013 CAP-014 CAP-017	CAP-028 CAP-029 CAP-030 CAP-031
CAP-022	Be able to use branches as the center for the customers face to face relationship management, with the complementation by other channels including call center and E-Channel	Level 2	VAL-001 VAL-002 VAL-003 CAP-005 CAP-014	CAP-013 CAP-021 CAP-026 CAP-027 CAP-034
CAP-023	Be able to be the partner with other foreign banks to synergize both capabilities	Level 1	VAL-003 VAL-007	
CAP-024	Be able to establish business centers as oversea branches focusing on trade finance, corporate and investment banking	Level 2	VAL-007 CAP-002 CAP-010 CAP-018	
CAP-025	Be able to support the local branches' SME and corporate customers on AEC oversea financial services through oversea bank's business centers	Level 2	VAL-007 CAP-002 CAP-010 CAP-018	
CAP-026	Be able to have product and service expert staffs	Level 2	VAL-005 CAP-007 CAP-010 CAP-011 CAP-014 CAP-018 CAP-022	CAP-035
CAP-027	Be able to have all staffs with communication and service skills for excellence customer support	Level 3	VAL-005 CAP-007 CAP-010 CAP-014 CAP-018 CAP-022	CAP-035
CAP-028	Be able to provide completed and accurated single view of customer and their transactional information for products and services offerings	Level 3	CAP-001 CAP-005 CAP-012 CAP-018 CAP-021 CAP-022 CAP-020 CAP-030	CAP-029 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040

Capability ID	Capability Name	Level	Support to	Support By
CAP-029	Be able to agile develop or customize information systems to support new products and services	Level 3	VAL-004 CAP-006 CAP-010 CAP-016 CAP-021 CAP-028 CAP-030 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040	CAP-031
CAP-030	Be able to provide the customer integrated uniform of services from all channels	Level 3	VAL-001 CAP-006 CAP-012 CAP-013 CAP-021	CAP-028 CAP-029 CAP-031
CAP-031	Be able to have effective and efficient Information Technology (IT) services and operations	Level 3	VAL-004 CAP-006 CAP-012 CAP-017 CAP-021 CAP-029	CAP-035
CAP-032	Be able to have effective marketing program	Level 3	VAL-001 CAP-007 CAP-010 CAP-017	CAP-001 CAP-015
CAP-033	Be able to have effective research that matters for strategic enablement	Level 3	VAL-001 VAL-003 CAP-010 CAP-015 CAP-019 CAP-020	
CAP-034	Be able to have staffs with good selling skills	Level 3	VAL-005 CAP-007 CAP-010 CAP-011 CAP-022	CAP-035
CAP-035	Be able to have effective training programs	Level 3	CAP-026 CAP-027 CAP-031 CAP-034	

Capability ID	Capability Name	Level	Support to	Support By
CAP-036	Be able to identify individual customers across all channels	Level 4	CAP-006 CAP-012 CAP-013 CAP-018 CAP-028	CAP-029
CAP-037	Be able to have single view of individual customer's products and services usage	Level 4	CAP-006 CAP-012 CAP-013 CAP-018 CAP-028	CAP-029
CAP-038	Be able to understand individual customer's behavior and segmentation	Level 4	CAP-006 CAP-012 CAP-013 CAP-015 CAP-018 CAP-019 CAP-020 CAP-028	CAP-029
CAP-039	Be able to understand individual customer's risk profile	Level 4	CAP-006 CAP-012 CAP-013 CAP-015 CAP-018 CAP-019 CAP-020 CAP-028	CAP-029
CAP-040	Be able to propose high potential products and services to each individual customers	Level 4	CAP-006 CAP-012 CAP-013 CAP-015 CAP-018 CAP-019 CAP-020 CAP-028	CAP-029

In conclusion, the bank defines 8 value propositions included being Number 3 Thai Bank, Customer Preferred Bank, Effective and Efficient Branch Services, Innovative Product and Service Excellence, Leading Edge Technology Bank, Expertise service-minded staffs, Cost Effectiveness Financial Enterprise and finally Ready for AEC with over 30 capabilities required to support. The next chapter will describe the linkage between each value propositions and capabilities. Significantly, essential resources, which can enable those particular capabilities, are also identified in the next chapter too.

CHAPTER IV

ENTERPRISE CAPABILITIES

In Chapter 3, the bank identifies its target by willing to be number 3 Thai bank in terms of asset at the year of 2018. The bank defines 8 value propositions included being **Number 3 Thai Bank, Customer Preferred Bank, Effective and Efficient Branch Services, Innovative Product and Service Excellence, Leading Edge Technology Bank, Expertise service-mind staffs, Cost Effectiveness Financial Enterprise** and finally **Ready for AEC** with over 30 capabilities required to support. Now, it is the time to find the relationship between each particular capability and the value propositions in order to build the network for illustrating on how the strategy can be enabled. Lastly, required resources, which support each capability, will be developed as the capability enablers at the last part of the chapter.

Enterprise Capabilities are a key input to the work performed in an enterprise process re-engineering which must support and enable the business strategy of the enterprise. The strategic intent represented by the strategy is therefore a key driver in the development of the new design. Enterprise Capabilities represent the “bridge” between an organization’s business strategy and the components that support and enable the strategy.

There are three extremely important sections of the chapter named Strategic Capabilities Network (SCN), Business Scenarios and Capability Enablers (Resource)

4.1 Capabilities Network (SCN)

Strategic Capabilities Network is the tool for illustrating the relationship between value propositions – capabilities, capabilities – capabilities and capabilities – resources as we can see in Figure 26.

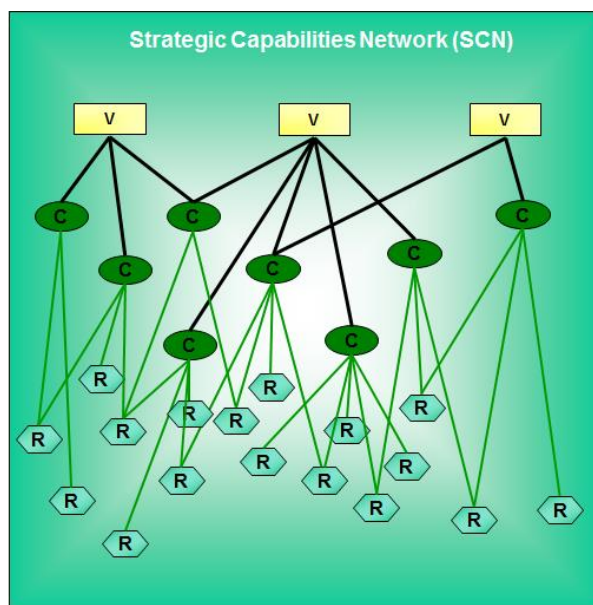


Figure 26 Strategic Capability Network Model

Value Proposition: What the bank needs to be or achieve in order to offer a differentiated value to the market. This can be stated in terms of business objectives and key metrics/goals. The bank has defined its value propositions presented in Table 36.

Table 36 The value propositions of the Bank

Value Proposition ID	Value Proposition Name
VAL-000	Number 3 Thai Bank
VAL-001	Customer Preferred Bank
VAL-002	Effective and Efficient Branch Services
VAL-003	Innovative Product and Service Excellence
VAL-004	Leading Edge Technology Bank
VAL-005	Expertise service-mind staffs
VAL-006	Cost Effectiveness Financial Enterprise
VAL-007	Ready for AEC

As written in chapter2, Number3 Thai Bank is the target that the bank aims to be within 2018. Consequently, Number 3 Thai Bank is also the major value proposition of the bank. It can be achieved by other value propositions which should be aligned with each other. We can logically define the dependency of each value proposition as presented in Figure 27.

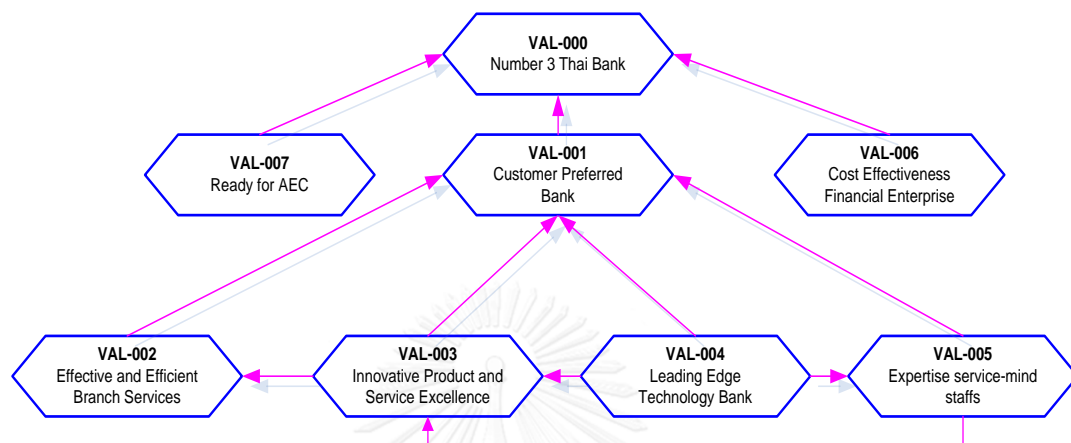


Figure 27 The relationship of value propositions of the bank

The bank aims to the customer preferred bank by utilizing effective and efficient branches and developing innovative product and service with the mixture of valuable people and leading edge technologies. On the other hand, the bank also is ready to be for AEC activation in 2015. Finally, it needs to be the financial enterprise which manages cost effectively in the competitive banking market.

Business Capability: What the bank need to be able do in order to achieve our value proposition or business objectives. Business capabilities reflect a company's "ability to..." do something of significance to achieving value for the customer or company. The bank conFigure d its capabilities to support the value propositions as illustrated in Table 37.

Those capabilities can be classified to be 4 levels based on the dependency of them.

- *Capability Level1* always supports its value proposition directly and contains major impacts to business in strategic and tactical ways.
- *Capability Level2* is mostly about major organizational ability to achieve the value proposition and capability level1.
- *Capability Level3* is mostly about minor organizational ability and significant tactical ability to achieve the value proposition and capability level1-2.

- *Capability Level4* is mostly about major operational ability to achieve the value proposition and capability level1-3 specifically for branch operations, multi-channel integration and customer centricity.

You can see the detail of capabilities in Table 37 – 40.



Table 37 The 1st level of capability

Capability ID	Capability Name	Level	Support to	Support By
CAP-002	Be able to increase number of customers by focusing on key strategy for each customer segment	Level 1	VAL-000	CAP-001 CAP-007 CAP-009 CAP-013 CAP-018 CAP-019 CAP-024 CAP-025
CAP-003	Be able to increase more revenue per customer	Level 1	VAL-000	CAP-001 CAP-007 CAP-010 CAP-013 CAP-014 CAP-015 CAP-019 CAP-020 CAP-033
CAP-005	Be able to have Effective and Efficient Branch Utilization	Level 1	VAL-002 VAL-006	CAP-004 CAP-012 CAP-017 CAP-020 CAP-021 CAP-022 CAP-028
CAP-006	Be able to use leading edge technologies as bank's strategic enablers	Level 1	VAL-004	CAP-016 CAP-021 CAP-029 CAP-030 CAP-031 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-009	Be able to increase market share by utilizing leadership positioning in consumer markets	Level 1	VAL-000 CAP-002 CAP-014	CAP-007 CAP-008

Capability ID	Capability Name	Level	Support to	Support By
CAP-014	Be able to increase market share of middle to high asset value customers	Level 1	VAL-000 CAP-003	CAP-009 CAP-010 CAP-019 CAP-020 CAP-021 CAP-022 CAP-026 CAP-027 CAP-029 CAP-034
CAP-023	Be able to be the partner with other foreign banks to synergize both capabilities	Level 1	VAL-003 VAL-007	

Table 38 The 2nd level of capability

Capability ID	Capability Name	Level	Support to	Support By
CAP-004	Be able to increase process efficiency	Level 2	CAP-005 CAP-020	CAP-011 CAP-016
CAP-007	Be able to grow consumer customers to become higher customer segment with more products and services	Level 2	CAP-002 CAP-003 CAP-009	CAP-008 CAP-015 CAP-018 CAP-019 CAP-026 CAP-027 CAP-032 CAP-034 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-008	Be able to have Effective risk management capabilities for loan approval process	Level 2	CAP-009 CAP-019 CAP-007	CAP-039

Capability ID	Capability Name	Level	Support to	Support By
CAP-010	Be able to sell more products and services per segment	Level 2	VAL-000 VAL-001 CAP-003 CAP-014	CAP-001 CAP-015 CAP-019 CAP-020 CAP-024 CAP-025 CAP-026 CAP-027 CAP-029 CAP-032 CAP-033 CAP-034 CAP-038 CAP-039 CAP-040
CAP-011	Be able to utilize branch capabilities to be more effective revenue generation by sharing subsidiaries' resources	Level 2	CAP-004 CAP-018	CAP-026 CAP-034
CAP-012	Be able to reduce number of branches	Level 2	CAP-005	CAP-017 CAP-021 CAP-028 CAP-030 CAP-031 CAP-036 CAP-037
CAP-013	Be able to have customer relationship management (CRM)	Level 2	VAL-001 CAP-002 CAP-003 CAP-015 CAP-018 CAP-019 CAP-022	CAP-016 CAP-021 CAP-030 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-015	Be able to understand each segment of customers and provide premium products and services which meet the requirements	Level 2	CAP-003 CAP-010 CAP-018 CAP-019 CAP-020 CAP-032 CAP-007	CAP-001 CAP-013 CAP-033 CAP-038 CAP-039 CAP-040

Capability ID	Capability Name	Level	Support to	Support By
CAP-018	Be able to apply customer centricity to branch operations for being excellent services and gain customer satisfaction to create customer loyalty	Level 2	VAL-002 CAP-002 CAP-007 CAP-020	CAP-011 CAP-013 CAP-015 CAP-019 CAP-024 CAP-025 CAP-026 CAP-027 CAP-028 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-019	Be able to create new and improve products and services which will be attractive to each customer segmentation	Level 2	VAL-003 CAP-002 CAP-003 CAP-007 CAP-010 CAP-014 CAP-018	CAP-001 CAP-008 CAP-013 CAP-015 CAP-033 CAP-038 CAP-039 CAP-040
CAP-020	Be able to improve branch productivity by understanding each segment of customers and provide premium products and services which meet the requirements	Level 2	CAP-003 CAP-005 CAP-010 CAP-014	CAP-004 CAP-015 CAP-018 CAP-028 CAP-033 CAP-038 CAP-039 CAP-040
CAP-022	Be able to use branches as the center for the customers face to face relationship management, with the complementation by other channels including call center and E-Channel	Level 2	VAL-001 VAL-002 VAL-003 CAP-005 CAP-014	CAP-013 CAP-021 CAP-026 CAP-027 CAP-034
CAP-024	Be able to establish business centers as oversea branches focusing on trade finance, corporate and investment banking	Level 2	VAL-007 CAP-002 CAP-010 CAP-018	

Capability ID	Capability Name	Level	Support to	Support By
CAP-025	Be able to support the local branches' SME and corporate customers on AEC oversea financial services through oversea bank's business centers	Level 2	VAL-007 CAP-002 CAP-010 CAP-018	
CAP-026	Be able to have product and service expert staffs	Level 2	VAL-005 CAP-007 CAP-010 CAP-011 CAP-014 CAP-018 CAP-022	CAP-035

Table 39 The 3rd level of capability

Capability ID	Capability Name	Level	Support to	Support By
CAP-001	Be able to have key strategy for each customer segment	Level 3	CAP-002 CAP-003 CAP-015 CAP-019 CAP-010 CAP-032	CAP-028 CAP-033
CAP-016	Be able to utilize technologies to automate business processes	Level 3	CAP-004 CAP-006 CAP-013	CAP-029
CAP-017	Be able to promote and encourage the customers to perform simple transactions via E-Channel	Level 3	CAP-005 CAP-012	CAP-021 CAP-031 CAP-032
CAP-021	Be able to integrate other channels with branch operations to lower and optimize bank operation cost	Level 3	CAP-005 CAP-006 CAP-012 CAP-013 CAP-014 CAP-017	CAP-028 CAP-029 CAP-030 CAP-031
CAP-027	Be able to have all staffs with communication and service skills for excellence customer support	Level 3	VAL-005 CAP-007 CAP-010 CAP-014 CAP-018 CAP-022	CAP-035

Capability ID	Capability Name	Level	Support to	Support By
CAP-028	Be able to provide completed and accurated single view of customer and their transactional information for products and services offerings	Level 3	CAP-001 CAP-005 CAP-012 CAP-018 CAP-021 CAP-022 CAP-020 CAP-030	CAP-029 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040
CAP-029	Be able to agile develop or customize information systems to support new products and services	Level 3	VAL-004 CAP-006 CAP-010 CAP-016 CAP-021 CAP-028 CAP-030 CAP-036 CAP-037 CAP-038 CAP-039 CAP-040	CAP-031
CAP-030	Be able to provide the customer integrated uniform of services from all channels	Level 3	VAL-001 CAP-006 CAP-012 CAP-013 CAP-021	CAP-028 CAP-029 CAP-031
CAP-031	Be able to have effective and efficient Information Technology (IT) services and operations	Level 3	VAL-004 CAP-006 CAP-012 CAP-017 CAP-021 CAP-029	CAP-035
CAP-032	Be able to have effective marketing program	Level 3	VAL-001 CAP-007 CAP-010 CAP-017	CAP-001 CAP-015
CAP-033	Be able to have effective research that matters for strategic enablement	Level 3	VAL-001 VAL-003 CAP-010 CAP-015 CAP-019 CAP-020	
CAP-034	Be able to have staffs with good selling skills	Level 3	VAL-005 CAP-007 CAP-010 CAP-011 CAP-022	CAP-035

Capability ID	Capability Name	Level	Support to	Support By
CAP-035	Be able to have effective training programs	Level 3	CAP-026 CAP-027 CAP-031 CAP-034	

Table 40 The 4th level of capability

Capability ID	Capability Name	Level	Support to	Support By
CAP-036	Be able to identify individual customers across all channels	Level 4	CAP-006 CAP-012 CAP-013 CAP-018 CAP-028	CAP-029
CAP-037	Be able to have single view of individual customer's products and services usage	Level 4	CAP-006 CAP-012 CAP-013 CAP-018 CAP-028	CAP-029
CAP-038	<i>Be able to understand individual customer's behaviour and segmentation</i>	Level 4	CAP-006 CAP-012 CAP-013 CAP-015 CAP-018 CAP-019 CAP-020 CAP-028	CAP-029
CAP-039	Be able to understand individual customer's risk profile	Level 4	CAP-006 CAP-012 CAP-013 CAP-015 CAP-018 CAP-019 CAP-020 CAP-028	CAP-029
CAP-040	Be able to propose high potential products and services to each individual customers	Level 4	CAP-006 CAP-012 CAP-013 CAP-015 CAP-018 CAP-019 CAP-020 CAP-028	CAP-029

Based on the information above, we can draw strategic capability network separated by each proposition as below.

I. Number 3 Thai Bank

In order to be Number 3 Thai Bank, the bank needs to achieve other value propositions as the inputs and also supports by 5 major direct capabilities to be Number 3 Thai Bank successfully including:

CAP-002: Be able to increase number of customers by focusing on key strategy for each customer segment

CAP-003: Be able to increase more revenue per customer

CAP-009: Be able to increase market share by utilizing leadership positioning in consumer markets

CAP-010: Be able to sell more products and services per segment

CAP-014: Be able to increase market share of middle to high asset value customers

Those capabilities are supported by other indirect capabilities classified as level 2, 3 and 4 to achieve the value propositions. You can see full dependency of capabilities in Table 37-40.

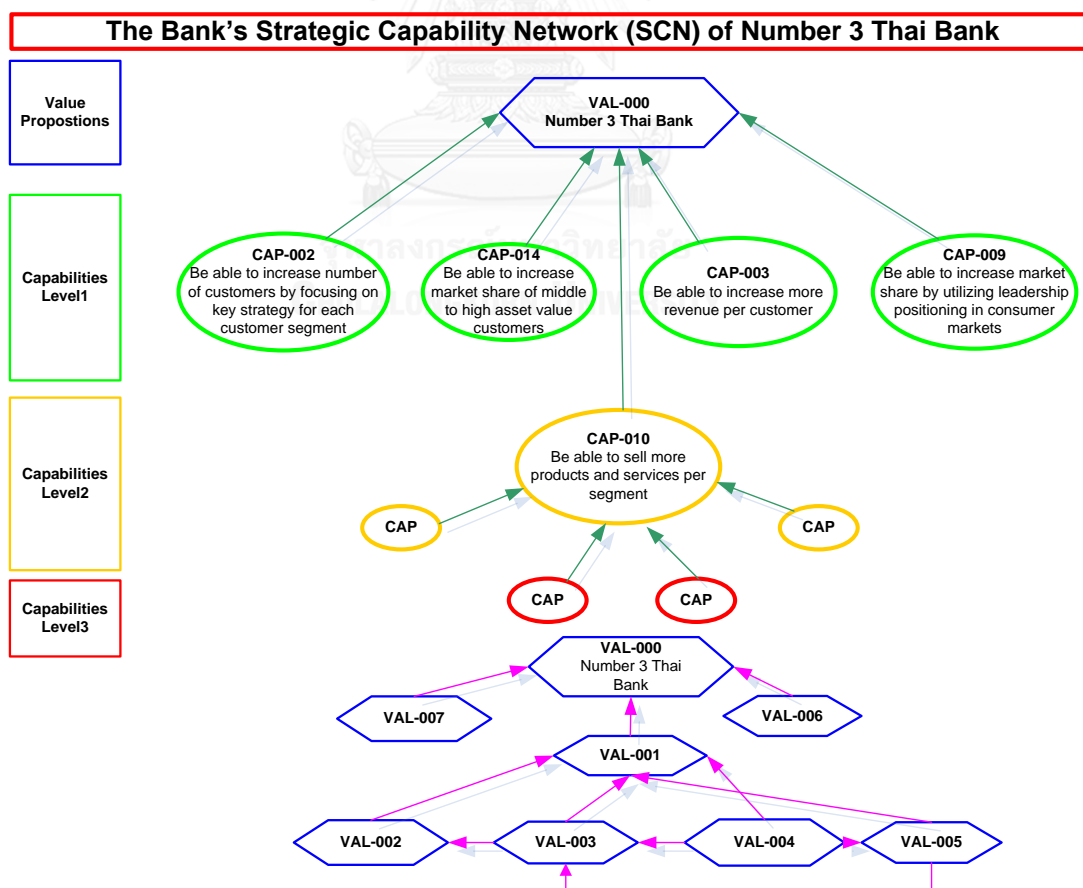


Figure 28 The SCN of Number 3 Thai Bank

II. Customer Preferred Bank

In order to be Customer Preferred Bank, the bank needs to achieve other value propositions as the inputs and also supports by 6 major direct capabilities to be Customer Preferred Bank successfully including:

CAP-013: Be able to have customer relationship management (CRM)

CAP-022: Be able to use branches as the center for the customers face to face relationship management, with the complementation by other channels including call center and E-Channel

CAP-030: Be able to provide the customer integrated uniform of services from all channels

CAP-032: Be able to have effective marketing program

CAP-033: Be able to have effective research that matters for strategic enablement

Those capabilities are supported by other indirect capabilities classified as level 2, 3 and 4 to achieve the value propositions. You can see full dependency of capabilities in Table 37-40.

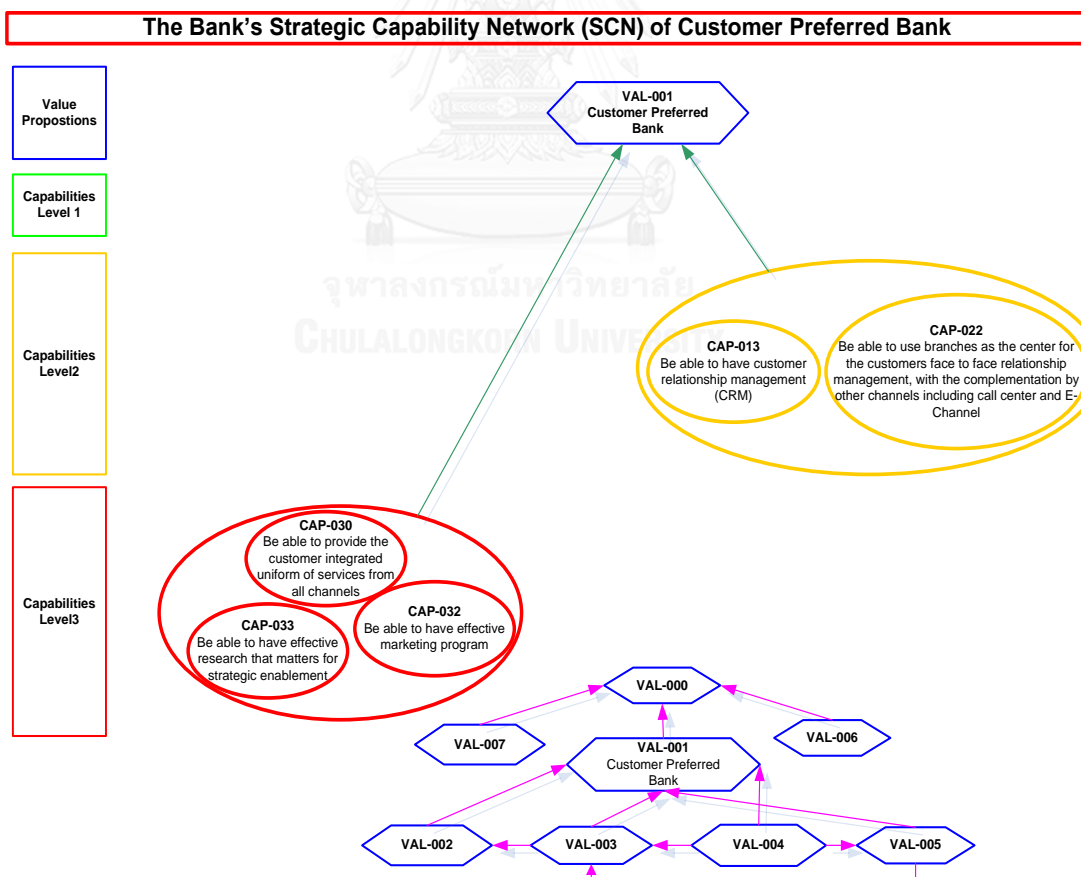


Figure 29 The SCN of Customer Preferred Bank

III. Effective and Efficient Branch Services

In order to be Effective and Efficient Branch Services, the bank needs to achieve other value propositions as the inputs and also supports by 2 major direct capabilities to be Effective and Efficient Branch Services successfully including:

CAP-005: Be able to have Effective and Efficient Branch Utilization

CAP-018: Be able to apply customer centricity to branch operations for being excellent services and gain customer satisfaction to create customer loyalty

Those capabilities are supported by other indirect capabilities classified as 2, 3 and 4 to achieve the value propositions. You can see full dependency of capabilities in Table 37-40.

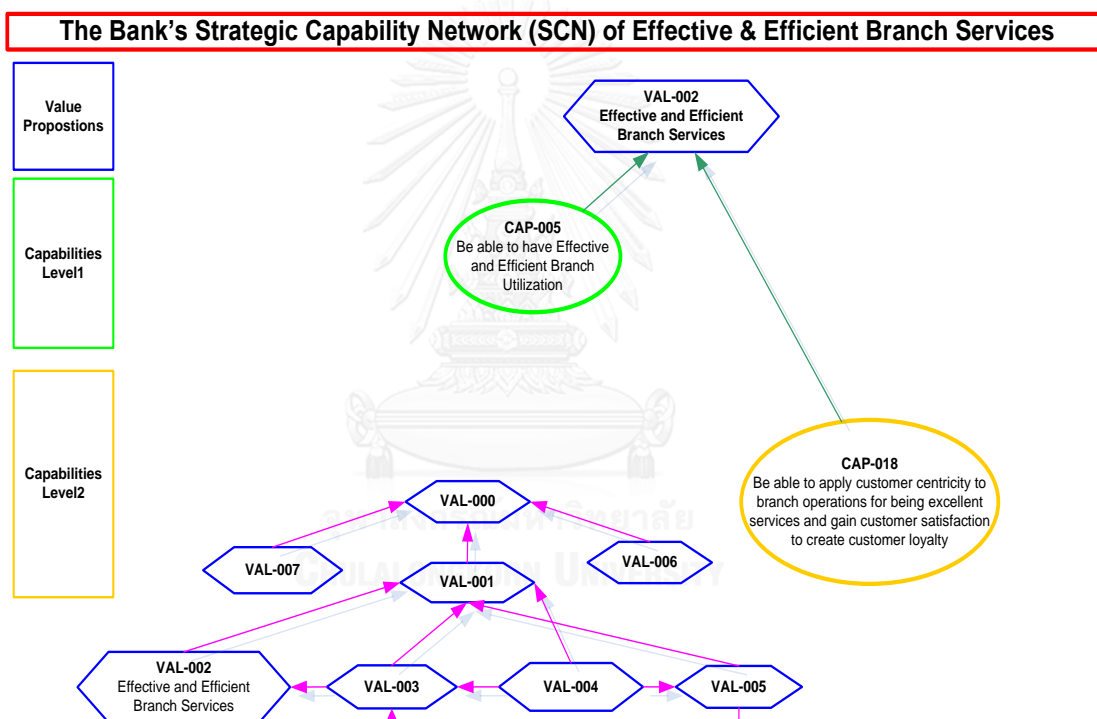


Figure 30 The SCN of Effective and Efficient Branch Services

IV. Innovative Product and Service Excellence

In order to be Innovative Product and Service Excellence, the bank needs to achieve other value propositions as the inputs and also supports by 2 major direct capabilities to be Innovative Product and Service Excellence successfully including:

CAP-019: Be able to create new and improve products and services which will be attractive to each customer segmentation

CAP-023: Be able to be the partner with other foreign banks to synergize both capabilities

Those capabilities are supported by other indirect capabilities classified as level 2, 3 and 4 to achieve the value propositions. You can see full dependency of capabilities in Table 37-40.

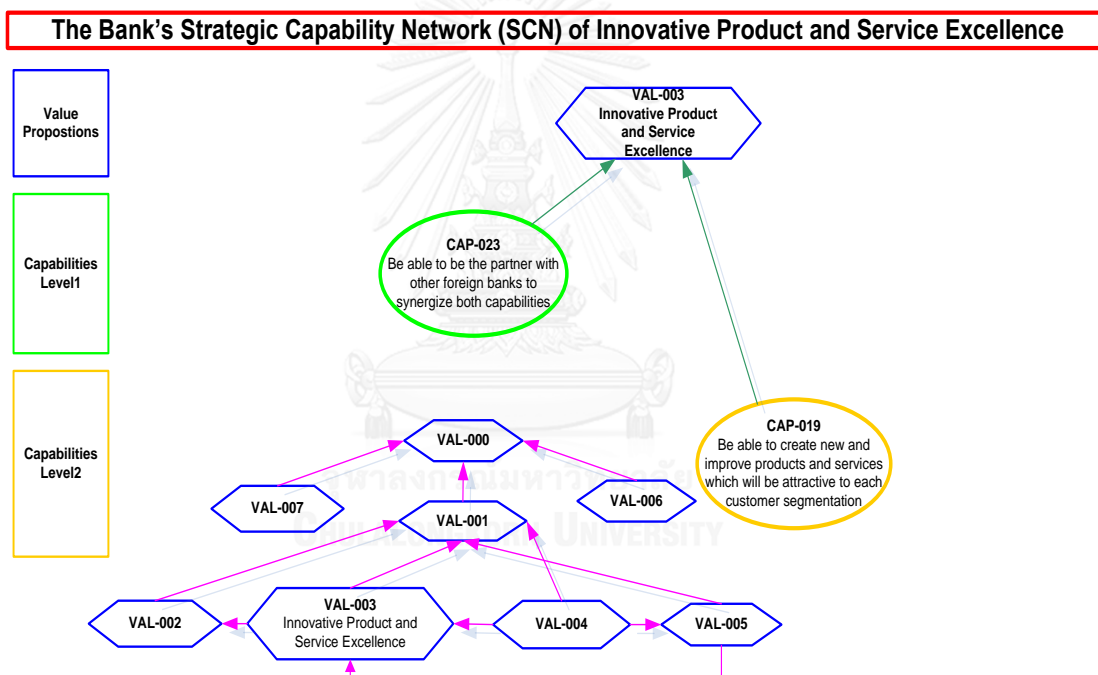


Figure 31 The SCN of Innovative Product and Service Excellence

IV. Leading Edge Technology Bank

In order to be Leading Edge Technology Bank, the bank needs to achieve other value propositions as the inputs and also supports by 2 major direct capabilities to be Leading Edge Technology Bank successfully including:

CAP-006: Be able to create new and improve products and services which will be attractive to each customer segmentation

CAP-029: Be able to be the partner with other foreign banks to synergize both capabilities

Those capabilities are supported by other indirect capabilities classified as level 2, 3 and 4 to achieve the value propositions. You can see full dependency of capabilities in Table 37-40.

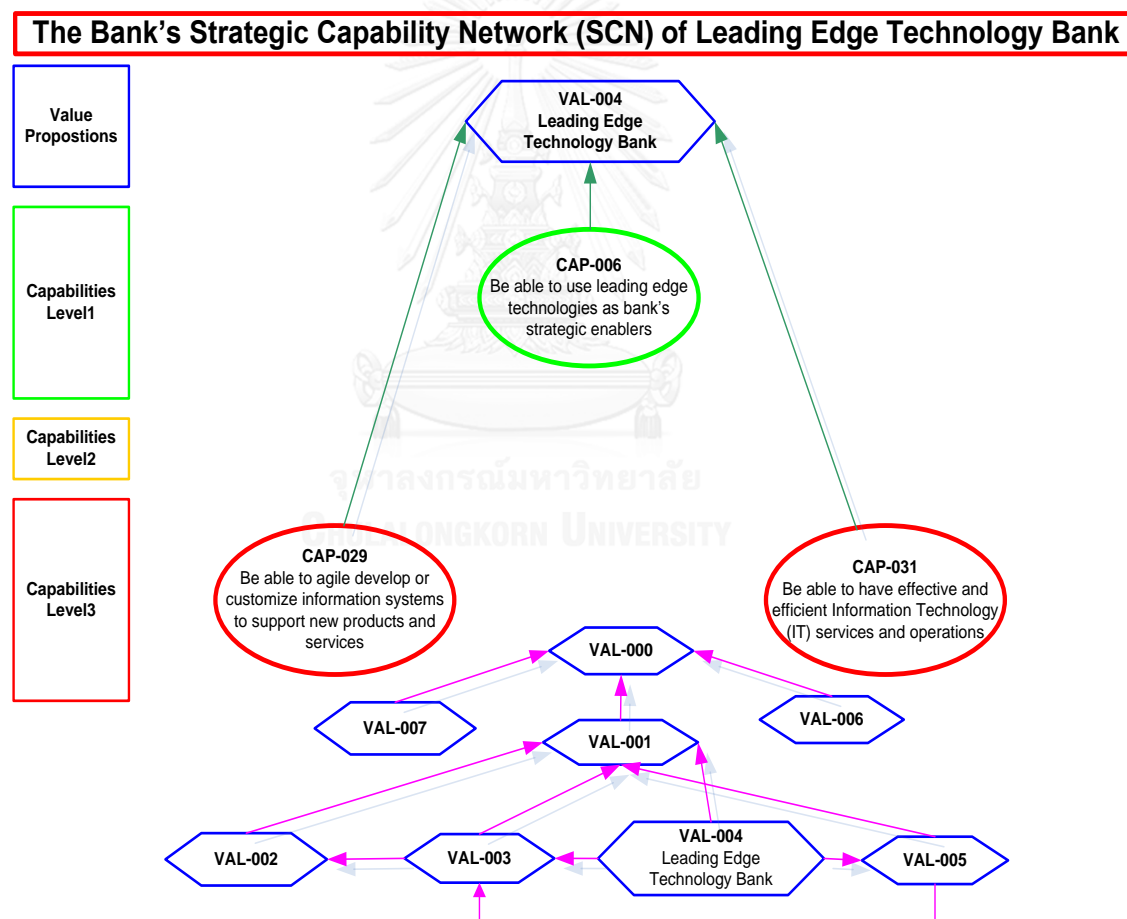


Figure 32 The SCN of Leading Edge Technology Bank

V. Expertise service-mind staffs

In order to be Expertise service-mind staffs, the bank needs to achieve other value propositions as the inputs and also supports by 3 major direct capabilities to be Expertise service-mind staffs successfully including:

CAP-026: Be able to have product and service expert staffs

CAP-027: Be able to have all staffs with communication and service skills for excellence customer support

CAP-034: Be able to have staffs with good selling skills

Those capabilities are supported by other indirect capabilities classified as level 2, 3 and 4 to achieve the value propositions. You can see full dependency of capabilities in Table 37-40.

The Bank's Strategic Capability Network (SCN) of Expertise service-mind staffs

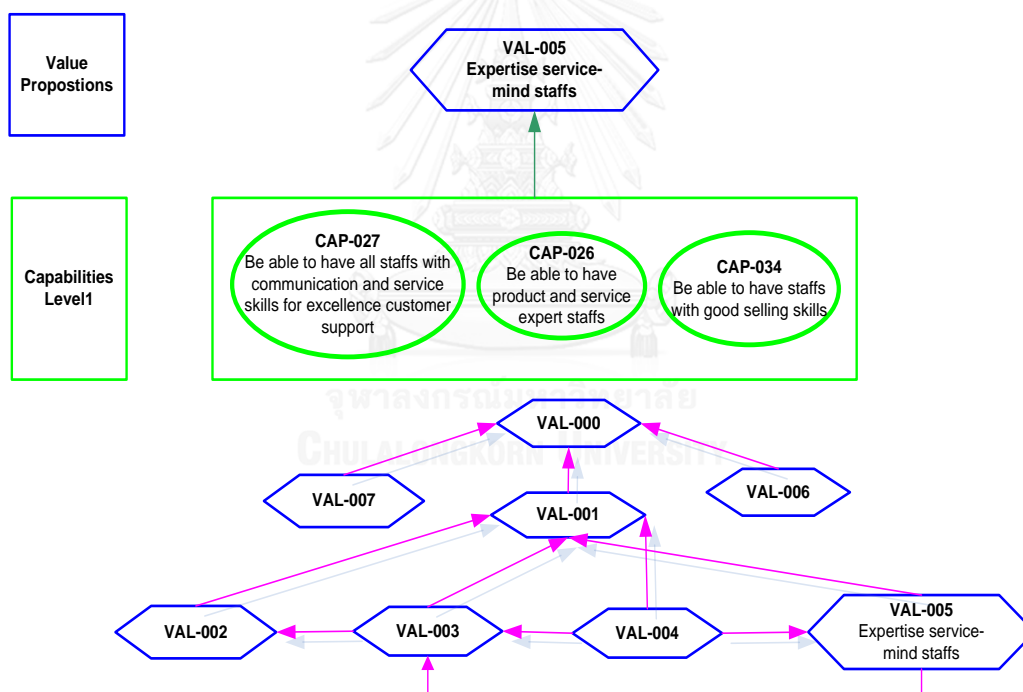


Figure 33 The SCN of Expertise service-mind staffs

VI. Cost Effectiveness Financial Enterprise

In order to be Cost Effectiveness Financial Enterprise, the bank needs to achieve other value propositions as the inputs and also supports by a major direct capability to be Cost Effectiveness Financial Enterprise successfully including:

CAP-005: Be able to have Effective and Efficient Branch Utilization

On the other hand, CAP-005 need the support from capability level 2 and 3 respectively in order to build its capability from both direct and indirect dependency.

Those capabilities are supported by other indirect capabilities classified as level 2, 3 and 4 to achieve the value propositions. You can see full dependency of capabilities in Table 37-40.

The Bank's Strategic Capability Network (SCN) of Cost Effectiveness Financial Enterprise

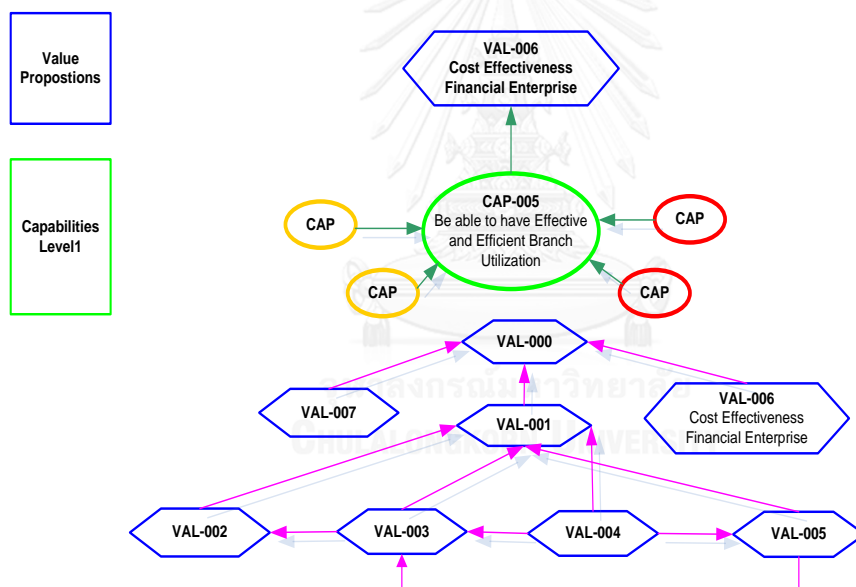


Figure 34 The SCN of Cost Effectiveness Financial Enterprise

VII. Ready for AEC

In order to be Ready for AEC, the bank needs to achieve other value propositions as the inputs and also supports by 2 major direct capabilities to be Ready for AEC successfully including:

CAP-024: Be able to establish business centers as overseas branches focusing on trade finance, corporate and investment banking

CAP-025: Be able to create new and improve products and services which will be attractive to each customer segmentation

Those capabilities are supported by other indirect capabilities classified as level 2, 3 and 4 to achieve the value propositions. You can see full dependency of capabilities in Table 37-40.

The Bank's Strategic Capability Network (SCN) of Ready for AEC

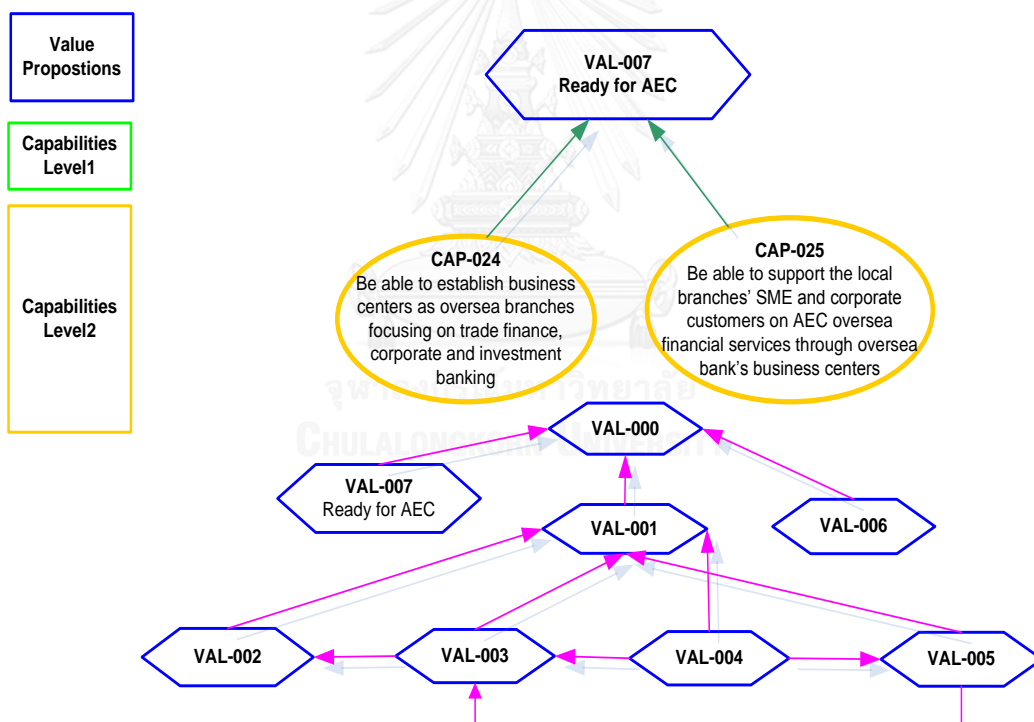


Figure 35 The SCN of Ready for AEC

Now, we have successfully well-defined the capabilities which can support each value proposition of the enterprise. Unfortunately, it is impossible to enable them without resources which may be customized or developed to align with those capabilities. The next step is to identify business scenarios and resources which enable each capabilities of the enterprise.

4.2 Business Scenarios

Business Scenarios provide a narrative description of how the business operations should be occurred using future capabilities and enablers. It helps to visualize the use and importance of key capabilities for further business re-designs activities. We can define business scenarios which are actually related to pre-defined capabilities in Table 41.

If the business scenarios are actually related to branches, the field “Related to Branch (Y/N)” will contain “Y”.

Table 41 Business Scenarios of The Bank

Business Scenario ID	Business Scenario Name	Description	Related to Branch (Y/N)
SCE-001	Class Room Training	This scenario includes training activities in the class room which normally facilitates by mentors	N
SCE-002	Remote Learning	This scenario includes online training which participators need to access into the internet for the class operated somewhere in the enterprise	Y
SCE-003	Self-Learning	This scenario includes learning activities by employee themselves via enterprise intellectual	Y
SCE-004	Industry Research	This scenario includes the research about banking industry	N
SCE-005	Market Research	This scenario includes the research about market information and competitors	N
SCE-006	Technology Research	This scenario includes the research about technology trends which can be adaptable for the enterprise	N
SCE-007	Coaching and Mentoring	This scenario includes coaching and mentoring activities in on job training process	Y
SCE-008	IT Service Management	This scenario refers to the implementation and management of quality information technology services	N
SCE-009	IT Operation Support	This scenario includes the management and support of IT facilities in the data center and working places of the enterprise	Y
SCE-010	Agile Application Development	This scenario refers to adaptive planning, evolutionary development, early delivery, continuous improvement and flexible response to change	N
SCE-011	Customer Services	This scenario includes variety of approaches to provide services directly for the customers	Y
SCE-012	Enterprise Architecture	This scenario includes the series of thinking methods on how to enable business strategy into business environment of the enterprise	N

Business Scenario ID	Business Scenario Name	Description	Related to Branch (Y/N)
SCE-013	Business Strategy	This scenario refers to the course of actions to achieve an intended set of business goals	N
SCE-014	IT Strategy	This scenario is to the series of actions to utilize IT resources to support business goal achievement	N
SCE-015	Customer Relationship Management (CRM)	This scenario is about managing a company's interactions with current and future customers by focusing on defined appropriate actions for each customer segmentation	Y
SCE-016	Campaign Management	This scenario includes the management of campaign's operations such as fundraising, advertising, getting out the vote and other activities supporting the enterprise effort	Y
SCE-017	Customer Contact Initiation	This scenario is about identify individual customers based on current customer information and the triggers of their information across all channels	Y
SCE-018	Teller Services	This scenario happens at the branch of the bank for performing simple transactions including deposits, payment, cash, cheque and etc.	Y
SCE-019	Individual Banking Advisory Services	This scenario including the providing advices given by customer representative to the customers in general retail banking areas specifically for each individual customer	Y
SCE-020	Individual Investment Advisory Services	This scenario including the providing advices given by customer representative to the customers in investment banking areas specifically for each individual customer	Y
SCE-021	SME Banking Advisory Services	This scenario including the providing advices given by customer representative to the customers in SME banking area	Y
SCE-022	Process Re-engineering	This scenario is the about changing and re-design the process to be more effective, more efficient and meet the requirements	N
SCE-023	International Banking Services	This scenario includes financial activities which are performed across the countries or regions based on the agreement of involved financial institutions	Y
SCE-024	Corporate Advisory Services	This scenario including the providing advices given by customer representative to the customers in Corporate banking area	Y
SCE-025	Subsidiaries Integration	This scenario includes the involvement of sharing subsidiaries and associate companies' resources to add value to the system	N

4.3 Capability Enablers

Capability Enabler (Resource): What we need to have in order to deliver those capabilities -- specifically "how" the capability will be enabled. Enablers represent the process, knowledge, organization, technology and resource assets of the enterprise.

4.3.1 Process Resources

Process Resources are the couple of process which can support pre-defined capabilities of the bank. Table 42 illustrates the required processes need to be developed, acquired and customized in order to achieve related capabilities of the bank.

If the resources are actually related to branches, the field “Related to Branch (Y/N)” will contain “Y”.

Table 42 Process Resources of The Bank

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
PRS-001	Learning Development Process	This process is about creating learning and training activities in the enterprise	Y
PRS-002	Research and Publish Process	This process is for doing the research and publish the research result across the enterprise	N
PRS-003	Coaching and Mentoring Process	This process is coaching and mentoring activities in on job training situations	Y
PRS-004	Survey and Analysis Process	This process is about gathering the data for both internal & external sources and analyze it for the further outcome	N
PRS-005	IT Service Management Process	This process is the steps of implementation and management of quality information technology services	N
PRS-006	IT Operation Support Process	This process is the management and support of IT facilities in the data center and working places of the enterprise	Y
PRS-007	Agile Application Development Process	This process is the activities for adaptive planning, evolutionary development, early delivery, continuous improvement and flexible response to change	N

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
PRS-008	Face to Face Customer Service and Support Process	This process including the activities of providing services to the customers by face to face approach and back-end support as well	Y
PRS-009	Remote Customer Service and Support Process	This process including the activities of providing services to the customers by remote approach and back-end support as well (e.g. Call Center, Mobile Banking, Internet Banking and etc.)	Y
PRS-010	Strategic and Plan Process	This process is about planning and defining business strategy to achieve business goals of the enterprise	N
PRS-011	Enterprise Architecture Process	This process is the methodology to develop blueprints of business and IT aspects to enable the business strategy of the enterprise	N
PRS-012	Customer Relationship Management	This process is about managing a company's interactions with current and future customers by focusing on defined appropriate actions for each customer segmentation	Y
PRS-013	Campaign Management Process	This process is about the management of campaign's operations such as fundraising, advertising, getting out the vote and other activities supporting the enterprise effort	Y
PRS-014	Customer Reception Process	This process is the person who greet the customers before getting the services at the bank's business center and branches	Y
PRS-015	Teller Operation Process	This process collect financial transactions happens at the branch of the bank including deposits, payment, cash and etc.	Y
PRS-016	Customer Service Representation Process	This process is the procedure for taking care the customers and present suitable products and services for them	Y
PRS-017	Individual Credit Risk Assessment Process	The process is actually some actions to handle risks that a borrower will default on any type of debt by failing to make required payments	Y
PRS-018	Re-engineering Process	This process is for re design the process in order to meeting specific requirements or increase efficiency of that particular process	N
PRS-019	Business Process Management	This process is for managing business processes and ensuring effectiveness of those process within the enterprise	N

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
PRS-020	Subsidiaries Integration Process	This process includes the steps to involve sharing subsidiaries and associate companies' resources to add value to the main bank	N



4.3.2 Knowledge Resources

Knowledge (Information) Resources are the couple of knowledge/information required to achieve pre-defined capabilities of the bank. Table 43 illustrates the required knowledge need to be developed, acquired and customized in order to achieve related capabilities of the bank.

If the resources are actually related to branches, the field “Related to Branch (Y/N)” will contain “Y”.

Table 43 Knowledge (Information) Resources of The Bank

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
KNW-001	Class Material	This information is about the detail of the story depends on class subject. It is normally used in class room training	Y
KNW-002	Industry and Technology Analysis Information	This information refers to the analysis of industry and technology data which is collected from both internal and external sources of the enterprise	N
KNW-003	Operating Information	This information collects the business processes and the information related to business operations within the enterprise as the guideline for the staffs to follow them critically	Y
KNW-004	Business Strategy	It is the planning actions of the enterprise to achieve business goals	N
KNW-005	Customer Wants and Needs	It is what the customers want and what they need for the purpose	Y
KNW-006	Customer Behaviors	This information is the behavior of the customers which act and react to the business activities of the environment	Y
KNW-007	Product Information	This information is the collection of product details in the enterprise	Y
KNW-008	Service Information	This information is the collection of service details in the enterprise	Y
KNW-009	IT Operational and Service Manual	This information is the document which collects the steps and procedures on how to perform some IT operations in the company	Y
KNW-010	Agile Application Development Methodology	This information is the methodology of Agile Software Development	N
KNW-011	Enterprise Architecture	This information is the methodology of Enterprise Architecture	N

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
KNW-012	Campaign Management Program	This information is the program which is definitely the outcome in developing campaign to achieve the business requirements	Y
KNW-013	Customer Profile	This information is the collection of physical customer details in the enterprise (e.g. Name, Address, Age and etc.)	Y
KNW-014	Customer Historical Service Transaction Data	This information is the collection of holistic financial transactions of each particular customer in the past	Y
KNW-015	Customer Credit Risk Profile	The information is the collection of risks that a borrower will default on any type of debt by failing to make required payments	Y
KNW-016	Banking Corporate Key Performance Indicators and Service Level	This indicator is help to identify expected service quality and evaluation criteria to meet business standard	Y
KNW-017	Staff Profile Inventory	This information is the collection of physical customer details in the enterprise (e.g. Name, Address, Age, Position, Working Experience and etc.)	Y
KNW-018	Staff Skills Inventory	This information collects the existing skills of all staffs in the enterprise	Y
KNW-019	Required Skills of each Role/ Responsibilities	This information is the linkage between each role, skills and qualifications in the enterprise	Y
KNW-020	Customer Culture Guidance	This information reflects the culture of the customers across all countries in the scope of services	Y
KNW-021	Subsidiaries Profile, Resources and their customers	This information is the collection of subsidiaries details which works under the main bank	N
KNW-022	Partner Profile	This information is the collection of business partners details of the bank	N
KNW-023	Channel Profile	This information is the collection of details of the channels of the bank	Y

4.3.3 Organization Resources

Organization Resources are major role and responsibilities required to achieve pre-defined capabilities of the bank. Table 44 illustrates the required organization need to be developed and identified in order to achieve related capabilities of the bank.

If the resources are actually related to branches, the field “Related to Branch (Y/N)” will contain “Y”.

Table 44 Organization Resources of The Bank

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
ORG-001	Class Developers	This role is the person who design and develop the classes in the enterprise	N
ORG-002	Trainers	This role is the person who trains the staffs in the certain defined classes in the enterprise	N
ORG-003	Researchers	This role is to perform the research to find the information for business usage	N
ORG-004	Mentors	This role is for training the staffs in the specific areas along the on job training activities	Y
ORG-005	Marketers	This role is the someone who perform marketing activities for the company	N
ORG-006	IT Operational Services	This role includes IT operators, IT specialist and help desk support by (Not working permanently on the promise at branch)	Y
ORG-007	Application Developers	This role refers to the stakeholders who involve in the software development process which includes business analysts, testers, IT architects, system engineers and deployment coordinators	N
ORG-008	Customer Service Representatives	This role is the person who takes care the customers and present suitable products and services for them	Y
ORG-009	Branch Teller	This role is the bank staffs who deals directly with most customers for performing transactions including deposits, payment, cash and etc.	Y
ORG-010	Branch Supervisor	This role is the bank staffs who supports more advanced and personalized financial transactions at the branches	Y
ORG-011	Branch Manager	This role is the person who manage the branch operations in order to remain quality of services offerings for the customers	Y
ORG-012	Product Specialist	This role is the person to know the products in detail deeply and contain the skills to recommend suitable products to meet the customer requirements	Y

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
ORG-013	Service Specialist	This role is the person to know the services very well and contain the skills to recommend proper services to satisfy the customers	Y
ORG-014	Call Center Officer	This role is the bank staffs who deals directly with the customers via call to perform banking transactions	N
ORG-015	Enterprise Architect	This role is the profession who is capable to design all related architectures to enable business strategy correctly	N
ORG-016	Business Architect	This role is the person who designs business architecture to align with business strategy	N
ORG-017	IT Architect	this role is the person who designs Information system and IT infrastructure to support pre-defined business architecture in order to enable business strategy successfully	N
ORG-018	Business Process Developer	This role is the person who designs business processes to meet the requirements	N
ORG-019	Reception Officer	This role is the person who greet the customers before getting the services at the bank's business center and branches	Y
ORG-020	Business Strategist	This role is the person who identify business strategy of the enterprise by considering both internal and external factors in the competitive environment	N
ORG-021	Product and Service Designer	This role is the person who designs products and services to meeting customer requirements and specification	N
ORG-022	Multi-lingual Communication Specialist	This role is the person who is specialized in the communication to the related parties of the situation (Need 2nd language)	Y
ORG-023	Subsidiaries' Staffs	This role is the person who normally works for subsidiaries and associated companies of the bank	N
ORG-024	Subsidiaries' Managers	This role is the person who leads the staffs of subsidiaries and associated companies of the bank	N

4.3.4 Technology Resources

Technology Resources are the collection of technologies required to achieve pre-defined capabilities of the bank. Table 45 illustrates the required technologies need to be acquired and utilized in order to achieve related capabilities of the bank.

If the resources are actually related to branches, the field “Related to Branch (Y/N)” will contain “Y”.

Table 45 Technology Resources of The Bank

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
TECH-001	Portable Class Material	It is class material as soft file which can be used everywhere	Y
TECH-002	Remote Classroom Facilities	Students can access the classroom be access the intranet to learn from overseas or from different regions	Y
TECH-003	Service Oriented Architecture (SOA)	It is a software design and software architecture design pattern based on distinct pieces of software providing application functionality as services to other applications	N
TECH-004	Software Development Tools	It is the system which can be used for developing and testing the applications	N
TECH-005	Business Analytic	It is the use of data, statistical and quantitative analysis, explanatory and predictive modeling, and fact-based management to drive decision making	Y
TECH-006	Social Network	It is the constructs of individuals, groups and organizations that can communicate with each other by online transactions	Y
TECH-007	Internet Technology	It is the global system of interconnected computer networks that use the standard Internet protocol suite (TCP/IP) to link several billion devices across worldwide	Y
TECH-008	Mobile Technology	It is the technology used for cellular communication across mobile and tablet devices around the world	Y
TECH-009	Omni-Channel Integration Technology	It is the technology which allows users to perform continuous transactions across all channels of the bank	Y
TECH-010	RFID Technology	It stands for "Radio-frequency identification". It is the wireless use of electromagnetic fields to transfer data, for the purposes of automatically identifying and tracking tags attached to objects.	Y

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
TECH-011	ATM, CDM and Passbook Printing Machine	It is the electronic telecommunications device that enables the customers of a financial institution to perform financial transactions without the need for a human cashier, clerk or bank teller	Y
TECH-012	Teleconference	It is the exchange of information among several persons and machines remote from one another but linked by a telecommunications system	Y
TECH-013	Image Recognition	It is the technology to capture and identify information of the image for the business purpose	Y
TECH-014	Integrated Voice Recognition	It is the technology to capture and identify information of the voice for the business purpose	Y
TECH-015	Tough Screen Control	It is the control system which allow the human hands to control the operating system and the applications	Y
TECH-016	Magnetic Strip	It are commonly used in credit cards, identity cards, and transportation tickets which contain an RFID tag, a transponder device or a microchip mostly used for access control or electronic payment	Y
TECH-017	Smart Card	It provide identification, authentication, data storage and application processing	Y
TECH-018	Bio Matric	It is the instrument for authenticating person by using bio unique characteristics (e.g. Retina Scan, Finger print, Plam and etc.)	Y
TECH-019	Computer Integrated Telephony System	It is the computer system which are integrated with telephone and voice interfaces using by call centers and automated telephone voice response	Y
TECH-020	Historical Data Warehouse	It is structure data repository which contains history (normally one day ago), information of the customer, product, service and financial transactions. This historical data will be used by Management Information System (MIS)	Y
TECH-021	Operational Data Warehouse	It is structure data repository which contains real-time and up to date information of the customer, product, service and financial transactions. The data will be used by Information System for decision making support	Y
TECH-022	Master Data Management (MDM)	It is data repository to represent single version of truth of the information from multiple information system sources	Y

Resource ID	Resource Name	Resource Description	Related to Branch (Y/N)
TECH-023	Big Data	It is the structure and/or un-structure of information containing from multiple sources including Historical Data, Operational Data, MDM, Social Network Information, or any event log of any transaction that might be recorded	Y

4.3.5 Location Resources

Location Resources are required locations needed to achieve pre-defined capabilities of the bank. Table 46 illustrates the required locations need to be established and utilized in order to achieve related capabilities.

If the resources are actually related to scope of branch re-engineering, the field “Related to Scope (Y/N)” will contain “Y”. Locations also are defined whether they executes the activities related to branch directly or not written at the field “Branch Direct/Support (D/S)”. (D = Direct to branch and S = support to branch)

Table 46 Location Resources of The Bank

Resource ID	Resource Name	Resource Description	Related Scope (Y/N)	Branch Direct /Support (D/S)
LOC-001	Training Center	This is the place where all class-base trainings normally operate at.	Y	S
LOC-002	Head Office	It is the main office where all major business functions always operate at	Y	S
LOC-003	Domestic Business Center	It is the bank's service center which generally provides products and services for corporate customer. In this term, the center is operated in Thailand	Y	S
LOC-004	Domestic Branches	These are the physical locations where the customer can get face to face financial services from the bank. In this term, this group of branches is operated in Thailand	Y	D

Resource ID	Resource Name	Resource Description	Related Scope (Y/N)	Branch Direct/Support (D/S)
LOC-005	Home	It is the house of everybody which can still perform financial transactions by internet or mobile channels	N	S
LOC-006	Data Center	It is the place where all banking applications and data are collected at	Y	S
LOC-007	Call Center	It is the place where calling facilities are in place for communicating and providing on-call financial services to the customers	Y	S
LOC-008	Internet, mobile and social network	It is the logical locations where people can access for their specific purpose including internet, mobility and social networking	Y	S
LOC-009	Media	It includes news and sources of the information which can be considered as logical locations as well	N	S
LOC-010	Overseas Business Center	It is the bank's service centers which generally provide products and services for corporate customer. In this term, the center is operated outside Thailand	Y	S
LOC-011	Overseas Branches	These are the physical locations where the customer can get face to face financial services from the bank. In this term, this group of branches is operated outside Thailand	Y	D
LOC-012	Subsidiaries Branches	It is the branches owned by subsidiaries and associate companies	N	S
LOC-013	Subsidiaries' Head Office	It is the main office owned by subsidiaries and associate companies	N	S

Finally, capability enablers are already identified to support each capability. It is really necessary to see the dependency of the combination of the enablers and capabilities within the enterprise.

Table 47 provides the clear reference of business scenarios, process, knowledge, organization, technology and location which support each defined capability.

Table 47 Mapping table between capabilities, business scenario and capability enablers

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location
CAP-001	Be able to have key strategy for each customer segment	Level 3	SCE-005 SCE-013 SCE-015	PRS-002 PRS-004 PRS-010 PRS-012	KNW-004 KNW-005 KNW-006 KNW-007 KNW-008 KNW-013 KNW-014 KNW-015	ORG-003 ORG-005 ORG-020 ORG-021	TECH-005	LOC-002
CAP-002	Be able to increase number of customers by focusing on key strategy for each customer segment	Level 1	Resources from supporting capabilities					
CAP-003	Be able to increase more revenue per customer	Level 1	Resources from supporting capabilities					
CAP-004	Be able to increase process efficiency	Level 2	SCE-022	PRS-018 PRS-019	KNW-002 KNW-003 KNW-005 KNW-016	ORG-016 ORG-018		LOC-002

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location
CAP-005	Be able to have Effective and Efficient Branch Utilization	Level 1	Resources from supporting capabilities					
CAP-006	Be able to use leading edge technologies as bank's strategic enablers	Level 1	Resources from supporting capabilities					
CAP-007	Be able to grow consumer customers to become higher customer segment with more products and services	Level 2	Resources from supporting capabilities					
CAP-008	Be able to have Effective risk management capabilities for loan approval process	Level 2	SCE-011 SCE-015 SCE-017 SCE-018 SCE-019 SCE-020 SCE-021	PRS-015 PRS-016 PRS-017	KNW-005 KNW-006 KNW-013 KNW-014 KNW-015	ORG-008 ORG-010 ORG-011 ORG-012 ORG-013	TECH-005 TECH-020 TECH-021 TECH-022 TECH-023	LOC-003 LOC-004 LOC-007 LOC-009
CAP-009	Be able to increase market share by utilizing leadership positioning in consumer markets	Level 1	Resources from supporting capabilities					

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location
CAP-010	Be able to sell more products and services per segment	Level 2	Resources from supporting capabilities					
CAP-011	Be able to utilize branch capabilities to be more effective revenue generation by sharing subsidiaries' resources	Level 2	SCE-025	PRS-020	KNW-005 KNW-006 KNW-007 KNW-008 KNW-021	ORG-009 ORG-010 ORG-011 ORG-012 ORG-023 ORG-024		LOC-002 LOC-003 LOC-004 LOC-012 LOC-013
CAP-012	Be able to reduce number of branches	Level 2	Resources from supporting capabilities					
CAP-013	Be able to have customer relationship management (CRM)	Level 2	Resources from supporting capabilities					

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location
CAP-014	Be able to increase market share of middle to high asset value customers	Level 1	Resources from supporting capabilities					
CAP-015	Be able to understand each segment of customers and provide premium products and services which meet the requirements	Level 2	Resources from supporting capabilities					
CAP-016	Be able to utilize technologies to automate business processes	Level 3	Develop ment: SCE-012 SCE-014	PRS-010 PRS-011	KNW-004 KNW-011	ORG-007 ORG-015 ORG-016 ORG-017 ORG-018		LOC-002
		Level 3	Perform : SCE-011	PRS-008 PRS-009	KNW-002	ORG-008 ORG-009 ORG-010 ORG-011 ORG-012 ORG-013 ORG-014	TECH-010 TECH-011 TECH-012 TECH-013 TECH-014 TECH-015	LOC-002 LOC-003 LOC-004 LOC-007
CAP-017	Be able to promote and encourage the customers to perform simple transactions via E-Channel	Level 3	SCE-011 SCE-015 SCE-016	PRS-008 PRS-009 PRS-012 PRS-013	KNW-005 KNW-006 KNW-007 KNW-008 KNW-012 KNW-013 KNW-014	ORG-005 ORG-008 ORG-009 ORG-010 ORG-011 ORG-012 ORG-013 ORG-014	TECH-005 TECH-006 TECH-007 TECH-008 TECH-009	LOC-002 LOC-003 LOC-004 LOC-007 LOC-008 LOC-009

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location
CAP-018	Be able to apply customer centricity to branch operations for being excellent services and gain customer satisfaction to create customer loyalty	Level 2	Resources from supporting capabilities					
CAP-019	Be able to create new and improve products and services which will be attractive to each customer segmentation	Level 2	Resources from supporting capabilities					
CAP-020	Be able to improve branch productivity by understanding each segment of customers and provide premium products and services which meet the requirements	Level 2	Resources from supporting capabilities					
CAP-021	Be able to integrate other channels with branch operations to lower and optimize bank operation cost	Level 3	Resources from supporting capabilities					

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location	
CAP-022	Be able to use branches as the center for the customers face to face relationship management, with the complementation by other channels including call center and E-Channel	Level 2	Resources from supporting capabilities						
CAP-023	Be able to be the partner with other foreign banks to synergize both capabilities	Level 1	SCE-004 SCE-005 SCE-006 SCE-013 SCE-014 SCE-023	PRS-002 PRS-004 PRS-010 PRS-013	KNW-002 KNW-004 KNW-005 KNW-005 KNW-012 KNW-020 KNW-022	ORG-020 ORG-022		LOC-002	
CAP-024	Be able to establish business centers as oversea branches focusing on trade finance, corporate and investment banking	Level 2	SCE-011 SCE-015 SCE-016 SCE-021 SCE-023 SCE-024	PRS-008 PRS-009 PRS-012 PRS-013 PRS-014 PRS-015 PRS-016 PRS-017	KNW-005 KNW-006 KNW-007 KNW-008 KNW-013 KNW-014 KNW-015 KNW-017 KNW-018 KNW-019 KNW-020	ORG-008 ORG-009 ORG-010 ORG-011 ORG-012 ORG-013 ORG-019 ORG-022	TECH-007 TECH-008 TECH-009 TECH-010 TECH-011 TECH-012 TECH-013 TECH-014 TECH-015 TECH-016 TECH-017 TECH-018	LOC-010	
CAP-025	Be able to support the local branches' SME and corporate customers on AEC oversea financial services through oversea bank's business centers	Level 2	SCE-011 SCE-015 SCE-016 SCE-021 SCE-023 SCE-024	PRS-008 PRS-009 PRS-012 PRS-013 PRS-014 PRS-015 PRS-016 PRS-017	KNW-005 KNW-006 KNW-007 KNW-008 KNW-013 KNW-014 KNW-015 KNW-017 KNW-018 KNW-019 KNW-020	ORG-008 ORG-009 ORG-010 ORG-011 ORG-012 ORG-013 ORG-019 ORG-022	TECH-007 TECH-008 TECH-009 TECH-010 TECH-011 TECH-012 TECH-013 TECH-014 TECH-015 TECH-016 TECH-017 TECH-018	LOC-011	

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location
CAP-026	Be able to have product and service expert staffs	Level 2	SCE-001	PRS-001	KNW-001	ORG-001	TECH-001	LOC-001
			SCE-002	PRS-008	KNW-005	ORG-002	TECH-002	LOC-002
			SCE-003	PRS-009	KNW-006	ORG-008		LOC-003
			SCE-019	PRS-016	KNW-007	ORG-012		LOC-004
			SCE-020		KNW-008	ORG-013		LOC-005
			SCE-021		KNW-017	ORG-021		LOC-007
CAP-027	Be able to have all staffs with communication and service skills for excellence customer support	Level 3	Develop	PRS-001	KNW-001	ORG-001		LOC-001
				PRS-003	KNW-003	ORG-002 ORG-004		LOC-002 LOC-003 LOC-004 LOC-005
CAP-028	Be able to provide completed and accurated singile view of customer and their transactional information for products and services offerings	Level 3	Perform:	PRS-008	KNW-005	ORG-008		LOC-002
				PRS-009	KNW-006 KNW-007 KNW-008	ORG-009 ORG-010 ORG-011 ORG-012 ORG-013 ORG-014		LOC-003 LOC-004 LOC-007
CAP-029	Be able to agile develop or customize information systems to support new products and services	Level 3	SCE-010	PRS-007	KNW-010 KNW-011	ORG-007	TECH-003 TECH-004	LOC-002 LOC-006

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location	
CAP-030	Be able to provide the customer integrated uniform of services from all channels	Level 3	Pre-defined resources from supporting capabilities						
CAP-031	Be able to have effective and efficient Information Technology (IT) services and operations	Level 3	SCE-008 SCE-009	PRS-005 PRS-006	KNW-009	ORG-006		LOC-002 LOC-003 LOC-004 LOC-006	
CAP-032	Be able to have effective marketing program	Level 3	SCE-004 SCE-005	PRS-002 PRS-004	KNW-004 KNW-005 KNW-006 KNW-007 KNW-008	ORG-003 ORG-005		LOC-002	
CAP-033	Be able to have effective research that matters for strategic enablement	Level 3	SCE-004 SCE-005 SCE-006	PRS-002	KNW-002	ORG-003		LOC-002	
CAP-034	Be able to have staffs with good selling skills	Level 3	SCE-001 SCE-002 SCE-003 SCE-007	PRS-001 PRS-003	KNW-001 KNW-003 KNW-005 KNW-006 KNW-007 KNW-008 KNW-017 KNW-018 KNW-019	ORG-001 ORG-002 ORG-004		LOC-001 LOC-002 LOC-003 LOC-004 LOC-005	
CAP-035	Be able to have effective training programs	Level 3	SCE-001 SCE-002 SCE-003	PRS-001	KNW-001 KNW-017 KNW-018 KNW-019	ORG-001 ORG-002	TECH-001 TECH-002	LOC-001 LOC-002 LOC-003 LOC-004 LOC-005	
CAP-036	Be able to identify individual customers across all channels	Level 4	SCE-011 SCE-015 SCE-017 SCE-018 SCE-019 SCE-020 SCE-021	PRS-014 PRS-015 PRS-016	KNW-013	ORG-008 ORG-009 ORG-010 ORG-011 ORG-012 ORG-013 ORG-014 ORG-019	TECH-010 TECH-011 TECH-012 TECH-013 TECH-014 TECH-015 TECH-016 TECH-017 TECH-018	LOC-003 LOC-004 LOC-007 LOC-009	

Capability ID	Capability Name	Level	Business Scenarios	Process	Knowledge	Organization	Technology	Location
CAP-037	Be able to have single view of individual customer's products and services usage	Level 4	SCE-011	PRS-014	KNW-006	ORG-008	TECH-005	LOC-003
			SCE-015	PRS-015	KNW-013	ORG-009	TECH-009	LOC-004
			SCE-017	PRS-016	KNW-014	ORG-010	TECH-019	LOC-007
			SCE-018			ORG-011	TECH-020	LOC-009
			SCE-019			ORG-012	TECH-021	
			SCE-020			ORG-013	TECH-022	
			SCE-021			ORG-014	TECH-023	
				ORG-019				
CAP-038	Be able to understand individual customer's behavior and segmentation	Level 4	SCE-011	PRS-014	KNW-005	ORG-008	TECH-005	LOC-003
			SCE-015	PRS-015	KNW-006	ORG-009	TECH-020	LOC-004
			SCE-017	PRS-016	KNW-013	ORG-010	TECH-021	LOC-007
			SCE-018		KNW-014	ORG-011	TECH-022	LOC-009
			SCE-019			ORG-012	TECH-023	
			SCE-020			ORG-013		
			SCE-021			ORG-014		
				ORG-019				
CAP-039	Be able to understand individual customer's risk profile	Level 4	SCE-011	PRS-015	KNW-005	ORG-008	TECH-005	LOC-003
			SCE-015	PRS-016	KNW-006	ORG-010	TECH-020	LOC-004
			SCE-017	PRS-017	KNW-013	ORG-011	TECH-021	LOC-007
			SCE-018		KNW-014	ORG-012	TECH-022	LOC-009
			SCE-019		KNW-015	ORG-013	TECH-023	
			SCE-020					
			SCE-021					
CAP-040	Be able to propose high potential products and services to each individual customers	Level 4	SCE-011	PRS-015	KNW-005	ORG-008	TECH-005	LOC-003
			SCE-015	PRS-016	KNW-006	ORG-010	TECH-020	LOC-004
			SCE-017		KNW-007	ORG-011	TECH-021	LOC-007
			SCE-018		KNW-008	ORG-012	TECH-022	LOC-009
			SCE-019		KNW-013	ORG-013	TECH-023	
			SCE-020		KNW-014			
			SCE-021			KNW-015		

In conclusion, we have already drawn strategic capability network (SCN) to link the value proposition with the first level of capabilities and also define supporting capabilities to be able to be the following positions:

- Become customer preferred bank
- More effective and efficient branch services
- Provide innovative products and services excellence
- Be the leading in applying technologies for business automation
- Have expertise and good service-mind staffs
- Become cost effectiveness enterprise
- And finally be ready for AEC activation in 2015

The bank also defines future resources required to enable the positions above. We are going to concentrate on the resources related to branch re-engineering and supporting domains only. Next chapter will discuss about developing business architecture development by using the defined resources to be the input of the design.



CHAPTER V

NEW BUSINESS DESIGN DEVELOPMENT

To develop Business Design of the retail bank's branches, we are going to apply business architecture domain of **Enterprise Architecture framework** in order to follow step by step procedure to define the components of the branch clearly.

In this term, **Business Architecture** is the structure of a business, which comprises processes, resources, goals, and information, the externally visible properties of those parts, and the relationships amongst them. It also describes the configuration of the business constructs required to provide a common and understandable definition of a business in the certain business area.

Business Architecture is a part of Enterprise Architecture which is the planning function that ensures harmonization between enterprise strategic initiatives and their implementation.

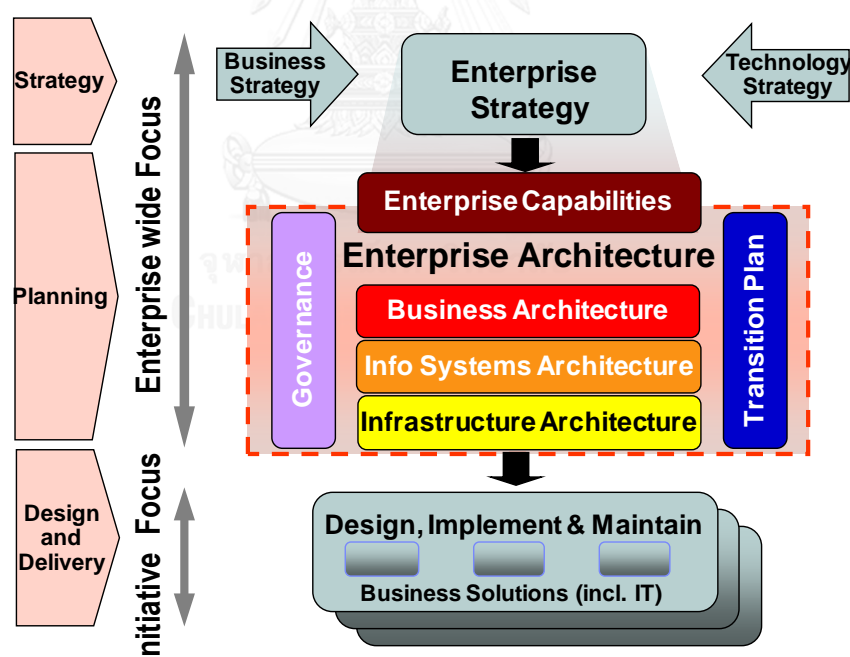


Figure 36 Enterprise Architecture

Enterprise Strategy is how the enterprise will achieve its mission, vision and goals. The company needs to define its value propositions which required for business re-engineering in order to implement enterprise capabilities as the input for business architecture development. At Enterprise capabilities, both required capabilities and

their enablers (resources) also definitely identified to achieve the value proposition. Those components are written and described in Chapter4.

Business Architecture translates those work products of Enterprise Capabilities into future-state models and views which can identify enterprise initiative, and resource relationship dependencies for business simplification.

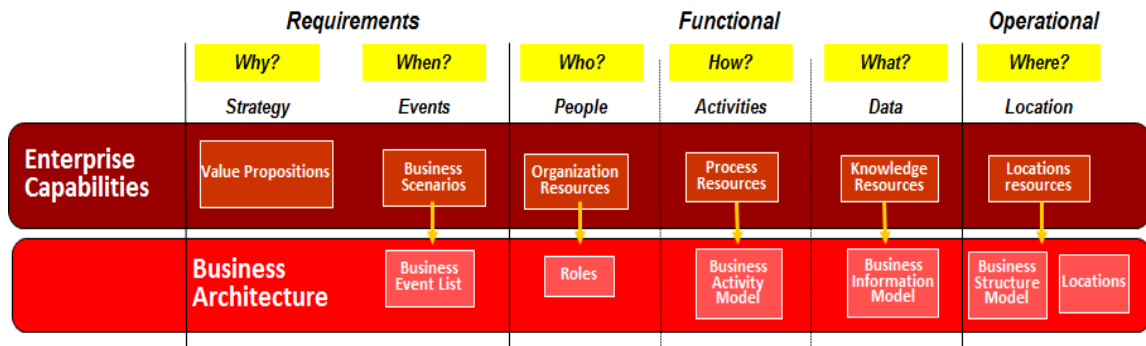


Figure 37 Work Products mapping between Enterprise Capabilities and Business Architecture

In business re-engineering process, there are 6 deliverables of business architecture to develop by focusing on the branches of the retail bank. It provides the understanding of future business design of the retail bank as following:

- **Business Event List** – show external, internal and temporal events which can triggers the retail bank for response in different ways. In this case, the response can be defined business activities.
- **Business Activities Model** – show business activities and related business processes which are extremely essential for responding business events.
- **Business Information Model** – show the organization of required information to align with the knowledge resources in the enterprise capabilities.
- **Business Roles** – show the identification of roles and responsibilities available within the enterprise. It also defined mandatory skills and their levels to be capable with the future roles.
- **Business Locations** - show the identification of location available within the enterprise. In this case, it classified the branches by separating into many types based on geography, customer demands, products & services and customer segmentation.
- **Business Structure** - show the deployment of people into each business location related to branches.

In this chapter, we are going to discuss about those 6 deliverables of business architecture which are actually presented future branch design to turn the bank to be customer focus enterprise and create flexibility in product and service development. All components were designed to be aligned with capabilities and resources along enterprise capabilities phase.



5.1 Business Event List Identification

Business Event List defines a couple of things that happen, most often outside the enterprise, that cause the enterprise to respond in some way. The Business Events List describes only the events of major business significance and these only at the high level. It identifies the key triggers which cause the enterprise's activities to respond in some ways.

According to enterprise architecture method, Business Event List is developed by mapping business scenarios from enterprise capabilities phase. (See Figure 37)

Events can be recognized as 3 major categories:

- *External events* are those occurrences that take place outside the enterprise and which require a response from the enterprise. For Example, Customer places order Person applies to open account, Policyholder makes a claim, Student withdraws from course and etc.
- *Internal events* are triggers that are based on specific conditions or decisions. For example, Inventory level drops below the reorder level, Management decide to withdraw product and etc.
- *Temporal events* are events that occur as a result of the passage of time. For example, Payment becomes overdue, End of Month and End of Year

Business events are text-based and kept as a numbered list, with each business event being an item on the list.

- **Event ID:** Sequentially-allocated number to aid the future referencing of the event
- **Event Name:** Name the event. For external events, use the name of the external entity and indicate what they do that requires the enterprise to respond. For internal events, indicate what triggering condition has occurred. For temporal events, simply state what has happened, (in many cases, using the word "due" is appropriate).
- **Event Description:** A full definition of the event, including who or what the source is, an explanation of what they have done that requires a response and an indication of what information they send as a stimulus.
- **Event Frequency/Volume:** Provide some indication on how often the event takes place.

According to the method above, Business Event List of the branches of retail bank is shown as below:

5.1.1 External Events

There are exactly 10 external events which can triggers the branches of the bank for executing the business activities. External Business Events are presented as below:

EVTE-001: Customer Branch Entry

Frequency/Volume: 100 - 5,000 times per branch/day on average

Description: This event is actually when the customers walk into the branch for having banking services.

EVTE-002: Simple Retail Banking Transactions

Frequency/Volume: 100 - 4,500 times per branch/day on average

Description: This event includes simple and quick transactions interacting with teller services.

EVTE-003: Complex Retail Banking Transactions

Frequency/Volume: 50 - 1,000 times per branch/day on average

Description: This event includes complex transactions which need advisory services from product/service specialist and customer representatives.

EVTE-004: Customer Investment Transactions

Frequency/Volume: 20 - 200 times per branch/day on average

Description: This event includes financial investment transactions which need investment advisory services from product/service specialist and customer representatives

EVTE-005: SME Customer Financial Transactions

Frequency/Volume: 10 times per branch/day on average

Description: This event includes financial transactions specifically for SME customers.

EVTE-006: Corporate Financial Transactions

Frequency/Volume: 10 times per branch/day on average

Description: This event includes financial transactions for serving corporate customers in driving their businesses in financial-related areas.

EVTE-007: International Financial Transactions

Frequency/Volume: 10 times per branch/day on average

Description: This event includes financial transactions which are performed across the countries or regions by mainly enabling at overseas branches.

EVTE-008: Financial Transactions on ATM/CDM/PUM

Frequency/Volume: 300 times per machine/day on average

Description: This event includes financial transactions which customers interact with ATM/CDM/PUM.

EVTE-009: Customer Complain

Frequency/Volume: 5 times per months on average

Description: This event is about customers aren't satisfied the products and services and make the complaints to the bank.

EVTE-010: New Roles and Responsibilities Assignments

Frequency/Volume: 2 times per months on average

Description: This event is when there are the new assignments with additional roles and *responsibilities* allocating to the staffs on the branches.

It is very obvious that event ID **EVTE-002 - EVTE-007** are identified by area of services which actually refer to the products and customer segmentation as well. You can look at Table 48 in order to see the relationship of the bank's products and related business events.

*Rows represent the products and Columns represent external business events between **EVTE-002** to **EVTE-007**.*

Table 48 Business Event – Banking Product Matrix

Products/Business Events	EVTE-002 Simple Retail	EVTE-003 Complex Retail	EVTE-004 Investment	EVTE-005 SME	EVTE-006 Corporate	EVTE-007 International
O1: Deposits	X			X	X	X
O2: Domestic Money Transfers	X			X	X	
O3: International Money Transfers	X			X	X	X
O4: Personal Loans		X				
O5: Corporate Loans				X	X	X
O6: Life Insurance			X	X	X	X
O7: Non-life Insurance		X		X	X	X
O8: Cheque	X	X		X	X	X
O9: Mutual Funds		X		X	X	X
O10: Credit Cards		X		X	X	X
O11: Debit Cards		X				X
O12: Payments	X			X	X	X
O13: Wealth Management			X			
O14: Asset Management			X			
O15: Securities			X		X	X
O16: Hire Purchase		X			X	
O17: Equipment Leasing				X	X	
O18: Factoring				X	X	X
O19: Micro Finance		X				
O20: Government Bonds			X			X
O21: Foreign Exchanges	X			X	X	X
O22: Cash Management			X	X	X	
O23: Trade Finance				X	X	X
O24: Private Bond			X		X	X

Table 48 maps the relationship between external events and banking products that are already defined in section 3.3 Strategic Position. We can immediately see the variety of business events about customer financial transactions at the column of the table. It provides the information that which products are related to each kind of the event.

For example, simple retail financial events trigger the processes about deposits, transfer, cheque, payments and foreign exchanges.

5.1.2 Internal Events

There are exactly 12 internal events which can triggers the branches of the bank for executing the business activities. Internal Business Events are presented as below:

EVTI-001: Customer Segment Identification

Frequency/Volume: Quarterly

Description: This event happens when the bank classifies the customers whether which segment they are based on historic transactions from the past.

EVTI-002: Campaign for simple retail banking services

Frequency/Volume: Monthly

Description: This event is when the bank launches the campaign to support simple retail banking services.

EVTI-003: Campaign for complex retail banking services

Frequency/Volume: Monthly

Description: This event is when the bank launches the campaign to support complex retail banking services.

EVTI-004: Campaign for Investment services

Frequency/Volume: Monthly

Description: This event is when the bank launches the campaign to support Investment services.

EVTI-005: Campaign for SME services

Frequency/Volume: Monthly

Description: This event is when the bank launches the campaign to support SME services.

EVTI-006: Campaign for Corporate services

Frequency/Volume: Monthly

Description: This event is when the bank launches the campaign to support Corporate services.

EVTI-007: Campaign for international banking services

Frequency/Volume: Monthly

Description: This event is when the bank launches the campaign to support international banking services.

EVTI-008: Help Desk Support Request

Frequency/Volume: On Request

Description: This event occurs when branch staffs request for help desk support and get the services passively and manually when they find the incidents on IT facilities.

EVTI-009: System Incident Monitoring Trigger

Frequency/Volume: Real Time

Description: This event happens when the system fails and automatically triggers to IT operations services for resolution actions proactively.

EVTI-010: Business Incident Trigger

Frequency/Volume: On Request

Description: This event happens when the branches face business process issues and the staffs escalate the incidents for head office actions.

EVTI-011: Product and Service Satisfaction Survey

Frequency/Volume: Quarterly

Description: This event is about when the bank does the survey for collecting product and service satisfaction level from their customers.

EVTI-012: New Products and Services Update

Frequency/Volume: Depend on customer requirement analysis

Description: This event is when new available product and services are launched into the market.

5.1.3 Temporal Events

There are exactly 7 temporal events which can triggers the branches of the bank for executing the business activities. Temporal Business Events are presented as below:

EVTT-001: Branch Opening on Business Days

Frequency/Volume: Daily

Description: The event is when the branches open on the business day

EVTT-002: End Day Closing on Business Days

Frequency/Volume: Daily

Description: The event is when the branches finish the daily operations and service hours on the business day

EVTT-003: Branch Opening on Non-Business Days

Frequency/Volume: Daily

Description: The event is when the branches open on Saturday, Sunday and Holiday

EVTT-004: Branch Closing on Non-Business Days

Frequency/Volume: Daily

Description: The event is when the branches finish the daily operations and service hours on Saturday, Sunday and Holiday

EVTT-005: Annual Customer Satisfaction Survey

Frequency/Volume: Yearly

Description: This event is about when the bank does the survey for evaluating customer satisfaction level at the end of year

EVTT-006: Quarterly System Maintenance

Frequency/Volume: Quarterly

Description: This event is about fixed time system maintenance for all IT facilities of the enterprise

EVTT-007: Quarterly Training Program

Frequency/Volume: Quarterly

Description: This event is the training program of all staffs in the enterprise to improve skills and knowledge for promoting into higher roles and responsibilities

The business event list has normally developed by **analyzing the trigger events which interact with the defined business scenarios of the bank**. Table 49 provides the relationship between branch-related business scenarios and business event list separated by external, internal and temporal events.

Table 49 The mapping table between business scenarios and business event list (by Event ID)

Business Scenario ID	Business Scenario Name	External Event List	Internal Event List	Temporal Event List
SCE-002	Remote Learning		EVTE-010 EVTI-012	EVTT-007
SCE-003	Self-Learning		EVTE-010 EVTI-012	EVTT-007
SCE-007	Coaching and Mentoring		EVTE-010 EVTI-012	EVTT-007
SCE-009	IT Operation Support		EVTI-008 EVTI-009	EVTT-006
SCE-011	Customer Services	EVTE-002 EVTE-003 EVTE-004 EVTE-005 EVTE-006 EVTE-007 EVTE-008	EVTI-010	
SCE-015	Customer Relationship Management (CRM)	EVTE-009	EVTI-001 EVTI-011	EVTT-005
SCE-016	Campaign Management		EVTI-002 EVTI-003 EVTI-004 EVTI-005 EVTI-006 EVTI-007 EVTI-008	
SCE-017	Customer Contact Initiation	EVTE-001		
SCE-018	Teller Services	EVTE-002 EVTE-008		
SCE-019	Individual Banking Advisory Services	EVTE-003		
SCE-020	Individual Investment Advisory Services	EVTE-004		
SCE-021	SME Banking Advisory Services	EVTE-005		
SCE-023	International Banking Services	EVTE-006		
SCE-024	Corporate Advisory Services	EVTE-007		

With the business event list of the retail branch, we know exactly which events can enable/triggers business activities and business processes to response the events effectively. The next section will discuss about business activity model and process identification of retail branches.

5.2 Business Activity Model Development

Business Activity Model is focused on identifying the process activities within the organization. It is used to help define how a business currently operates or would like to operate in the future. Business Activity Model provides the following point of views:

- Provide a decomposition of business process activities in the enterprise or within the scope of the business unit
- Provide consistent and reusable Building Blocks for process design and management
- Drives better process design and integration across the enterprise

According to enterprise architecture method, Business Activity is developed by mapping process resources from enterprise capabilities phase. (See Figure 37)

According to the method above, Business Activity Model of the branches of retail bank can be developed by referencing to **IBM Business Component Model (CBM)** framework as well.

Component Business Modeling (CBM) is an technique for modeling an enterprise as non-overlapping components in order to identify business activities and processes within the scope of business units.

A business component is a collection of activities and processes necessary to perform business functions and deliver some expected values.

You can obviously see Business Activity Model of the branches of retail bank in Figure 38. The model can be separated into 6 modules including **Strategy & Insight, Sales & Serving, Offering, Processing, Support Services and Risk & Financial Management.**

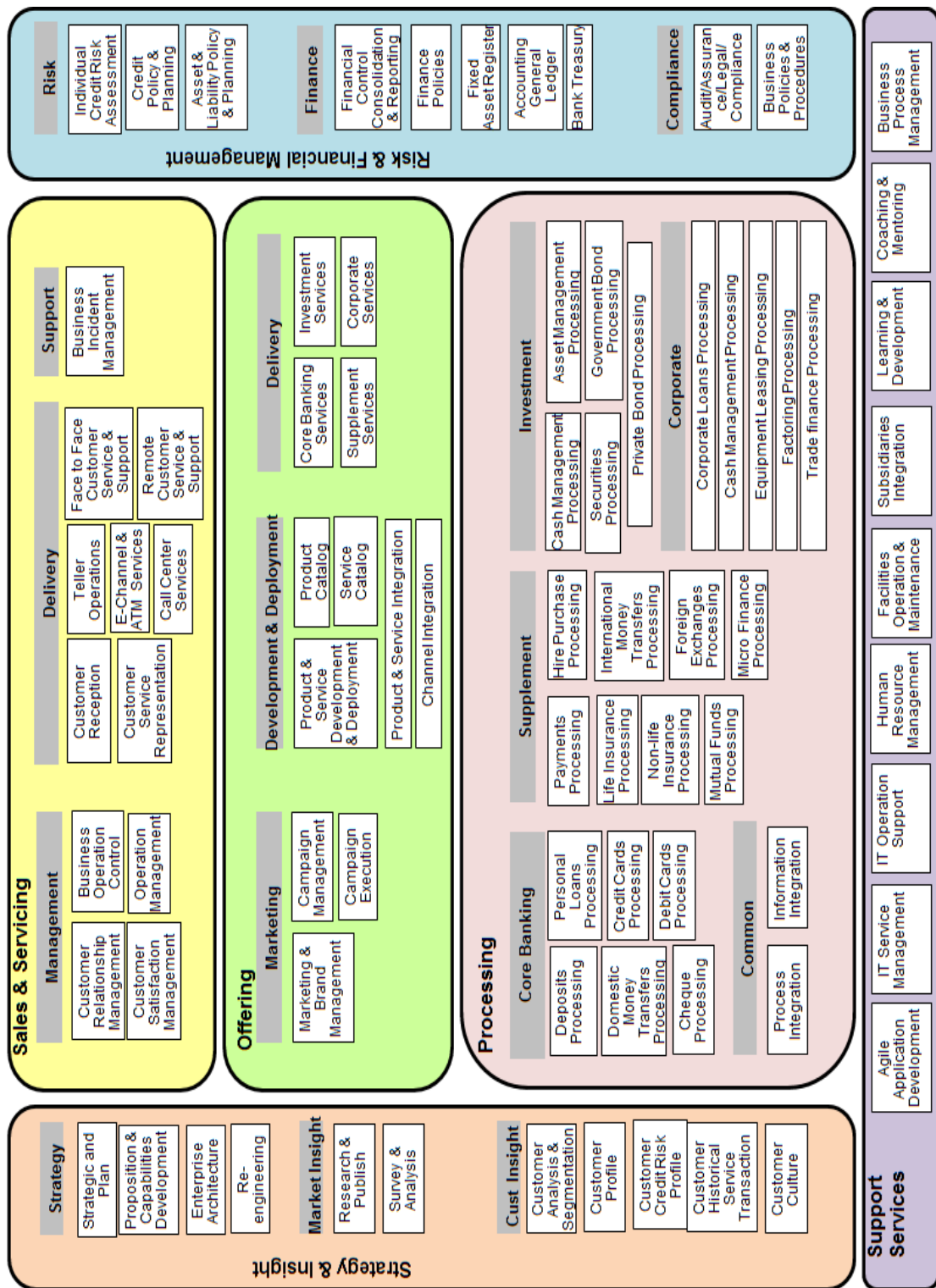


Figure 38 The Retail Bank's Business Activity Model – Branch Related

In Figure 38, you can immediately see groups of business activities within the bank by focusing on branch-related processes. One white box represents a business activity or business process of the bank. Many activities which are the same business areas for each other can form the process area. The combination of business area can create the major modules. See the example below:

The strategy and insight module contains 3 process areas including strategy area, marketing insight area and customer insight area.

Customer Insight process area contains some business activities related to customer profile, customer segment and their historical transactions in the past.

Significantly, Table 50-54 breaks down activities by referencing to process resources along enterprise capabilities phase. It shows module, process area, high level activities (level1) and more detailed activities (level2) related to each other and resource ID of process resources.

Table 50 Activity and Process Identification of The Retail Bank – Branch Related (Strategy and Insight)

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2
Strategy & Insight	Strategy & Planning	ACT-001	PRS-010	Strategic and Plan Process	Business Strategy Development Enterprise Strategic Planning Enterprise Resource Planning Segment Analysis & Planning
		ACT-002		Proposition & Capabilities Development	Business Environment Analysis Strategic Positioning Value Proposition Development Capabilities Development
		ACT-003	PRS-011	Enterprise Architecture	Business Architecture Information System Architecture Technology Architecture Strategic Gap Analysis Architectural Governance Transition
		ACT-004	PRS-018	Re-engineering	Process Analysis Process Re-engineering Design Process Re-engineering Execution Process Re-engineering Evaluation
	Market Insight	ACT-005	PRS-002	Research and Publish	Market Research Technology Research Industry Research
		ACT-006	PRS-004	Survey and Analysis	Market Environment Survey Customer Requirement Survey

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2
Strategy & Insight	Customer Insight	ACT-007		Customer Analysis & Segmentation	Customer Information Consolidation Customer Behaviour Analysis Customer Segment Analysis Customer Segment Identification Customer Segment Potential Analysis
		ACT-008		Customer Profile	Customer Profile Addition Customer Profile Update
		ACT-009		Customer Credit Risk Profile	Customer Risk Profile Addition Customer Risk Profile Update
		ACT-010		Customer Historical Service Transaction	Customer Historic Transactions
		ACT-011		Customer Culture	Country Culture Customer Profile

Table 50 represents business activities and identification for strategy and insight module.

Strategy and Insight includes strategic activities, market insights and customer insights.

- **Strategic activities** collect business strategy development & planning and developing enterprise architecture for enabling the strategy.
- **Market insights** include the processes of market data collection and analysis to define customer satisfaction level
- **Customer insights** include the process of identifying and analyzing customer's holistic transactions, profile and culture in order to offer suitable products and services to each individual.

Table 51 Activity and Process Identification of The Retail Bank – Branch Related (Sales and Servicing)

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2
Sales & Servicing	Management	ACT-012	PRS-012	Customer Relationship Management	Customer Segment Identification Customer Segment Analysis Customer Segment Adjustment Customer Complain Management
		ACT-013		Customer Satisfaction Management	Product and Service Satisfaction Survey Customer Satisfaction Evaluation Customer Satisfaction Improvement
		ACT-014		Business Operation Control	Banking Corporate KPI Balance Scorecard Service Level Agreement (SLA)
		ACT-015		Operation Management	Branch Opening Supervisor Operations Branch Closing Branch Operation Management and Control

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2
Sales & Servicing	Delivery	ACT-016	PRS-014	Customer Reception	Customer Reception Customer Identification Consolidate Customer Information Advice to Services
		ACT-017	PRS-008	Face to Face Customer Service and Support Process	Customer Service Representation Teller Operations
		ACT-018	PRS-009	Remote Customer Service and Support Process	Call Center Services Product Expertise Consultation Service Expertise Consultation
		ACT-019	PRS-016	Customer Service Representation	Individual Banking Advisory Services Individual Investment Advisory Services SME Banking Advisory Services International Banking Services Corporate Advisory Services Customer Service Representation Process Product Expertise Consultation Process Service Expertise Consultation Process
		ACT-020	PRS-015	Teller Operations	Teller Banking Operations Cashier Management
	Support	ACT-023		Business Incident Management	Business Incident Trigger Business Incident Raising Business Incident Investigation Business Incident Resolution Business Incident Closing

Table 51 represents business activities and identification for sales and servicing module.

Sales and Servicing includes sales management and delivery processes to deliver necessary offerings to the customers

- **Management activities** include the processes of customer relationship management, customer satisfaction monitoring & control, sales planning,

manage/control business operations to reach quality as service level agreement (SLA)

- **Delivery activities** include the whole customer interfacing processes by starting at customer reception & identification, providing business channels that deliver products and services directly for the customers including branch operations, ATM/Call Center/E-Channel services.
- **Support activities** including the supporting process to solve business incidents along the daily operations which normally escalate by branch staffs.



Table 52 Activity and Process Identification of The Retail Bank – Branch Related (Offering)

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2	
Offering	Marketing	ACT-024		Marketing & Brand Management	Marketing Management Brand Management	
		ACT-025	PRS-013	Campaign Management Process	Campaign Planning Campaign Design Campaign Review Campaign Sign-off	
		ACT-026		Campaign Execution	Campaign Execution for simple retail banking services Campaign Execution for complex retail banking services Campaign Execution for Investment services Campaign Execution for SME services Campaign Execution for Corporate services Campaign Execution for international banking services	
	Development & Deployment		ACT-027		Product and Service Development & Deployment	Product and Service Planning Product and Service Design Product and Service Quality Assurance Product and Service Deployment
			ACT-028		Product Catalog	Product Information Product Catalog Update Product Catalog Deployment
			ACT-029		Service Catalog	Service Information Service Catalog Update Service Catalog Deployment
			ACT-030		Product & Service Integration	On-Demand Product & Service Integration
			ACT-031		Channel Integration	Omni-Channel Integration Technology
	Delivery		ACT-032		Core Banking Services	
			ACT-033		Supplement Services	
			ACT-034		Investment Services	
			ACT-035		Corporate Services	

Table 52 represents business activities and identification for offering module.

Offering collects the marketing, offering development & deployment and delivery of products and service across integrated channels.

- **Marketing activities** include the processes of marketing & brand management and campaign management & execution.
- **Development and Deployment activities** are the processes of product and service development which actually apply customer analysis as the inputs of the processes. The activities also include enhancing integrated channels for access products and services with continuous single-view transactions across all channels called "**Channel Integration**". All new products and services will be stored into the catalog and links all together with dependency which is called "**Product & Service Integration**".
- **Delivery activities** are about functional products and services offering activities which actually provide along branch operations including Core banking Services, Supplement Services, Investment Services and Corporate Services



Table 53 Activity and Process Identification of The Retail Bank – Branch Related (Processing)

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2
Processing	Core Banking Services	ACT-036		Deposits Processing	
		ACT-037		Domestic Money Transfers Processing	
		ACT-038		Cheque Processing	
		ACT-039		Credit Cards Processing	
		ACT-040		Debit Cards Processing	
		ACT-041		Personal Loans Processing	
	Supplement Services	ACT-042		Payments Processing	
		ACT-043		Life Insurance Processing	
		ACT-044		Non-life Insurance Processing	
		ACT-045		Mutual Funds Processing	
		ACT-046		Hire Purchase Processing	
		ACT-047		International Money Transfers Processing	
		ACT-048		Micro Finance Processing	
		ACT-049		Foreign Exchanges Processing	
	Investment Services	ACT-050		Wealth Management Processing	
		ACT-051		Asset Management Processing	
		ACT-052		Securities Processing	
		ACT-053		Government Bonds Processing	
		ACT-054		Private Bond Processing	

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2
Processing	Corporate Services	ACT-055		Corporate Loans Processing	
		ACT-056		Cash Management Processing	
		ACT-057		Equipment Leasing Processing	
		ACT-058		Factoring Processing	
		ACT-059		Trade Finance Processing	
	Common Services	ACT-060		Process Integration	
		ACT-061		Information Integration	

Table 53 represents business activities and identification for processing module.

Processing collects the mechanism for executing back-end the banking operations for supporting each products and services.

- **Core Banking Services** include the processing for Deposits, Domestic Money Transfers, Cheque, Credit Cards, Debit Cards and Personal Loans.
- **Supplement Services** include the processing for Payments, Life Insurance, Non-life Insurance, Mutual Funds, Hire Purchase, International Money Transfers, Micro Finance and Foreign Exchanges.
- **Investment Services** include the processing of Wealth Management, Asset Management, Securities, Government Bonds, Private Bond.
- **Corporate Services** include the processing of Corporate Loans, Cash Management, Equipment Leasing, Factoring and Trade Finance.
- **Common Services** include the processes for integrating all processes and information of the enterprise.

Table 54 Activity and Process Identification of The Retail Bank – Branch Related (Support Services)

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2
Support Services	Support Services	ACT-062	PRS-007	Agile Application Development	Solution Requirement Solution Analysis & Design Solution Development & Integration Solution Testing Solution Acceptance
		ACT-063	PRS-005	IT Service Management	Monitoring & Event Management Incident Management Request Fulfillment Problem Management Access Management Service Desk Infrastructure Management Facilities Management Change Management Service Asset and Configuration Management
		ACT-064	PRS-006	IT Operation Support	Server Management Network Monitoring and Control Database Administration Production Operation Support Helpdesk Support
		ACT-065		Human Resource Management	
		ACT-066		Facilities Operation & Maintenance	Quarterly System Maintenance
		ACT-067	PRS-020	Subsidiaries Integration	
		ACT-068	PRS-001	Learning and Development	Class and Training Program Development Classroom Training Remote Learning Self Learning Staff Orientation
		ACT-069	PRS-003	Coaching and Mentoring	Coaching Mentoring
		ACT-070	PRS-019	Business Process Management	

Table 54 represents business activities and identification for processing module.

Support Services are business processes that can improve and maintain service quality of delivery. Support services include agile application development process, HR process, System maintenance, training, subsidiaries integration and etc.

Table 55 Activity and Process Identification of The Retail Bank – Branch Related (Support Services)

Module	Process Area	Activity ID	Resource ID	Activity Level1	Activity Level2
Risk & Financial Management	Risk	ACT-071	PRS-017	Individual Credit Risk Assessment Process	
		ACT-072		Credit Policy & Planning	
		ACT-073		Asset & Liability Policy & Planning	
	Finance	ACT-074		Financial Control Consolidation and Reporting	Financial Control Financial Consolidation Reporting
		ACT-075		Finance Policies	
		ACT-076		Fixed Asset Register	
		ACT-077		Accounting General Ledger	
		ACT-078		Bank Treasury	
	Compliance	ACT-079		Audit/Assurance/Legal/Compliance	
		ACT-080		Business Policies & Procedures	

Table 55 represents business activities and identification for risk and financial management module.

Risk and Financial Management include the management processes for any risk, financial status and compliance & regulation for the enterprise. It is also about financial monitoring & control and Credit Risk Assessment for each individual customer.

With the business activities of the retail branch, we know exactly which business processes can be operated to response the events effectively. The next section will discuss about business information and its relationship with capability enablers defined at enterprise capabilities phase.

5.3 Business Information Model Development

The Business Information Model is developed to gain a strategic understanding of the major groups of data managed by the business. It provides a single strategic view and understanding of the enterprise information requirements.

The purpose of Enterprise Information Model is:

- To provide a strategic overview and understanding of the major high-level groups of information needed to manage the business and support the processes in the process definitions.
- To provide architectural parameters and boundaries for subsequent data analysis and data design activities. It sets the baseline.
- To provide high-level planning constructs with respect to the data / information needs of the enterprise.

According to enterprise architecture method, Business Information is developed by mapping knowledge resources from enterprise capabilities phase. (See Figure 37)

At the first point, we have defined 23 knowledge resources (See Chapter 4.3.2) at the enterprise capabilities phase. Business Information Model Development is going to identify high level business information needed to align with knowledge resources. Then, the 1st level of business information can be concluded at this step.

Table 56 provides the relationship between knowledge and business information of the retail bank by describe the meaning and definition of business information in the bank.

Table 56 Mapping the knowledge into business information of the retail bank

Knowledge ID	Knowledge Name	Information ID	Information Level1	Information Description
KNW-001	Class Material	INF-040	Class Curriculum	Include existing class and curriculum within the enterprise available for training
		INF-041	Training Program	Include developed training program with the combination of class curriculum within the company
		INF-042	Training Method	Include the way to train the staff with in the enterprise (e.g., classroom training, remote learning and self learning)
KNW-002	Industry and Technology Analysis Information	INF-006	Research	Include research result which are developed by the research team of the bank
		INF-047	General Technology	Include the know-how on non-information technologies available within the enterprise (e.g., RFID, Bio Matric and Smart Card)
		INF-048	Information Technology	Include the know-how on information technologies which are essential for business improvement (e.g., Omni-Channel Integration, Big Data and Social Networking)
KNW-003	Operating Information	INF-005	Business Process and Operation	Include business process and operation procedure existing in the enterprise across all business areas
		INF-024	Business Incident	Include the acknowledgement of business incidents, the resolution actions and the management of business incidents within the agreed service time
		INF-036	Maintenance Information	Include the plan and procedure of the maintenance services
		INF-043	Risk Policy	Include the policy to handle customer risks
		INF-044	Finance	Include the financial analysis and management of the enterprise
		INF-045	Compliance	Include the law, regulations and policies which all staffs must follow strictly

Knowledge ID	Knowledge Name	Information ID	Information Level1	Information Description
KNW-004	Business Strategy	INF-001	Strategy	Include the business strategy of the bank. It provide vision/mission statement, strategic planning for achieving business goals
		INF-002	Value Proposition	Include what the bank need to be able do in order to achieve our value proposition or business objectives
		INF-003	Capability	Include what the bank needs to be or achieve in order to offer a differentiated value to the market
KNW-005	Customer Wants and Needs	INF-007	Customer Wants and Needs	Include the customer requirements that are concluded from the survey result
KNW-006	Customer Behaviors	INF-009	Customer Behavior	Include the behavior of each group of banking customer
KNW-007	Product Information	INF-027	Product Information	Include the detail about each banking product
KNW-007 KNW-008	Product Information Service Information	INF-046	Product and Service Development	Include the know-how about planning, designing and developing new products and services
		INF-030	Service Processing Transaction	Include the transactional operation of each separated financial activity across all products, services and channels
		INF-017	Business Transaction Information	Include the understanding of business transactions characteristics interacting with customer information
KNW-008	Service Information	INF-028	Service Information	Include the detail about each banking service
KNW-009	IT Operational and Service Manual	INF-031	IT Operation and Service	Include operational manual for each IT supporting services within the company
KNW-010	Agile Application Development Methodology	INF-052	Agile Application Development Methodology	Include the method of agile software development
KNW-011	Enterprise Architecture	INF-004	Enterprise Architecture	Include the method of enterprise architecture and its components required for business transactions and strategy enablement
KNW-012	Campaign Management Program	INF-026	Campaign	Include campaign management and execution information
		INF-025	Marketing	Include the knowledge account marketing activities which is really important to gain market share from the competitors

Knowledge ID	Knowledge Name	Information ID	Information Level1	Information Description
KNW-013	Customer Profile	INF-008	Customer Segment	Include the identification and description of each customer segment in banking area
		INF-010	Customer Profile	Include the whole core information about each banking customers and the linkage with products and services and business transactions related to each customer
		INF-014	Customer Complain and Feedback	Include the collection of feedback and complaints from each individual customer
		INF-015	Customer Satisfaction Level	Include the level of customer satisfaction characterized by many criterias
		INF-029	Customer Account	Include the collection of banking accounts which link to each customer
KNW-014	Customer Historical Service Transaction Data	INF-012	Customer Historical Transaction	Include the collection of customer transactional data in the past
KNW-015	Customer Credit Risk Profile	INF-011	Customer Credit Risk Profile	Include the detail of credit risk for each customer
		INF-053	External Credit Risk Information	Include the detail of customer credit risk information from external sources such as credit burro
KNW-016	Banking Corporate Key Performance Indicators and Service Level	INF-016	Banking KPI	Include the key identification of banking corporate performance compare to global standard and service level agreement (SLA)
KNW-017	Staff Profile Inventory	INF-032	Staff Profile	Include the whole detail of each staff about physical information, address, identity, Workplace and also reporting line. It also refers to skills, role and profession of each staff
		INF-035	Career/Profession	Include the available career development and plan and defined profession exist in the enterprise
KNW-018	Staff Skills Inventory	INF-033	Skill Profile	Include the collection of skills existing in the enterprise
KNW-019	Required Skills of each Role/Responsibilities	INF-034	Role/ Responsibilities	Include the defined roles and responsibilities available in the company
KNW-020	Customer Culture Guidance	INF-013	Foreign Customer Culture	Include the culture description specific for the foreign customers

Knowledge ID	Knowledge Name	Information ID	Information Level1	Information Description
KNW-021	Subsidiaries Profile, Resources and their customers	INF-037	Subsidiary Profile	Include the detail of the bank's subsidiaries
		INF-038	Subsidiary Resource	Include the information about existing resources of the bank's subsidiaries
		INF-039	Subsidiary Customer	Include the information about existing customers of the bank's subsidiaries
KNW-022	Partner Profile	INF-049	Partner Profile	Include the detail of the bank's partners
		INF-050	Partner Resource	Include the information about existing resources of the bank's partners
		INF-051	Partner Customer	Include the information about existing customers of the bank's partners
KNW-023	Channel Profile	INF-018	Branch Profile	Include the characteristics and profile of each branch existing in the bank
		INF-019	Branch Type	Include the definition of different type of the bank's branches
		INF-020	Geography	Include the geographical information about the regions and countries which the bank is currently concentrating at
		INF-021	Facility	Include the detail of existing facilities of the bank
		INF-022	Inventory	Include the information about inventory management and control
		INF-023	Channel	Include the collection of channels activating in the current business environment

According to business information above, we can significantly break down the information into the lower level in order to see more detailed information of business architecture.

Furthermore, the classification of business information is significantly required to make clearing understanding in the high-level relationship between the information within the bank.

Table 57 presents both high-level and detail-level business information which are already defined along the mapping between knowledge and information.

Information Level2 shows the detail information needed for creating customer focus enterprise and product & service development flexibility. The information groups are classified by analyzing the similarity and the relationship of the information related to the group.

Table 57 High level and detail level Business Information of the retail bank and their groupings

Information ID	Information Level1	Information Level2 ID	Information Level2	Information Group
INF-001	Strategy	INF-001-001 INF-001-002 INF-001-003 INF-001-004	Vision Mission Goal Target	Strategic & Plan
INF-002	Value Proposition			Strategic & Plan
INF-003	Capability			Strategic & Plan
INF-004	Enterprise Architecture	INF-004-001 INF-004-002 INF-004-003 INF-004-004 INF-004-005 INF-004-006	Business Architecture Information System Architecture Technology Architecture Strategic Gap Analysis Architectural Governance Transition	Strategic & Plan
INF-005	Business Process and Operation	INF-005-001 INF-005-002 INF-005-003 INF-005-004 INF-005-005 INF-005-006 INF-005-007	Current Enterprise Business Process To-be Enterprise Business Process Current Branch Business Process To-be Branch Business Process Enterprise Operating Procedure Business Procedure Instruction Business Procedure Form	Governance
INF-006	Research	INF-006-001 INF-006-002 INF-006-003	Market Research Technology Research Industry Research	Strategic & Plan
INF-007	Customer Wants and Needs			Strategic & Plan
INF-008	Customer Segment			Customer
INF-009	Customer Behavior			Customer
INF-010	Customer Profile	INF-010-001 INF-010-002	Customer Information Customer Identity	Customer
INF-011	Customer Credit Risk Profile			Customer

Information ID	Information Level1	Information Level2 ID	Information Level2	Information Group
INF-012	Customer Historical Transaction			Operational Transaction
INF-013	Foreign Customer Culture			Customer
INF-014	Customer Complain and Feedback			Customer
INF-015	Customer Satisfaction Level			Customer
INF-016	Banking KPI	INF-016-001 INF-016-002 INF-016-003	Banking Corporate KPI Balance Scorecard Service Level Agreement (SLA)	Governance
INF-017	Business Transaction Information			Operational Transaction
INF-018	Branch Profile			Branch & Channel
INF-019	Branch Type			Branch & Channel
INF-020	Geography	INF-020-001	Physical Address	Branch & Channel
INF-021	Asset	INF-021-001	Asset Management Information	Branch & Channel
INF-022	Inventory	INF-022-001 INF-022-002 INF-022-003 INF-022-004	Office Resources IT Resources Banking Equipment Configuration Management	Branch & Channel
INF-023	Channel			Branch & Channel
INF-024	Business Incident			Governance
INF-025	Marketing	INF-025-001 INF-025-002	Marketing Strategy Marketing Plan	Marketing
INF-026	Campaign	INF-026-001 INF-026-002	Campaign Plan Campaign Execution	Marketing
INF-027	Product Information	INF-027-001 INF-027-002 INF-027-003	Product Profile Product Operational Information Product Account Information	Offering

Information ID	Information Level1	Information Level2 ID	Information Level2	Information Group
INF-028	Service Information	INF-028-001 INF-028-002 INF-028-003	Service Profile Service Operational Information Service Account Information	Offering
INF-029	Customer Account	INF-029-001	Customer Account Information	Customer
INF-030	Service Processing Transaction	INF-030-001 INF-030-002	Product Transaction Information Service Transaction Information	Offering
INF-031	IT Operation and Service	INF-031-001 INF-031-002	IT Operation Manual IT Service Operation Manual	Support
INF-032	Staff Profile	INF-032-001 INF-032-002 INF-032-003	Staff Information Staff Location Staff Reporting Line	Human Resource
INF-033	Skill Profile			Human Resource
INF-034	Role/Responsibilities			Human Resource
INF-035	Career/Profession			Human Resource
INF-036	Maintenance Information	INF-036-001 INF-036-002	Maintenance Schedule and Plan Maintenance Procedure	Support
INF-037	Subsidiary Profile			Subsidiary/Partner
INF-038	Subsidiary Resource			Subsidiary/Partner
INF-039	Subsidiary Customer			Subsidiary/Partner
INF-040	Class Curriculum			Human Resource
INF-041	Training Program			Human Resource
INF-042	Training Method			Human Resource
INF-043	Risk Policy			Risk & Finance
INF-044	Finance	INF-044-001 INF-044-002 INF-044-003 INF-044-004	Financial Control Procedure Financial Policies Fixed Asset Information Accounting General Ledger	Risk & Finance
INF-045	Compliance	INF-045-001 INF-045-002	Audit/Assurance/Legal/Regulation Business Policies	Governance

Information ID	Information Level1	Information Level2 ID	Information Level2	Information Group
INF-046	Product and Service Development	INF-046-001 INF-046-002	Product Development Service Development	Offering
INF-047	General Technology			Technology
INF-048	Information Technology			Technology
INF-049	Partner Profile			Subsidiary/Partner
INF-050	Partner Resource			Subsidiary/Partner
INF-051	Partner Customer			Subsidiary/Partner
INF-052	Agile Application Development Methodology	INF-052-001 INF-052-002 INF-052-003 INF-052-004 INF-052-005	Requirement Analysis Architecture and Design Application Implementation Application Testing and Acceptance Application Deployment	Support
INF-053	External Credit Risk Information			Customer

In Table 57, we can obviously separate business information into 12 groups as following:

- 1) **Strategic and Plan** includes the business information about enterprise business strategy, value propositions, supporting capabilities and enterprise architecture method for strategy enablement. This group also includes the research result and the collection of customer wants & needs.
- 2) **Customer** includes the whole information related to the customers involving their profiles, risk profile, their satisfaction level, and culture for foreigners and their behavior.
- 3) **Offering** includes the information about product, service, daily financial transactions and product & service development method for capturing customer information and feedback to improve products and services of the bank.
- 4) **Operational Transaction** includes financial transactional identification and holistically customer transactional records related to this identification. We called it as “*Business Transactions Information*”.

- 5) **Risk and Finance** includes risk policy and financial accounting information such as accounting general ledger.
- 6) **Branch and Channel** includes the detail of all branches and also the branch classification of each branch category. The branches can be also identified by geography, assets, inventory and other physical attributes. This group also provides the wide range of channels which are/will be available in the enterprise such as mobile banking, internet banking, ATM/CDM/PUM machines.
- 7) **Marketing** includes marketing and campaign information of the bank.
- 8) **Human Resources** include the information about staffs, skills and training facilities to include staff productivity of the bank.
- 9) **Support** includes the information about IT operation and maintenance services within the enterprise.
- 10) **Governance** includes the collection of business mechanism to control operation procedure, quality and compliance within the enterprise.
- 11) **Technology** collects the knowledge and information about both general and information technologies required for the bank.
- 12) **Subsidiary/Partner** includes the profile, existing resources and customers of the bank' subsidiaries and partners.

In Figure 39, we apply **Enterprise Subject Area Model (ESAM)** to provide the understanding of business information related to its groups. The model illustrates 12 information groups and key information under each particular group.

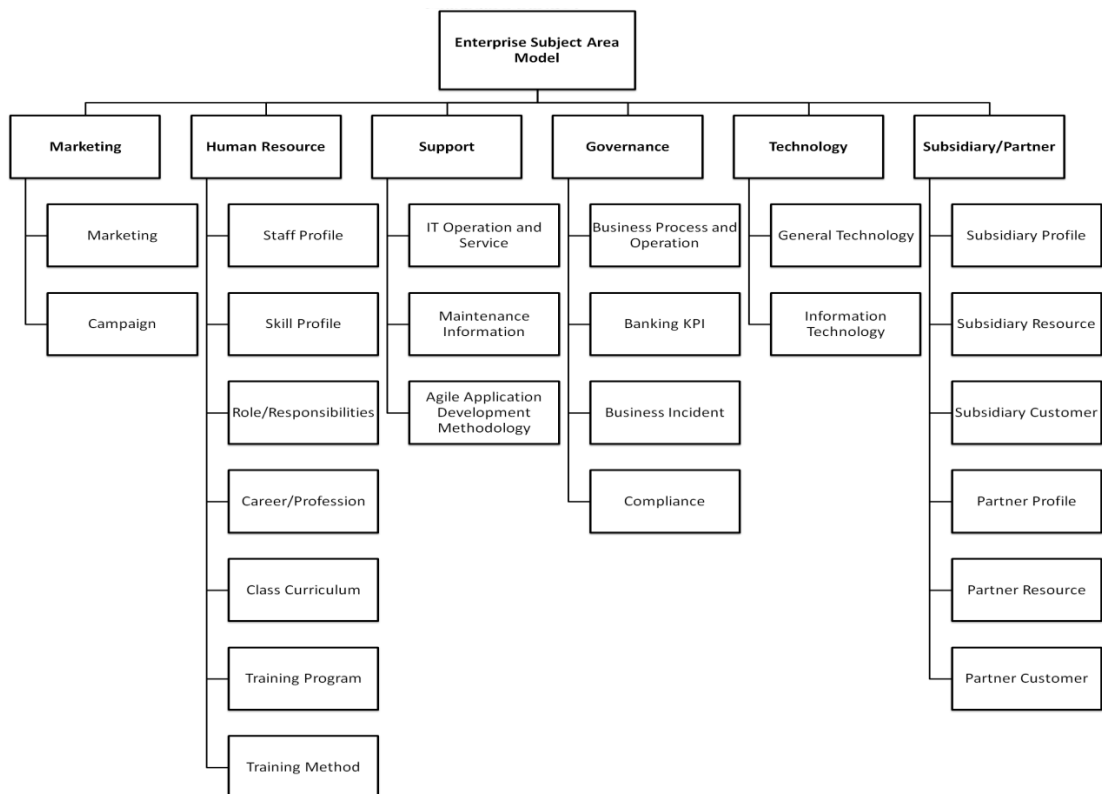
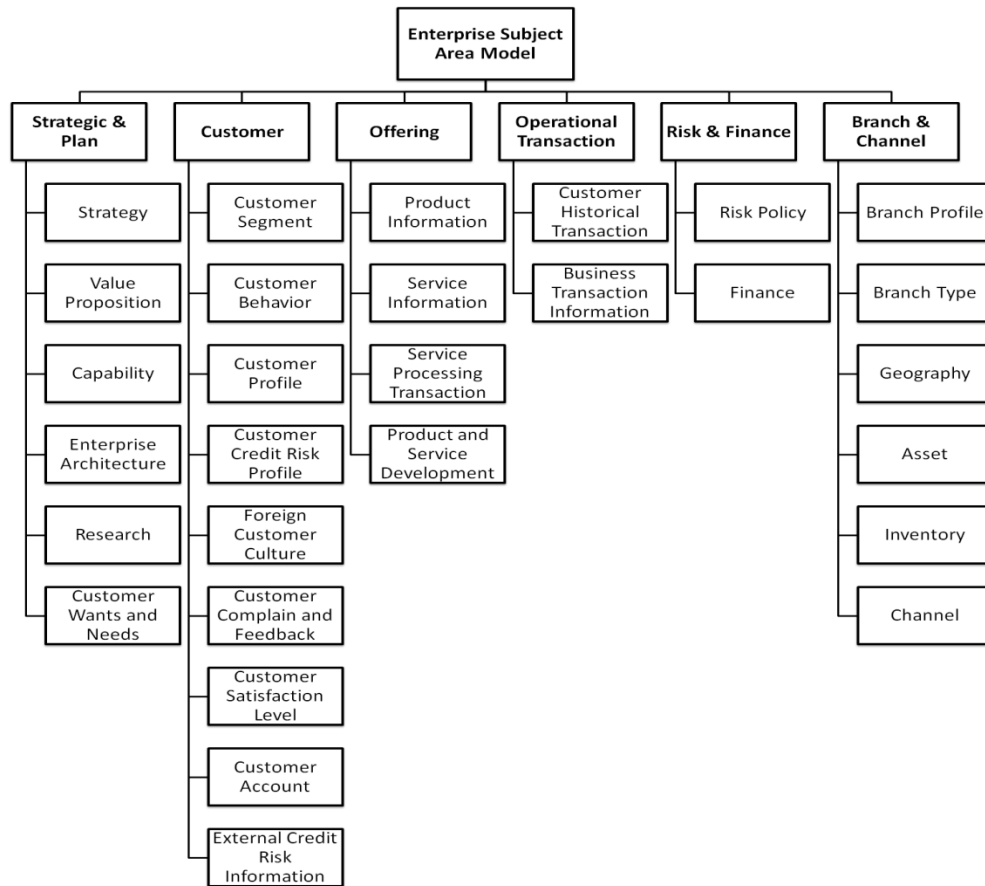


Figure 39 The Retail Bank’s Enterprise Subject Area Model

According to Business Activity Model (Section 5.2), we applied business component model into the development and allocated the business activities and processes into the framework. Consequently, we have successfully defined required business information of the bank. It is possible to store business information into each box (module) in order to see the position of them within the future enterprise. Figure 40 shows business information groups and their components installing into component business model or business activity model.

White boxes show business information. Grey Boxes show information groups. Each large colorful boxes represents business activity modules of business activity model. (Refer to Figure 40)



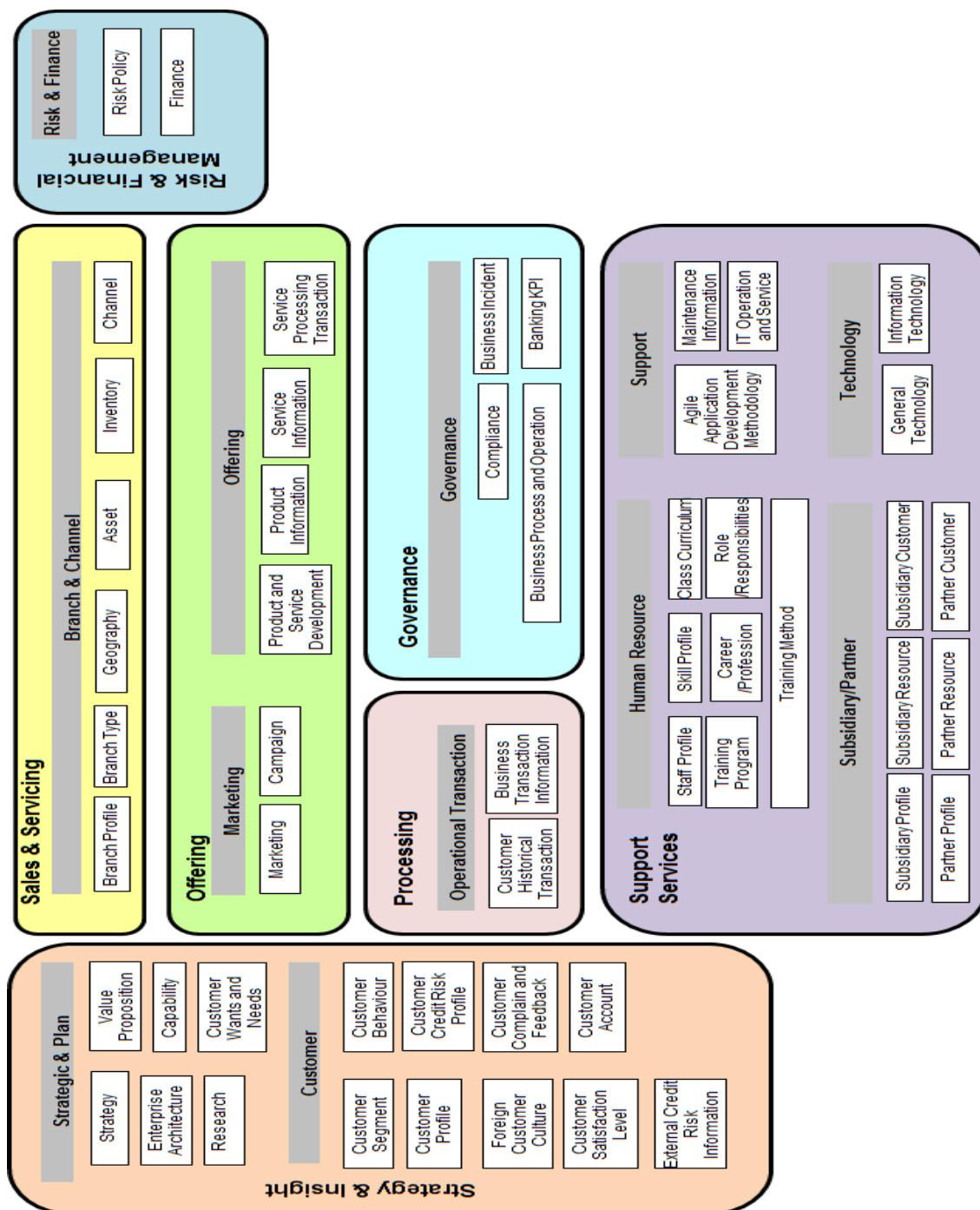


Figure 40 Mapping Business Information into Business Activity Model

Figure 40 Install Business Information into Business Activity Model of the retail bank. It is immediately apparent that there is totally 53 business information that can be classified into 12 different information groups in the enterprise. If we focus on the business information related to branch design directly, 5 information groups would be in the spotlight for further information analysis including **customer, offering, operational transactions, governance, risk & finance, branch & channel and marketing.**

For Business Information Model Development, we would apply **Entity Relationship Diagram** to show business information building blocks and the relationship between each entity within the scope. Figure 41 illustrates Business Information Model of the retail bank's branches.

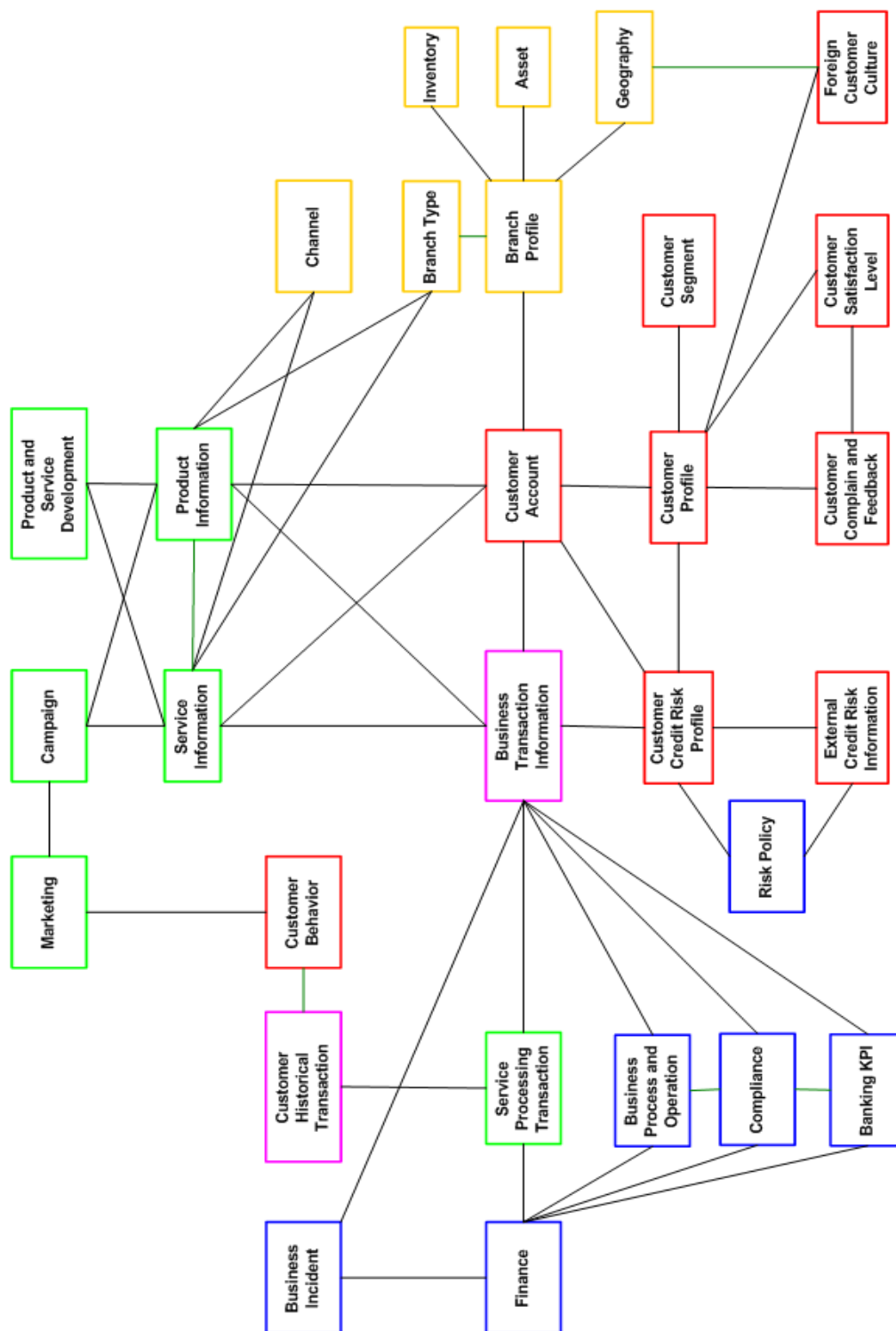


Figure 41 The Retail Bank's Business Information Model – Branch Related

Regarding to Figure 41, we can clearly see that customer information and accounts are the centers of whole information of the system. The key points of the diagram are:

- Customer accounts link with customer profile.
- Customer accounts trigger business transaction information to interact with service processing transactions in daily operations. Business transaction information always link with both products and services information.
- All service processing transactions are stored into customer historical transactions to future usage. Again, service processing transactions need to synchronize with financial information as well.
- Governance information (such as business process & operation, compliance and banking KPI) controls both financial and business transaction information.
- There are the linkage between the products & services and the available channels in the enterprise.
- Branch Type defines the characteristic of each branch profile. Branch Profile collects the information about their geography, asset and inventory.
- All customer accounts contain the owner branches.
- Customer Profile also links with the segment, satisfaction level, feedback & complaints and culture.
- Risk Policy accesses both internal and external customer risk profile which already link with customer profile as well.
- Product and Service Development links to both product information service information.
- Campaign information accesses product and service information.
- Enterprise can analyze business behavior based on customer historical transaction in the past. Marketing program can be defined by accessing customer behavior directly.
- Business Incident information and Resolutions are generally linked with business transaction information in order to quickly understand the root cause of them.

With the business information model of the retail branch, we know exactly which business information need to be identified and collected. The next section will discuss about the relationship between business activities and business information.

5.4 Activity and Information Integration

The **Activity / Information Usage matrix** is a bi-directional mapping between the entities in the Enterprise Information Model and the activities in the Business Activity Model. The matrix defines the relationship between business activities and business information by one-to-one approach or one-to-many approach. Significantly, major activities should contain at least one business information component.

According to the method above, the Activity / Information Usage matrix of the branches of retail bank is shown as below:

The matrix can be separated into 6 different tables corresponding to business activity modules in section 5.2. the modules includes **Strategy & Insight, Sales & Serving, Offering, Processing, Supporting Services and Risk & Financial Management.**

Table 58 – 63 presents the relationship between business activities and information for each activity model

Table 58 Activity / Information Usage matrix of the branches of retail bank (Strategy & Insight Module)

Module	Process Area	Activity ID	Activity Level1	Information ID	Business Information
Strategy & Insight	Strategy & Planning	ACT-001	Strategic and Plan Process	INF-001	Strategy
		ACT-002	Proposition & Capabilities Development	INF-002 INF-003	Value Proposition Capability
		ACT-003	Enterprise Architecture	INF-004	Enterprise Architecture
		ACT-004	Re-engineering	INF-005	Business Process and Operation
	Market Insight	ACT-005	Research and Publish	INF-006	Research
		ACT-006	Survey and Analysis	INF-007	Customer Wants and Needs
	Customer Insight	ACT-007	Customer Analysis & Segmentation	INF-008 INF-009	Customer Segment Customer Behavior
		ACT-008	Customer Profile	INF-010	Customer Profile
		ACT-009	Customer Credit Risk Profile	INF-011	Customer Credit Risk Profile
		ACT-010	Customer Historical Service Transaction	INF-012	Customer Historical Transaction
		ACT-011	Customer Culture	INF-013	Foreign Customer Culture

In Table 58, it shows business information which refers to the activities related to strategic planning, marketing insight and customer insight.

Table 59 Activity / Information Usage matrix of the branches of retail bank (Sales & Servicing)

Module	Process Area	Activity ID	Activity Level1	Information ID	Business Information	
Sales & Servicing	Management	ACT-012	Customer Relationship Management	INF-008	Customer Segment	
				INF-010	Customer Profile	
				INF-011	Customer Credit Risk Profile	
				INF-012	Customer Historical Transaction	
					INF-014	Customer Complain and Feedback
					INF-053	External Credit Risk Information
		ACT-013	Customer Satisfaction Management	INF-010	Customer Profile	
				INF-015	Customer Satisfaction Level	
		ACT-014	Business Operation Control	INF-016	Banking KPI	
		ACT-015	Operation Management	INF-005-003	Current Branch Business Process	
	INF-005-004			To-be Branch Business Process		
	Delivery	ACT-016	Customer Reception	INF-005-004	To-be Branch Business Process	
INF-008				Customer Segment		
			INF-010	Customer Profile		
ACT-017		Face to Face Customer Service and Support Process				
ACT-018		Remote Customer Service and Support Process				
ACT-019		Customer Service Representation	INF-017	Business Transaction Information		
	INF-008		Customer Segment			
	INF-010		Customer Profile			
	INF-011		Customer Credit Risk Profile			
		INF-012	Customer Historical Transaction			
		INF-014	Customer Complain and Feedback			
		INF-018	Branch Profile			
		INF-027	Product Information			
		INF-028	Service Information			
	ACT-020	Teller Operations	INF-018	Branch Profile		
INF-019			Branch Type			
INF-020			Geography			
INF-021			Facility			
			INF-022	Inventory		

		ACT-021	E-Channel & ATM Services	INF-023	Channel
		ACT-022	Call Center Services	INF-023	Channel
	Support	ACT-023	Business Incident Management	INF-024	Business Incident

In Table 59, it shows business information which refers to the activities related to sales & servicing management, delivery and support

Table 60 Activity / Information Usage matrix of the branches of retail bank (Offering)

Module	Process Area	Activity ID	Activity Level1	Information ID	Business Information
Offering	Marketing	ACT-024	Marketing & Brand Management	INF-025	Marketing
		ACT-025	Campaign Management Process	INF-026	Campaign
		ACT-026	Campaign Execution	INF-026	Campaign
	Development & Deployment	ACT-027	Product and Service Development & Deployment	INF-046	Product and Service Development
		ACT-028	Product Catalog	INF-027	Product Information
		ACT-029	Service Catalog	INF-028	Service Information
		ACT-030	Product & Service Integration	INF-027 INF-028	Product Information Service Information
		ACT-031	Channel Integration	INF-023	Channel
	Delivery	ACT-032	Core Banking Services	INF-029 INF-030	Customer Account Service Processing Transaction
		ACT-033	Supplement Services	INF-030	Service Processing Transaction
		ACT-034	Investment Services	INF-030	Service Processing Transaction
		ACT-035	Corporate Services	INF-030	Service Processing Transaction

In Table 60, it shows business information which refers to the activities related to marketing & campaign, product & service development and offering delivery.

Table 61 Activity / Information Usage matrix of the branches of retail bank (Processing)

Module	Process Area	Activity ID	Activity Level1	Information ID	Business Information
Processing	Core Banking Services	ACT-036	Deposits Processing	INF-030	Service Processing Transaction
		ACT-037	Domestic Money Transfers Processing	INF-030	Service Processing Transaction
		ACT-038	Cheque Processing	INF-030	Service Processing Transaction
		ACT-039	Credit Cards Processing	INF-030	Service Processing Transaction
		ACT-040	Debit Cards Processing	INF-030	Service Processing Transaction
		ACT-041	Personal Loans Processing	INF-030	Service Processing Transaction
	Supplement Services	ACT-042	Payments Processing	INF-030	Service Processing Transaction
		ACT-043	Life Insurance Processing	INF-030	Service Processing Transaction
		ACT-044	Non-life Insurance Processing	INF-030	Service Processing Transaction
		ACT-045	Mutual Funds Processing	INF-030	Service Processing Transaction
		ACT-046	Hire Purchase Processing	INF-030	Service Processing Transaction
		ACT-047	International Money Transfers Processing	INF-030	Service Processing Transaction
		ACT-048	Micro Finance Processing	INF-030	Service Processing Transaction
		ACT-049	Foreign Exchanges Processing	INF-030	Service Processing Transaction
	Investment Services	ACT-050	Wealth Management Processing	INF-030	Service Processing Transaction
		ACT-051	Asset Management Processing	INF-030	Service Processing Transaction
		ACT-052	Securities Processing	INF-030	Service Processing Transaction
		ACT-053	Government Bonds Processing	INF-030	Service Processing Transaction
		ACT-054	Private Bond Processing	INF-030	Service Processing Transaction
	Corporate Services	ACT-055	Corporate Loans Processing	INF-030	Service Processing Transaction
		ACT-056	Cash Management Processing	INF-030	Service Processing Transaction
		ACT-057	Equipment Leasing Processing	INF-030	Service Processing Transaction
ACT-058		Factoring Processing	INF-030	Service Processing Transaction	

		ACT-059	Trade Finance Processing	INF-030	Service Processing Transaction
Module	Process Area	Activity ID	Activity Level1	Information ID	Business Information
Processing	Common Services	ACT-060	Process Integration	INF-030	Service Processing Transaction
		ACT-061	Information Integration	INF-030	Service Processing Transaction

In Table 61, it shows business information which refers to the activities related to core banking, supplement, corporate, investment and common services. We can obviously see that all activities link with centralized service process transactions.

Table 62 Activity / Information Usage matrix of the branches of retail bank (Supporting Services)

Module	Process Area	Activity ID	Activity Level1	Information ID	Business Information
Support Services	Support Services	ACT-062	Agile Application Development	INF-052	Agile Application Development Methodology
		ACT-063	IT Service Management	INF-031	IT Operation and Service
		ACT-064	IT Operation Support	INF-031	IT Operation and Service
		ACT-065	Human Resource Management	INF-032 INF-033 INF-034 INF-035	Staff Profile Skill Profile Role/Responsibilities Career/Profession
		ACT-066	Facilities Operation & Maintenance	INF-036	Maintenance Information
		ACT-067	Subsidiaries Integration	INF-037 INF-038 INF-039	Subsidiary/Partner Profile Subsidiary/Partner Resource Subsidiary/Partner Customer
		ACT-068	Learning and Development	INF-040 INF-041 INF-042	Class Training Program Training Method
		ACT-069	Coaching and Mentoring	INF-042	Training Method
		ACT-070	Business Process Management	INF-005	Business Process and Operation

In Table 62, it shows business information which refers to the activities related to IT operations, human resources, facilities maintenance and subsidiary/partner profile.

Table 63 Activity / Information Usage matrix of the branches of retail bank (Risk & Financial Management)

Module	Process Area	Activity ID	Activity Level1	Information ID	Business Information
Risk & Financial Management	Risk	ACT-071	Individual Credit Risk Assessment Process	INF-011 INF-053	Customer Credit Risk Profile External Credit Risk Information
		ACT-072	Credit Policy & Planning	INF-043	Risk Policy
		ACT-073	Asset & Liability Policy & Planning	INF-043	Risk Policy
	Finance	ACT-074	Financial Control Consolidation and Reporting	INF-044	Finance
		ACT-075	Finance Policies	INF-044	Finance
		ACT-076	Fixed Asset Register	INF-044	Finance
		ACT-077	Accounting General Ledger	INF-044	Finance
		ACT-078	Bank Treasury	INF-044	Finance
	Compliance	ACT-079	Audit/Assurance/Legal/Compliance	INF-045 INF-016	Compliance Banking KPI
		ACT-080	Business Policies & Procedures	INF-045	Compliance

In Table 63, it shows business information which refers to the activities related to risk, finance and compliance.

Finally, it appears that we understand the relationship between activities and information within the enterprise right now. In next section, we will discuss about business roles and locations of the enterprise by mostly focusing on the branches.

5.5 Business Roles and Locations Identification

The Business Roles and Locations identify the roles and locations that are related to the enterprise's business and are used to analyze the business organization. It also provides a valuable input to several IT Architecture activities.

5.5.1 Business Roles

Business Roles are logical, categories of jobs that perform the business activities of the enterprise. We look to combine roles based on common activities they perform.

According to enterprise architecture method, Business role is developed by mapping organization resources from enterprise capabilities phase. (See Figure 37)

According to the method above, Business Roles of the branches of retail bank is shown as below:

Table 64 Business Roles of the branches

Role ID	Role Name	Role Description
ROL-001	Mentors	This role is for training the staffs in the specific areas along the on job training activities
ROL-002	IT Operational Services	This role includes IT operators, IT specialist and help desk support by (Residence at Data Center)
ROL-003	Customer Service Representatives	This role is the person who takes care the customers and present suitable products and services for them
ROL-004	Branch Teller	This role is the bank staffs who deals directly with most customers for performing transactions including deposits, payment, cash and etc.
ROL-005	Branch Supervisor	This role is the bank staffs who supports more advanced and personalized financial transactions at the branches
ROL-006	Branch Manager	This role is the person who manage the branch operations in order to remain quality of services offerings for the customers
ROL-007	Product Specialist	This role is the person to know the products in detail deeply and contain the skills to recommend suitable products to meet the customer requirements
ROL-008	Service Specialist	This role is the person to know the services very well and contain the skills to recommend proper services to satisfy the customers
ROL-009	Reception Officer	This role is the person who greet the customers before getting the services at the bank's business center and branches

ROL-010	Multi-lingual Communication Specialist	This role is the person who is specialized in the communication to the related parties of the situation (Need 2nd language)
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Unfortunately, people wouldn't probably perform their jobs very well without the qualification and mandatory skills that match with each role accordingly.

Table 65 provide skill inventory that is actually related to branch operations of the retail bank. It collects the skill description and sub skills which definitely link to the skills.

Table 65 Skill Inventory of the branches

Skill ID	Skill Name	Skill Description	Sub Skills
SKL-001	Communication Skill	The ability to pass the message from you to the receivers clearly and understandably.	Listening Reading Speaking Writing Presentation
SKL-002	Language Skill	The ability to use the language to communicate with people surrounds you. It includes the combination of listening, reading, speaking and writing.	English Language Chinese Language French Language Malay Language Tagalog Language
SKL-003	Customer Relationship Skill	The ability to manage the relationship with customers by maintaining and controlling customer satisfaction level. Customer Relationship skills also includes the management of customer complaints with good handle.	Customer Understanding Service mind Issue Management Compliant Management
SKL-004	Negotiation Skill	The ability to negotiate with people to meeting the objectives and requirements	Win-win negotiation
SKL-005	Consultative Skill	The ability to analyze the problems critically and make the effective recommendations which clearly solve the situations.	Requirement Analysis Analytical Thinking Problem Solving Recommendation
SKL-006	Consultative Selling Skill	The ability to sell the products and services along with providing appropriate solutions for the customers	

Skill ID	Skill Name	Skill Description	Sub Skills
SKL-007	Leadership Skills	The ability to lead the teams to meet the goal together.	
SKL-008	Coaching and Mentoring Skill	The ability to coach and mentor the staffs to be able perform as expected result in each particular job.	
SKL-009	Banking Fundamental	The knowledge on banking business and financial operations.	
SKL-010	Finance and Accounting Fundamental	The knowledge on financial analysis and accounting principles.	
SKL-011	Product and Service Knowledge	The knowledge on each specific product and service of the enterprise.	Core Banking Services Supplement Services Investment Services Corporate Services Common Services
SKL-012	Business Process and Procedure	The knowledge and practices about business processes and how to follow them in the correct ways.	
SKL-013	Business Applications	The practices on how to use business applications for performing the daily business functions.	
SKL-014	Risk Analysis	The ability to analyze financial risks for each individual customer.	
SKL-015	Information Technology	The knowledge of information technologies in global and the approach to apply them for business improvements.	
SKL-016	Compliance	The understanding and acknowledge about the laws, regulations, rules and policies which people must strictly follow in the business world.	Legal Regulations Rules Policies
SKL-017	Management Skill	The ability to manage the activities under to assigned scope and handle with both internal and external issues that people face along the service period.	

When mapping the business roles with mandatory skills, we can obviously identify the skill level of each role based on its activities that it performs at the branch. It is essential to create the matrix of business activities and roles in order to understand which processes needed to perform for delivering the value propositions.

Table 66 – 71 presents the matrix of business activities and the role at the branches of the retail bank.

Business activities also are defined whether they executes the activities related to branch directly or not written at the field “Branch Direct/Support (D/S)”. (D = Direct to branch and S = support to branch)

Whenever the value contain “P-Primary”, the meaning is that the role performs the activities as mandatory tasks. If the value contain “S-Secondary”, the meaning is that the role only supports the activities as non-mandatory tasks.



Table 66 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Strategy & Insight)

Process Area	Activity ID	Activity Level	Branch Direct/Support (D/S)	Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
Strategy & Planning	ACT-001	Strategic and Plan Process	S	Support by business strategists, enterprise architects and IT architects who normally works at head office									
	ACT-002	Proposition & Capabilities Development	S										
	ACT-003	Enterprise Architecture	S										
	ACT-004	Re-engineering	S										
Market Insight	ACT-005	Research and Publish	S	Support by researchers who normally work at head office									
	ACT-006	Survey and Analysis	S										
Customer Insight	ACT-007	Customer Analysis & Segmentation	S	Support by customer information specialists who work at head office									
	ACT-008	Customer Profile	S										
	ACT-009	Customer Credit Risk Profile	S										
	ACT-010	Customer Historical Service Transaction	S										
	ACT-011	Customer Culture	S										

In Table 66, all business activities in Strategy & Insight module are operated by stakeholders who normally work at head office. It involves supporting capabilities from business strategists, enterprise architects, IT architecture, researchers and customer information specialists. Nobody works permanently at the branches.

Table 67 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Sales & Servicing)

Process Area	Activity ID	Activity Level1	Branch Direct/Support (D/S)	Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
Management	ACT-012	Customer Relationship Management	D			S	S	P	P	S	S	S	S
	ACT-013	Customer Satisfaction Management	D			S	S	P	P			S	
	ACT-014	Business Operation Control	D					S	P				
	ACT-015	Operation Management	D					S	P				
Delivery	ACT-016	Customer Reception	D									P	
	ACT-017	Face to Face Customer Service and Support Process	D			P	P	P		P	P		P
	ACT-018	Remote Customer Service and Support Process	S	Support by call center services from call center location and product & service specialists from head office									
	ACT-019	Customer Service Representation	D			P		S					
	ACT-020	Teller Operations	D			S	P	S					
	ACT-021	E-Channel & ATM Services	S	Integrate branch operations with other channels by automated information systems									
	ACT-022	Call Center Services	S										
Support	ACT-023	Business Incident Management	D					P	P				

Process Area	Activity ID	Activity Level1	Branch Direct/Support (D/S)	Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
Delivery	ACT-032	Core Banking Services	D			S	S	S	S	S	S	S	S
	ACT-033	Supplement Services	D			S	S	S	S	S	S	S	S
	ACT-034	Investment Services	D			S		S	S	S	S	S	S
	ACT-035	Corporate Services	D			S		S	S	S	S	S	S

In Table 68, all business activities in offering module are operated by stakeholders who normally work at head office. It involves supporting capabilities from branch managers, branch supervisors, customer representatives and other stakeholders at the branches.

Table 69 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Processing)

Process Area	Activity ID	Activity Level1	Branch Direct/Support (D/S)	Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
Core Banking Services	ACT-036	Deposits Processing	D			S	S	S		S	S		
	ACT-037	Domestic Money Transfers Processing	D			S	S	S		S	S		
	ACT-038	Cheque Processing	D			S	S	S		S	S		
	ACT-039	Credit Cards Processing	D			S		S		S	S		
	ACT-040	Debit Cards Processing	D			S		S		S	S		
	ACT-041	Personal Loans Processing	D			S	S	S		S	S		
Supplement Services	ACT-042	Payments Processing	D			S	S	S		S	S		
	ACT-043	Life Insurance Processing	D			S		S		S	S		
	ACT-044	Non-life Insurance Processing	D			S		S		S	S		
	ACT-045	Mutual Funds Processing	D			S		S		S	S		
	ACT-046	Hire Purchase Processing	D			S		S		S	S		
	ACT-047	International Money Transfers Processing	D			S	S	S		S	S		
	ACT-048	Micro Finance Processing	D			S		S		S	S		
	ACT-049	Foreign Exchanges Processing	D			S	S	S		S	S		

Process Area	Activity ID	Activity Level1	Branch Direct/Support (D/S)	Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
Investment Services	ACT-050	Wealth Management Processing	D			S		S		S	S		
	ACT-051	Asset Management Processing	D			S		S		S	S		
	ACT-052	Securities Processing	D			S		S		S	S		
	ACT-053	Government Bonds Processing	D			S		S		S	S		
	ACT-054	Private Bond Processing	D			S		S		S	S		
Corporate Services	ACT-055	Corporate Loans Processing	D			S		S		S	S		
	ACT-056	Cash Management Processing	D			S		S		S	S		
	ACT-057	Equipment Leasing Processing	D			S		S		S	S		
	ACT-058	Factoring Processing	D			S		S		S	S		
	ACT-059	Trade Finance Processing	D			S		S		S	S		
Common Services	ACT-060	Process Integration	D			S	S	S		S	S		
	ACT-061	Information Integration	D			S	S	S		S	S		

In Table 69, all business activities in processing module are operated by the information systems. The branch teams and specialists just trigger and support processing transactions for each product and services.

Table 70 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Support Services)

Process Area	Activity ID	Activity Level1	Branch Direct/Support (D/S)	Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
Support Services	ACT-062	Agile Application Development	S	Support by software development team who normally work at head office									
	ACT-063	IT Service Management	D		P								
	ACT-064	IT Operation Support	D		P								
	ACT-065	Human Resource Management	S	Support by HR department who normally work at head office									
	ACT-066	Facilities Operation & Maintenance	S	Support by management team who normally work at head office									
	ACT-067	Subsidiaries Integration	S										
	ACT-068	Learning and Development	S	Support by Learning & development department who normally work at head office									
	ACT-069	Coaching and Mentoring	D	P				P	P	S	S		
	ACT-070	Business Process Management	S	Support by management team who normally work at head office									

In Table 70, all business activities in Support Services module are operated by stakeholders who normally work at head office. It involves supporting capabilities from software development team, human resource staffs, IT operation support team and management team. Nobody works permanently at the branches.

Table 71 Business Activities – Roles Matrix of the Retail Bank – Branch Related (Risk & Financial Management)

Process Area	Activity ID	Activity Level	Branch Direct/Support (D/S)	Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
Risk	ACT-071	Individual Credit Risk Assessment Process	D			S		P	P	P	P		
	ACT-072	Credit Policy & Planning	S	Support by risk management team who normally work at head office									
	ACT-073	Asset & Liability Policy & Planning	S										
Finance	ACT-074	Financial Control Consolidation and Reporting	S	Support by financial management team who normally work at head office									
	ACT-075	Finance Policies	S										
	ACT-076	Fixed Asset Register	S										
	ACT-077	Accounting General Ledger	D					P	S				
	ACT-078	Bank Treasury	S	Support by financial management team who normally work at head office									
Compliance	ACT-079	Audit/Assurance/Legal/Compliance	D					P	P				
	ACT-080	Business Policies & Procedures	D	P	P	P	P	P	P	P	P	P	P

In Table 71, All business activities in Risk & Financial Management module are majorly responsible by senior branch staffs under the management of branch managers and branch supervisors. They should get direct supports reception officers, customer representatives at the branches and specialists at the head office.

All stakeholders need to compile business policies and procedures in mandatory tasks. Branch Managers and Supervisors should make sure that all regulations are followed in every type of branch.

Significantly, we have already understood the interaction between each business role and business activity at the branch or other supporting locations. It is the time to identify the qualification and skill level that match to each role at the branch. We can obviously separate staff skills into 5 different levels as following:

- **Skill Level 1: No Skill** – The staff has no skill at all.
- **Skill Level 2: Beginner** – The staff has basic ability on that skill.
- **Skill Level 3: Experience** – The staff has enough background and experience on that skill. (normally 1 – 2 year experience on skill)
- **Skill Level 4: Advance** – The staff has advance skill and good reputation on that particular area.
- **Skill Level 5: Expert** – The staff is the top contributor on that skill among whole staffs within the enterprise.

Table 72 illustrates skill level of each business role at retail bank's branches.

Table 72 Qualification and Skills for Business Role of the Retail Bank – Branch Related

Skill ID	Skill Name	Sub Skills	Business Roles									
			Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
SKL-001	Communication Skill	Listening Reading Speaking Writing Presentation	4	3	4	3	4	5	4	4	4	4
SKL-002	Language Skill	English Language Chinese Language French Language Malay Language Tagalog Language	3	2	3	2	3	4	3	3	4	5

Skill ID	Skill Name	Sub Skills										
			Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
SKL-003	Customer Relationship Skill	Customer Understanding Service mind Issue Management Compliant Management	4	1	4	3	4	5	3	3	3	3
SKL-004	Negotiation Skill	Win-win negotiation	4	2	4	3	4	5	3	3	3	3
SKL-005	Consultative Skill	Requirement Analysis Analytical Thinking Problem Solving Recommendation	3	2	3	2	3	4	4	4	2	3
SKL-006	Consultative Selling Skill		4	1	4	2	4	5	3	3	2	2
SKL-007	Leadership Skills		4	2	3	2	4	5	3	3	2	2
SKL-008	Coaching and Mentoring Skill		4	2	2	2	4	5	4	4	2	2
SKL-009	Banking Fundamental		5	2	4	3	5	5	5	5	3	3
SKL-010	Finance and Accounting Fundamental		3	2	3	3	4	5	4	4	2	3
SKL-011	Product and Service Knowledge	Core Banking Services Supplement Services Investment Services Corporate Services Common Services	4	1	3	2	4	4	5	5	2	3
SKL-012	Business Process and Procedure		4	1	3	3	4	5	5	5	2	3

Skill ID	Skill Name	Sub Skills	Mentors	IT Operational Services	Customer Service Representatives	Branch Teller	Branch Supervisor	Branch Manager	Product Specialist	Service Specialist	Reception Officer	Multi-lingual Communication Specialist
SKL-013	Business Applications		4	3	3	3	4	4	4	4	2	3
SKL-014	Risk Analysis		4	1	3	2	4	5	4	4	2	3
SKL-015	Information Technology		3	4	3	2	3	3	3	3	2	2
SKL-016	Compliance	Legal Regulations Rules Policies	5	3	4	3	5	5	4	4	3	3
SKL-017	Management Skill	Branch Operational Management	3	2	3	3	4	5	3	3	2	3

Branch Managers should have the most advance skills in overall with Branch Supervisors as the second skillful role. Customer Representatives need good interpersonal and communication skills. On the other hand, product and service specialists should have maximum knowledge of offerings.

The next step is to identify the locations needed or used by the business which creates the understanding of operational aspects of the business design. Business Location will be discussed in Section 5.5.2.

5.5.2 Business Locations

Business Locations are the sites where the activities of the business are carried out.

- Physical locations are simply the geographical places where the business has a presence
- Logical locations are classifications or categories of these physical sites, based on the types of business activities that are performed at them.

According to enterprise architecture method, Business location is developed by mapping location resources from enterprise capabilities phase. (See Figure 37)

According to the method above, The classification of the branches at retail bank is shown in Table 73.

The table provides the information about branch characteristics which include **Location ID, Location Name (Branch Type), Location Description, Location Candidate, number of machines, number of tellers, number of customer representatives (CSR) and general service time.**

(ATM – Automated Teller Machine, CDM – Cash Deposit Machine and PUM – Passbook Update Machine)

Table 73 Business Locations of the branches

Location ID	Location Name	Location Description	Location Candidate	No. of ATM CDM PUM	No. of Teller	No. of CSR	Branch Service Time
LOC-004-001	Electronic Domestic Booths	The booth provides the facilities for accessing electronic channel including ATM/CDM and passbook machine to perform financial transactions by self-services.	Shopping area High impact public area	ATM: 4 CDM: 3 PUM: 2	0	0	24 X 7 Hours
LOC-004-002	Foreign Exchange Booths	The booth provides mainly foreign exchanges services for both foreigners and local customers.	Airport Tourist area Shopping Center	ATM: 0 CDM: 0 PUM: 0	2	0	Flexible Depend on Location
LOC-004-003	Satellite Branches	This is the mini branch which provides only simple retail banking transactions with short period of time per a transaction.	Airport Tourist area	ATM: 2 CDM: 1 PUM: 1	3	0	Bank Office Hour 8:30 am - 4:30 pm

Location ID	Location Name	Location Description	Location Candidate	No. of ATM CDM PUM	No. of Teller	No. of CSR	Branch Service Time
LOC-004-004	Shopping Center Branches	The branch always locates inside or beside the shopping center. It provides wide range of products and services across every segment of the bank by supporting customers who go for shopping in the department store. There is the separated zone for providing premium services to high-end customers.	Shopping area High impact public area	ATM: 4 CDM: 3 PUM: 2	4 - 8	3 - 6	Daily 11:00 - 19:30
LOC-004-005	Small-Size Branches	The branch focuses on supporting general retail customers which has low to quite low asset value. It provides basic transactions with partial advisory services in lending and cards.	Small district Sub district	ATM: 2 CDM: 1 PUM: 1	4 - 6	2 - 4	Bank Office Hour 8:30 am - 4:30 pm
LOC-004-006	Medium-Size Branches	The branch has slightly more advanced products and full functions of advisory services but there is less premium products than larger branch. Other Facilities: Teleconference and Video conference	District	ATM: 3 CDM: 2 PUM: 1	6 - 10	4 - 8	Bank Office Hour 8:30 am - 4:30 pm

Location ID	Location Name	Location Description	Location Candidate	No. of ATM CDM PUM	No. of Teller	No. of CSR	Branch Service Time
LOC-004-007	Large-Size Branches	The branch has almost full functionality of banking products and services excluding some premium functions and corporate-related services. Other Facilities: Teleconference and Video conference	Cities or major district	ATM: 3 CDM: 3 PUM: 2	8 - 12	8 - 10	Bank Office Hour 8:30 am - 4:30 pm
LOC-004-008	Full-Service Retail Branches	The branch has full functionality of banking products and services with maximum facilities and resources to serve all groups of customers. Other Facilities: Teleconference and Video conference	Major Cities	ATM: 4 CDM: 3 PUM: 2	10 - 15	10 - 16	Bank Office Hour 8:30 am - 4:30 pm
LOC-004-009	Industrial Branches	The branch generally locates at industry and business area. There are fully facilities and human resources to support corporate customers and their staffs about financial transactions.	Industry Park	ATM: 4 CDM: 3 PUM: 2	6 - 10	4 - 8	Bank Office Hour 9:00 am - 6:00 pm

Location ID	Location Name	Location Description	Location Candidate	No. of ATM CDM PUM	No. of Teller	No. of CS R	Branch Service Time
LOC-004-010	Luxury and Premium Service Branches	The branch provides luxury and personalized products and services which customizes specifically for each individual customer. Some advance advisory services also operates on this branch by face to face approach and video conferencing approach. Other Facilities: Teleconference and Video conference	Co-location with department store and large branch	ATM: 0 CDM: 0 PUM: 0	0	3 - 6	Flexible Depend on Location

Furthermore, 10 branch categories are carefully designed based on location resource of enterprise capabilities and customer segmentation which already defined in section strategic positioning. Table 74 illustrates the relationship between branch locations and customer segments.

There are about 9 segments to consider based on their assets value. Each segment has different potential to access purely different branch locations. Customer segments include:

Retail Customer

C1A - Low Asset Value ($V < 100,000$ Baht)

C1B - Medium-Low Asset Value ($100,000 < V < 500,000$ Baht)

C1C - Medium Asset Value ($500,000 < V < 5,000,000$ Baht)

C1D - Medium-High Asset Value ($5 \text{ million} < V < 50 \text{ million}$ Baht)

C1E - High Asset Value ($50 \text{ million} < V < 100 \text{ million}$ Baht),

C1F - Very High Asset Value ($V > 100 \text{ million}$ Baht)

SME and Corporate Customers

C2: Small Medium Enterprise (SME) Customers,

C3: Corporate Customers and C4: Cardholders.

Assume that V = Asset Value of the customer

Table 74 Branch and Customer Segmentation Matrix

Location ID	Branch Categories	C1A - Low Asset Value	C1B - Medium-Low Asset Value	C1C - Medium Asset Value	C1D - Medium-High Asset Value	C1E - High Asset Value	C1F - Very High Asset Value	C2: Small Medium Enterprise (SME) Customers	C3: Corporate Customers	C4: Cardholders
LOC-004-001	Electronic Domestic Booths	X	X	X	X	X	X			X
LOC-004-002	Foreign Exchange Booths		X	X	X	X	X			
LOC-004-003	Satellite Branches	X	X	X	X	X	X			
LOC-004-004	Shopping Center Branches	X	X	X	X	X	X			X
LOC-004-005	Small-Size Branches	X	X							X
LOC-004-006	Medium-Size Branches	X	X	X	X			X		X
LOC-004-007	Large-Size Branches	X	X	X	X	X	X	X	X	X
LOC-004-008	Full-Service Retail Branches	X	X	X	X	X	X	X	X	X
LOC-004-009	Industrial Branches	X	X	X	X			X	X	X
LOC-004-010	Luxury and Premium Service Branches					X	X			

We can obviously see that most of branches have been designed for serving wide range of retail customers from low asset value customers to very high asset value customers. There are specific branches which are developed to provide suitable services for corporate banking focus locating at industry area. On the other hand, varieties of foreign exchange booths are deployed to support travellers and foreigner at the airport and tourist area. Very high asset value customers should mostly access Full-Service Retail Branches and Luxury and Premium Service Branches for complex financial services.

Significantly, products and services are different between each customer segment as well as the branch. Table 75 presents proposed products which should be suitable for each business location.

Table 75 Product – Location Matrix of the branch

Product/Location	Electronic Domestic Booths	Foreign Exchange Booths	Satellite Branches	Shopping Center Branches	Small-Size Branches	Medium-Size Branches	Large-Size Branches	Full-Service Retail Branches	Industrial Branches	Luxury and Premium Service Branches
O1: Deposits	X		X X	X X	X X	X X	X X	X X	X X	X X
O2: Domestic Money Transfers	X		X X	X X	X X	X X	X X	X X	X X	X X
O3: International Money Transfers		X	X X	X X	X X	X X	X X	X X	X X	X X
O4: Personal Loans			X	X	X	X	X	X	X	X
O5: Corporate Loans							X X	X X	X X	X X
O6: Life Insurance				X	X	X	X	X	X	X
O7: Non-life Insurance				X	X	X	X	X	X	X
O8: Cheque	X		X X	X X	X X	X X	X X	X X	X X	X X
O9: Mutual Funds				X	X	X	X	X	X	X
O10: Credit Cards	X			X	X	X	X	X	X	X
O11: Debit Cards	X			X	X	X	X	X	X	X
O12: Payments	X		X X	X X	X X	X X	X X	X X	X X	X X
O13: Wealth Management				X			X X			X
O14: Asset Management				X			X X			X
O15: Securities					X	X	X X	X X	X X	X X
O16: Hire Purchase				X	X	X	X X	X X	X X	X X
O17: Equipment Leasing							X X	X X	X	
O18: Factoring							X X	X X	X	
O19: Micro Finance				X	X	X	X X	X X	X	
O20: Government Bonds						X	X X	X X	X X	X X
O21: Foreign Exchanges		X		X	X	X	X X	X X	X X	X X
O22: Cash Management							X	X	X	X
O23: Trade Finance						X	X X	X X	X	
O24: Private Bond						X	X X	X X	X X	X X

For further analysis, business location can be mapped together with high level business scenarios which already defined along enterprise capabilities identification. We can obviously see the situations that can be happened on the different types of the branches in Table 76.

Table 76 Business Scenario – Location Matrix of the branch

Business Scenario ID	Business Scenario Name	Electronic Domestic Booths	Foreign Exchange Booths	Satellite Branches	Shopping Center Branches	Small-Size Branches	Medium-Size Branches	Large-Size Branches	Full-Service Retail Branches	Industrial Branches	Luxury and Premium Service Branches
SCE-002	Remote Learning					X	X	X	X	X	X
SCE-003	Self-Learning		X	X	X	X	X	X	X	X	X
SCE-007	Coaching and Mentoring					X	X	X	X	X	X
SCE-009	IT Operation Support	X	X	X	X	X	X	X	X	X	X
SCE-011	Customer Services	X	X	X	X	X	X	X	X	X	X
SCE-015	Customer Relationship Management (CRM)		X	X	X	X	X	X	X	X	X
SCE-016	Campaign Management	X	X	X	X	X	X	X	X	X	X
SCE-017	Customer Contact Initiation	X	X	X	X	X	X	X	X	X	X
SCE-018	Teller Services	X	X	X	X	X	X	X	X	X	X
SCE-019	Individual Banking Advisory Services				X	X	X	X	X	X	X
SCE-020	Individual Investment Advisory Services				X	X	X	X	X	X	X
SCE-021	SME Banking Advisory Services						X	X	X	X	X
SCE-023	International Banking Services		X	X	X	X	X	X	X	X	X
SCE-024	Corporate Advisory Services							X	X	X	X

We have successfully accomplished in developing 5 major business architecture deliverables which provide high-level design of to-be business operations of the retail bank's branches. It collects the detail of business events, business activities/processes, business information, roles and almost lastly locations in term of enterprise perspectives. Next, it remains only the operational aspect in people deployment into business locations which will shortly discuss in business structure development.



5.6 Business Structure Development

Business Structure is another operational aspect of the business architecture, describing how the enterprise wishes to deploy its resources across its locations.

As similar as Business Locations, Business Structure is developed by mapping location resources from enterprise capabilities phase and deploy each role into the locations. (See Figure 37)

The following table identifies number of people resources which are deployed into each type of branch.

Table 77 Business Structure of the Retail Bank – Branch Related

Structure (Role/Location)	Electronic Domestic Booths	Foreign Exchange Booths	Satellite Branches	Shopping Center Branches	Small-Size Branches	Medium-Size Branches	Large-Size Branches	Full-Service Retail Branches	Industrial Branches	Luxury and Premium Service Branches
Mentors	0	1	0	2	1	1	2	3	2	2
IT Operational Services	On Request (Non-Permanent On Site Support)									
Customer Service Representatives	0	0	0	3 - 6	2 - 4	4 - 8	8 - 10	10 - 16	4 - 8	3 - 6
Branch Teller	2	2	3	4 - 8	4 - 6	6 - 10	8 - 12	10 - 15	6 - 10	0
Branch Supervisor	0	0	0	3 - 6	2 - 4	4 - 8	8 - 10	10 - 16	4 - 8	3 - 6
Branch Manager	0	0	0	1	1	1	1	2	1	1
Product Specialist	Tele Conferencing and Video Conference from Head Office									
Service Specialist	Tele Conferencing and Video Conference from Head Office									
Reception Officer	0	0	0	2	1	2	3	4	2	2
Multi-lingual Communication Specialist	0	1	0	1	0	0	1	1	1	1

Each row answers the question that **“How many resources of each role are actually deployed in each branch category?”** You can obviously see that full-service retail branches require over than 10 branch teller, 10 branch supervisor and 10 customer representatives and approximately 2 branch managers for operating their daily customer services. However, customers will have experience in product and service consultation with the specialists via tele conferencing and video conferencing channel for medium, large, full-service and luxury premium services branches.

Finally, business architecture of the retail bank’s branches is fully developed by covering 6 deliverables including: **Business Event List, Business Activity Model, Business Information Model, Activity / Information Usage matrix, Business Role & Location and Business Structure.**



CHAPTER VI EVALUATION

The objective of the research is to produce blueprints of Business and Operation architecture to transform branches of a retail bank within the format of model, matrix, analysis, business process flow, diagram and business cases/scenarios to become Smarter Retail Banking in term of **Customer-focused enterprise and increase flexibility in product/service development and proactively response to customer needs.**

The research started with banking industry discussion and its general problems which are still currently occurring in the market. By following methodology, there are sequential research and analysis in the following topics:

- **Banking Industry and Problem Analysis** explains the definition and nature of banking industry in general which describes the general products and segmentation in banking industry.
- **Business Analysis and Strategy** defines strategic requirements, develop business strategies by performing environment analysis, strategic positioning, business driver identification and strategic capabilities configuration need to achieve the strategy
- **Enterprise Architecture Development** By following Enterprise Architecture Framework and from previous defined strategic capabilities configuration, required capabilities and resources are identified and summarized as the part **“Enterprise Capabilities”** to achieve business strategy. Then, **“Business Architecture”** is developed in order to support those particular capabilities and resources.

Business Architecture deliverables consist of **Business Event List, Business Activity Model, Business Information Model, Activity / Information Usage matrix, Business Role & Location and Business Structure.** All of them illustrate the blueprints of the future branch design of the customer-focus bank with the capabilities to increase flexibility in product and service development and become proactive response to customer needs. On the other hand, the bank needs to improve their staffs' expertise to align with new enterprise capabilities as well.

Because the deliverables are actually business design, the evaluation, which can apply for this research, should involve some related stakeholders from banking industry area especially for branch operation team. Section 6.1 Evaluation Method, will discuss about evaluators, method and criteria to be applied for this evaluation process.

6.1 Evaluation Method

Firstly, the research includes about analyzing key stakeholders which are suitable to evaluate this branch design effectively. The evaluators turn out to be 2 major groups:

- **Bank Staffs** are the staffs who work regularly for well-known bank in Thailand. There are many different positions which help to evaluate the branch design.
 - **Bank's Solution Architects** are responsible for providing system requirements for banking application development and initial solution design of the bank wants.
 - **Branch Managers** are responsible for managing daily branch operations in the production environment. Branch Managers are directly key stakeholder to involve into the evaluation.
 - **Branch Tellers** are responsible for operating simple financial transactions at the branch. Branch Tellers are also directly key stakeholder to involve into the evaluation.
 - **Campaign Officers** are responsible for planning and designing the campaign for the whole bank. She also helps to evaluate the design properly.

- **IT Service Provider** is outsourcing vendor who operates application development, system maintenance, IT infrastructure management and manage IT programs and projects within the bank. There are different roles which help to evaluate the branch design.
 - **Program and Project Managers** are responsible for manage and control the can have the responsibility of the planning, execution and closing of any program/project. It is the researcher's privilege that branch application's project manager helps to evaluate the branch design and make some constructive comments for further improvement.
 - **IT Architect** is responsible for defining solutions to client business problems, resulted architectures can include systems, applications and process component. If we compare to symphony band, IT architect is the composer of the band. He evaluates the whole design and make sure that it align with business strategy. He is exactly another advisor from external view.
 - **Programmer Analysts** are responsible for designing and implementing the applications in the bank.
 - **Software Quality Assurances** are responsible for software testing in the IT projects.

Within those two groups of key stakeholders, we can summarize number of evaluators for branch design as illustrated in Table 78.

Table 78 The evaluations of branch design

Stakeholder Group	Stakeholder Role	Number of Evaluators
Bank Staffs	Bank's Solution Architects	5
	Branch Managers	2
	Branch Tellers	5
	Campaign Officer	5
IT Service Provider	Program and Project Managers	5
	IT Architect	1
	Programmer Analysts	10
	Software Quality Assurances	7
	Total	40

The method is to setup two workshop sessions separated by each stakeholder group. The detail of the session is about discussing the bank's analysis, strategy development, enterprise architecture method, value proposition & capability development and business architecture design walkthrough. There are two evaluation methods for gathering the research result from these key stakeholders.

- **Architecture Design Assessment** The researcher identifies appropriate criteria to evaluate the design effectively. Scorecard has been created and copied for them. All evaluators help to perform this evaluation. It will focus on the following criteria:
 - **Objectives/Scope/Benefits** – consider whether how much the design is meeting the objectives, scope, benefits presenting at the beginning of the workshop.
 - **Method** – consider the ability to apply existing methods and knowledge for using in the research
 - **Business Strategy** – consider business strategy, value proposition and capabilities identification.
 - **Design** – consider whether it meets the customer demands and logical organization of the architecture.
 - **Technology** – consider how good for applying both general and information technology into the design.
 - **Financial Management** – presents the design which creates cost effectiveness enterprise.
 - **People Management** – consider whether the design shows an trend of staff productivity increase.
 - **Overall Result** – consider the combination of all criteria and the end result.

- **Interview Sessions** There are additional interview sessions with bank's solution architect, branch manager and tellers about detail branch design for receive valuable comments and feedbacks via face-to face-communications. The interview subjects are flexible based on each interviewee's interest.

The next section will present the evaluation result from the key stakeholders above.



6.2 Evaluation Result

The **Evaluation Result** is collected from scorecards using along architectural design assessment process. There are 6 score levels in each particular criteria.

N/A - Not applicable	1 - Below Expectation	2 - Need Development
3 – Good	4 - Very Good	5 - Outstanding

The evaluation result from 40 participants is shown in Table 79 - 80.

Table 79 The evaluation result from Bank Staffs

Stakeholder Group	Stakeholder Role	Objectives/Scope/ Benefits	Method	Business Strategy	Design	Financial Management	People Management	Overall Result	
Bank Staffs	Bank's Solution Architect#1	4	5	3	4	4	3	3.83	
	Bank's Solution Architect#2	4	5	4	3	3	4	3.83	
	Bank's Solution Architect#3	4	4	4	4	4	4	4.00	
	Bank's Solution Architect#4	4	4	4	4	4	4	4.00	
	Bank's Solution Architect#5	4	4	4	4	4	4	4.00	
	Branch Manager#1	4	5	4	4	4	4	4.17	
	Branch Manager#2	4	5	4	4	4	4	4.17	
	Branch Teller#1	4	5	4	5	3	4	4.17	
	Branch Teller#2	4	5	4	4	4	4	4.17	
	Branch Teller#3	5	5	3	5	3	4	4.17	
	Branch Teller#4	4	5	3	3	3	4	3.67	
	Branch Teller#5	3	5	4	4	3	4	3.83	
	Campaign Officer#1	4	5	4	4	4	3	4.00	
	Campaign Officer#2	3	5	3	4	4	4	3.83	
	Campaign Officer#3	3	5	4	3	4	4	3.83	
	Campaign Officer#4	4	5	4	3	3	4	3.83	
	Campaign Officer#5	4	5	3	4	4	3	3.83	
	Average from		3.88	4.8	3.71	3.8	3.65	3.82	3.96

Bank Staffs		2		8			
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Average score from bank staffs is 3.96 which are nearly very good in overall. On the other hand, the result also shows that the average score of all criteria from bank staffs is larger than approximately 3.60 in term of *Objectives/Scope/Benefits, Method, Business Strategy, Design, Financial Management and People Management*.

Table 80 The evaluation result from IT Service Providers

Stakeholder Group	Stakeholder Role	Objectives/Scope/Benefits	Method	Business Strategy	Design	Financial Management	People Management	Overall Result
IT Service Provider	Program/Project Manager#1	4	5	4	4	4	4	4.17
	Program/Project Manager#2	4	5	4	5	3	3	4.00
	Program/Project Manager#3	4	4	4	5	4	3	4.00
	Program/Project Manager#4	4	4	4	5	3	4	4.00
	Program/Project Manager#5	4	4	4	4	4	4	4.00
	IT Architect	4	3	4	4	3	4	3.67
	Programmer Analyst#1	4	4	4	4	4	3	3.83
	Programmer Analyst#2	4	4	4	5	4	4	4.17
	Programmer Analyst#3	4	5	4	5	4	4	4.33
	Programmer Analyst#4	4	4	4	3	4	4	3.83
	Programmer Analyst#5	4	4	4	5	4	4	4.17
	Programmer Analyst#6	4	5	4	4	4	4	4.17
	Programmer Analyst#7	4	4	4	4	3	4	3.83
	Programmer Analyst#8	3	4	4	4	4	5	4.00
	Programmer Analyst#9	4	4	4	4	4	5	4.17
	Programmer Analyst#10	4	4	4	4	4	5	4.17
	Software Quality Assurance#1	5	5	4	4	3	5	4.33
	Software Quality Assurance#2	4	5	4	4	4	3	4.00
	Software Quality Assurance#3	5	5	4	4	4	4	4.33

	Software Quality Assurance#4	5	4	4	3	4	4	4.00
	Software Quality Assurance#5	5	5	4	5	4	4	4.50
	Software Quality Assurance#6	4	4	4	4	4	4	4.00
	Software Quality Assurance#7	4	4	4	3	4	3	3.67
	Average from IT Service Providers	4.13	4.30	4.00	4.17	3.78	3.96	4.06

Average score from IT Service Providers is 4.06 which are exactly very good in overall. On the other hand, the result also shows that the average score of all criteria from bank staffs is larger than approximately 3.70 in term of

Objectives/Scope/Benefits, Method, Business Strategy, Design, Financial Management and People Management.

When we combine Table 79 and Table 80 together, we can summarize the overall research result from both stakeholder groups. The whole evaluation summary is concluded and illustrated in Table 81.

Table 81 Overall average evaluation Result from 40 participants (17 from bank staffs and 23 from IT service providers)

Stakeholder Role	Objectives/Scope/Benefits	Method	Business Strategy	Design	Financial Management	People Management	Overall Result
Bank Staffs	3.88	4.82	3.71	3.88	3.65	3.82	3.96
IT Service Providers	4.13	4.30	4.00	4.17	3.78	3.96	4.06
Overall Result	4.03	4.53	3.88	4.05	3.73	3.90	4.02

In overall, **the average score is 4.02** which are exactly very good. On the other hand, the result also shows that the average score of all criteria from bank staffs is larger than approximately 3.70 in term of *Objectives/Scope/Benefits, Method, Business Strategy, Design, Financial Management and People Management.*

With this research result, it shows the satisfaction level which related to certain logical criteria which actually answer the questions on how much appreciation on the design is and how it meets the objectives, scope and benefits as defining at the

beginning of the research. The business architecture design is a good starting point for further development of enterprise architecture including **Information System (IS) Architecture, Technology Architecture, Strategic Gap Analysis and Transition phase.**

Finally, by following enterprise architecture framework, we are able to develop the completed blueprints for creating **Customer-focused banking enterprise** and **increase flexibility in product/service development and proactively response to customer needs** successfully.



CHAPTER VII

CONCLUSION AND SUMMARY

This chapter is the last chapter of research. It concludes the key points and the main contents of prior chapters. There will be two different sections of conclusion and summary chapter with the main focus as below:

- **Conclusion Part** provides the summary of main contents of each chapter and evaluation result of the business design.
- **Recommendation Part** provides further enterprise architecture development method by using business architecture of the retail bank's branches as the inputs. Enterprise capabilities and business architecture are only the first and second phases of whole enterprise architecture development.

We are going to begin the last part of research with section 7.1 conclusion.

7.1 Conclusion

Conclusion section will be separated into 5 sub sections in order to align with each chapter in the main body part.

7.1.1 Business Background and Research Context

The research started with retail bank's business background discussion and its problems which are still currently occurring in the market.

The assuming bank is the fifth largest Thai universal bank in term of assets, loans and deposits today. Note that all data in this research are made up and mixed based on many banks in this region.

The bank provides 3 core services for their customers including deposit services, loan services and others. The bank also utilizes their subsidiaries' products and services in the group to synergize their value to the customer. The services which bank also provides through the bank's channels are *Wealth management, Credit cards, Non-life insurance, Asset management, Securities, Hire purchase, Equipment leasing, Factoring, Micro-finance and Installment loans.*

With the bank's existing capabilities, the bank takes the leading position on both Thai's retail and corporate banking market.



In term of financial analysis, the following information is the findings for the research:

- There are steady improvement in loan, net interest margin, fee & service income during 2009 and 2013.
- The bank takes 5th position of net profit at the second quarter of 2014. It is around 10,000 million baht less than number 1 of Thai Bank in profitability.
- RROA and RROE ratios of the bank present less value than Top3 Banks in Thailand showing inefficiency in assets and equity utilization along timeline.
- The bank performs the fifth largest loans and deposits in the second quarter of 2014.

The bank has absolutely 18 subsidiaries which focus on different business types such as asset management, factoring, leasing, securities, asset management and etc.

The bank also set the target position at the end of year 2018 as below:

- Improve key financial growth dramatically in 5 years focusing on loan, deposit, profitability, interest margin and fee & Service Income growth.
- The bank aims to become Top 3 in Thai retail and corporate banking market in term of assets in 2018
- The bank targets to be no.1 retail and corporate bank in Thailand with the most preferred customer services by driving the innovation into product and services

After consideration of the current major problems and key targets in next 5 years, the current bank and group's strategy will need to be re-considered to be more aggressive for being able to achieve the target as the aspiration.

Developing successful strategies requires the critical emphasis on new developments in business models, markets, and technology. It is extremely important that the bank must concentrate on defining value propositions to support business strategy.

The major problems of many retail banks are actually low flexibility in product/service development and reactive response to customer needs.

The objective of the research is to re-design Business and Operation Architecture by critically concentrate on "**Retail bank's branch operations of both financial and non-financial products/services**". The solution is proposed for developing 2 key values of the bank:

- **Being more Flexibility in developing products and services**
- **Being more Responsive to customer needs**

Additionally, retail bank have to build employee expertise and skills to support new approach for **increasing employee productivity**.

The research should be developed by following Enterprise Architecture Framework but majorly focusing on “**Business Architecture**” in order to develop blueprints for developing **customer-focused banking enterprise by transforming branch operation** as the pilot project. The blueprints of business and operation architecture would definitely consist of: **Business Event List, Business Activity Model, Business Information Model, Activity / Information Usage matrix, Business Role & Location and Business Structure.**

The research is initialized by simulating well-known bank in Thailand and making up data based on public information from many banks in Southeast Asia especially any banks located in Thailand.

The methodology of the research contains 3 main phases including:

- **Banking Background and Requirements** defines the bank’s business in order to identify the strategic requirements of the bank in this research.
- **Business Strategy Development** defines strategic requirements, develop business strategies by performing environment analysis, strategic positioning, business driver identification and strategic capabilities configuration need to achieve the strategy
- **Enterprise Architecture Development** By following Enterprise Architecture Framework and from previous defined strategic capabilities configuration, required capabilities and resources are identified and summarized as the part “**Enterprise Capabilities**” to achieve business strategy. Then, “**Business Architecture**” is developed in order to support those particular capabilities and resources.

7.1.2 Business Strategy Development

The research continues with identifying the strategic requirements in order to develop the business strategy by performing environment analysis, strategic positioning, business driver identification, strategic capabilities configuration. To define effective business strategy, the bank requires the analysis on both internal and external environment of the market.

By following Strength-Weakness-Opportunity-Threat (SWOT) Analysis, an evaluation of internal competency and external issues of the bank would be shown as following:

Strength

- The group is leading personal loan and credit card market by being the 1st position in Thailand with 27% market share as of December 2013.
- The bank's subsidiaries have full varieties of financial products, especially on security and asset management, which made strong positioning on wealth management.
- The company's growth has been steady and planned.
- The bank has major international bank as a strong major shareholder.
- The bank has variety of expertise from company acquisition in the past.
- There are significantly numerous subsidiaries branches and outlets operated as of now.

Weakness

- In retail banking, the bank, which is no.5, has net profits less than 5 times and 3 times from no.1 bank and no.3 bank respectively.
- Current cost to income ratio, Return on average assets (ROAA) and Return on average equity (ROAE) are below industry average.
- As the result of its steady, planned growth strategy, number of domestic, oversea bank's branches and ATMs are less than other leader banks.
- Banking Products and services aren't distinguished or more attractive than any other banks, which won't be able to gain market share from leading banks.

Opportunity

- Asean Economic Community (AEC) will be effective on 2015 which make the competition is looking to international, rather than domestic markets, for growth opportunities.
- It is possible to expand new customers of banking and financial products and services through subsidiaries' existing customers.
- It is possible to share branches and channel with subsidiaries.
- Before acquisition and mergers, the bank position on Corporate and SME customer segment was just average in the market. (After mergers, Bank was significantly improved)

Threats

- The bank has no competitive advantage when AEC will be effective in 2015 because of limited oversea branches in AEC.
- Many leading banks are really aggressive in launching innovative products and services to attract customers which could reduce market share dramatically.

To define the new business strategy, we should be able to answer the following questions:

How should the bank address its strategy for each market segment?

How can the bank gain market share (Revenue, Profits and Customer Base) for all market segments?

How can the bank utilize leadership in consumer markets?

Why does the bank have higher operational cost structure than market average?

How can the bank reduce the operating cost?

How can the bank optimize branches and channels structure?

What should be the bank position on AEC?

How can we maximize revenue by utilizing the assets and equity?

Business Environment analysis helps the business make strategic choices with respect to roles to be adopted in the environment and actions to be taken to capture and sustain greater value. It makes us to understand the players in the client's business environment, their interactions, and the creation and distribution of value.

The use of value nets is an important tool for environment analysis. It is the tool used to explore cooperative strategies and identify all roles in any value exchange and determine how to provide increased values.

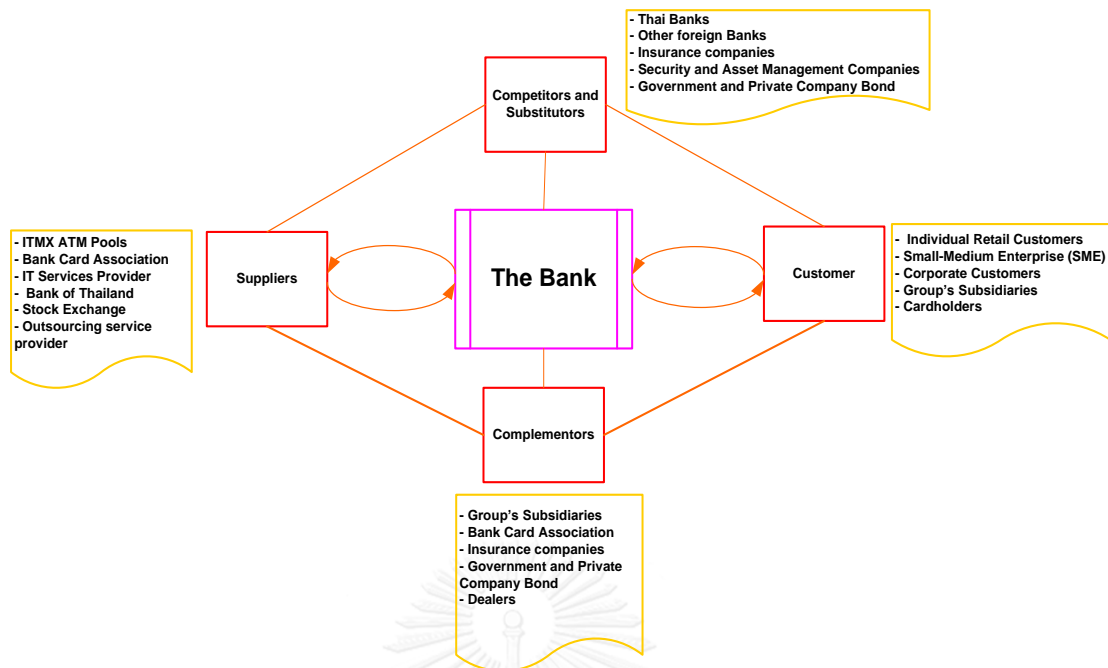


Figure 42 Value Chains of the bank (Refer to Figure 18)

The roles in value chains are classified into 4 players in value nets including:

- **Customer** is a party that receives the products and services which has the ability to choose between different products and suppliers. Their customers would be considered to be approximately 5 groups including *Individual Retail Customers, Small and Medium Enterprises (SME), Corporate Customers, Group of Subsidiaries and Cardholders.*
- **Competitors** are the companies operating in the same industry or a similar industry which offer similar products or services. Competitors are leading banks in Thailand including: *Thai Banks, Other foreign Banks, Insurance Companies, Security & Asset Management Companies and Government & Private Company Bond.*
- **Complementors** are the businesses that directly provide products and services that complement the product or service of the bank by adding value to mutual customer. There are approximately 5 complementors of the bank to be considered including: *Group of Subsidiaries, Government and Private Company Bond, Insurance Companies, Dealers and Bank Card Association.*

- **Suppliers** provide products and services as specialized input to the bank's business operations and deliverables which can be regular, contractors or subcontractors. The Suppliers would be considered being the following parties: *ITMX ATM Pool Bank Card Association Stock Exchange Bank of Thailand IT Solutions providers Outsourcing service providers.*

Players compete to capture a larger share of the value created in the interaction by leveraging certain activities, competencies, or customer information. Each player has their own values.

Value analysis must consider value net separately from value creation, since firms that create the value may not always be in a position to capture it. Many factors can help or hinder a player's ability to capture value from the interaction. The value systems separate the payers into 5 layers including:

- **End customers** would be able to access and use financial products and services variety of channels including branches, ATM, Call Center and Electronic Channel such as Internet Banking and Mobile Banking.
- **Channels** are the ways which the customers can access the bank's financial products and services. The bank always focus on 4 majors channels including: branches, ATM, ATM Call center and E-Channel
- **The Bank (Main Bank)** manages the interaction between their suppliers, branches and channels to make sure that they apply services' quality as the bank's expectation.
- **First Tier Suppliers** The key role is to supply financial products and services based on defined functions assign to the companies.
- **Second Tier Suppliers** are the players who perform their operations to support or supply outcome to the first tier suppliers' functions.

Environment analysis consists of understanding the value system and competitive forces which can affect the company accordingly.

According to Porter's competitive force model, we have to consider the following force components which influence industry structure and appropriate actions to deal with them.

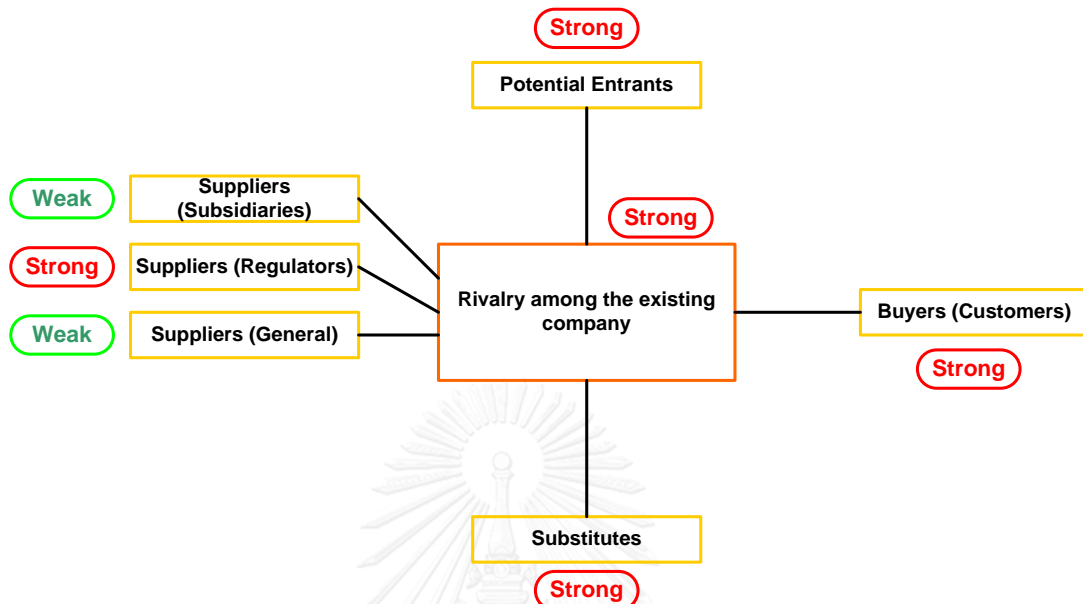


Figure 43 Porter's Competitive Force Model (Refer to Figure 22)

Porter's competitive force model show strong potential entrants, substitutes, buyers (customers) and suppliers (regulators). On the other hand, it shows weak suppliers (subsidiaries) and suppliers (general). After understanding each force, the bank needs appropriate actions on each player in the system.

The next step is to identify market segmentation, business strategy and value propositions required to achieve business target with competitive advantage.

To define strategic positioning and value propositions, the bank need to define the competitive space to be target which involves identifying the offering, customer, and access dimensions.

- **Offering** defines products and services including: O1: Deposits, O2: Domestic Money Transfers, O3: International Money Transfers, O4: Personal Loans, O5: Corporate Loans, O6: Life Insurance, O7: Non-life Insurance, C8: Cheque, O9: Mutual Funds, O10: Credit Cards, O11: Debit Cards, O12: Payments, O13: Wealth Management, O14: Asset Management, O15: Securities, O16: Hire Purchase, O17: Equipment Leasing, O18: Factoring, O19: Micro Finance, O20: Government Bonds, O21: Foreign Exchanges, O22: Cash Management, O23: Trade Finance and O24: Private Bonds
- **Customer** defines target customers to be focus. The segments include:
 - C1A - Low Asset Value (V < 100,000 Baht)

- C1B - Medium-Low Asset Value (100,000 < V < 500,000 Baht)
- C1C - Medium Asset Value (500,000 < V < 5,000,000 Baht)
- C1D - Medium-High Asset Value (5 million < V < 50 million Baht)
- C1E - High Asset Value (50 million < V < 100 million Baht)
- C1F - Very High Asset Value (V > 100 million Baht)
- C2: Small Medium Enterprise (SME) Customers
- C3: Corporate Customers and C4: Cardholders.

Assume that V = Asset Value of the customer

- **Access** defines the channels of the customers to use the products and services. The channels include A1: Branches, A2: ATM, A3: Call Center and A4: E-Channel.

The bank has developed the key strategy for each customer segment presented in Table 82.

Table 82 The Summary of key strategy for each customer segment (Refer to Table 33)

Customer Segmentation	Key Strategy
C1A - Low Asset Value	Create customer convenience in order to catch more revenue from this customer segment.
C1B - Medium-Low Asset Value	Provide satisfied services which meet customer needs by understanding their behavior.
C1C - Medium Asset Value	Apply premium products and excellent service offerings to create strong customer loyalty and attack to gain more customers in this segment.
C1D - Medium-High Asset Value	Apply premium products and excellent cross-channel services to create stronger customer loyalty and attack to gain more customers in this segment.
C1E - High Asset Value	Apply premium products and excellent cross-channel services to create stronger customer loyalty and attack to gain more customers in this segment.
C1F - Very High Asset Value	Individualize and personalize products and services to create very high customer satisfaction and loyalty.
C2: Small Medium Enterprise (SME) Customers	Provide excellent services and financial advices with good understanding in the customers to create strong customer loyalty.
C3: Corporate Customers	Individualize and personalize products and services to create very high customer satisfaction and loyalty.
C4: Cardholders	Provide satisfied services which meet customer needs by understanding their behavior and offer value-added products and offerings from third-parties partners.

The value propositions of the bank are:

<p>Number 3 Thai Bank The bank aims to become number 3 in Thai retail and corporate banking market in term of assets in 2018</p>	<p>Customer Preferred Bank The bank appears to be the bank of first choice for wide-ranged customers with strong loyalty, trust and recognize of best product and services.</p>
<p>Effective and Efficient Branch Services The bank appears to have effective and efficient branch operations to support the face to face services by optimizing the value to resources in maximum.</p>	<p>Innovative Product and Service Excellence The bank leads the market by launching excellent products and service which meet the customer needs.</p>
<p>Leading Edge Technology Bank The bank aims to be the leader in applying technologies to automate business processes and operations.</p>	<p>Expertise service-mind staffs The bank builds employee expertise and skills to provide consultative advices for the customers with care and service mind.</p>
<p>Cost Effectiveness Financial Enterprise The bank appears to be the bank which utilizes its cost to generate maximum outcome from the business.</p>	<p>Ready for AEC As AEC will be effective in 2015, the bank aims to be competitive for overseas markets in ASEAN.</p>

To realize value propositions, the bank should focus on building required capabilities to support accordingly. The process of building capabilities is called “**Capability Configuration**”.

In order to enable the value propositions, the banks need the required capabilities to support. There are about 40 capabilities required to support those value propositions. (See capability list in Table 35).

7.1.3 Enterprise Capabilities

The research continues with finding the relationship between each particular capability and the value propositions in order to build the network for illustrating on how the strategy can be enabled. Lastly, required resources, which support each capability, was developed as the capability enablers

Enterprise Capabilities are a key input to the work performed in an enterprise process re-engineering which must support and enable the business strategy of the enterprise. The strategic intent represented by the strategy is therefore a key driver in the development of the new design. Enterprise Capabilities represent the “bridge” between an organization’s business strategy and the components that support and enable the strategy.

Number3 Thai Bank is the target that the bank aims to be within 2018. Consequently, Number 3 Thai Bank is also the major value proposition of the bank. It can be achieved by other value propositions which should be aligned with each other. We can logically define the dependency of each value proposition as presented in Figure 44.

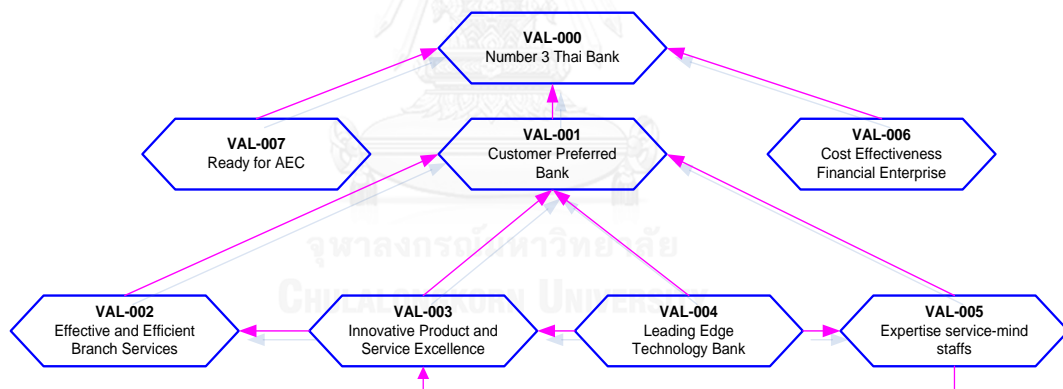


Figure 44 The relationship of value propositions of the bank (Refer to Figure 27)

Business Capability: What the bank need to be able do in order to achieve our value proposition or business objectives. Those capabilities can be classified to be 4 levels based on the dependency of them.

- *Capability Level1* always supports its value proposition directly and contains major impacts to business in strategic and tactical ways.
- *Capability Level2* is mostly about major organizational ability to achieve the value proposition and capability level1.

- *Capability Level3* is mostly about minor organizational ability and significant tactical ability to achieve the value proposition and capability level1-2.
- *Capability Level4* is mostly about major operational ability to achieve the value proposition and capability level1-3 specifically for branch operations, multi-channel integration and customer centricity.

See the capabilities in each level in Table 37 – 40.

Capability Enabler (Resource): What we need to have in order to deliver those capabilities -- specifically "how" the capability will be enabled. Enablers represent the process, knowledge, organization, technology and resource assets of the enterprise.

- **Process Resources** are the couple of process which can support pre-defined capabilities of the bank. (See Table 42)
- **Knowledge (Information) Resources** are the couple of knowledge/information required to achieve pre-defined capabilities of the bank. (See Table 43)
- **Organization Resources** are major role and responsibilities required to achieve pre-defined capabilities of the bank. (See Table 44)
- **Technology Resources** are the collection of technologies required to achieve pre-defined capabilities of the bank. (See Table 45)
- **Location Resources** are required locations needed to achieve pre-defined capabilities of the bank. (See Table 46)

The final step of capability enabler identification is to **map all resources with 40 defined capabilities in order to see the clear picture of capability enablement.** (See Table 47)

7.1.4 Business Architecture

In this term, **Business Architecture** is the structure of a business, which comprises processes, resources, goals, and information, the externally visible properties of those parts, and the relationships amongst them. It also describes the configuration of the business constructs required to provide a common and understandable definition of a business in the certain business area.

Business Architecture is a part of Enterprise Architecture which is the planning function that ensures harmonization between enterprise strategic initiatives and their implementation.

Business Architecture translates those work products of Enterprise Capabilities into future-state models and views which can identify enterprise initiative, and resource relationship dependencies for business simplification.

- **Business Event List** – show external, internal and temporal events which can triggers the retail bank for response in different ways. In this case, the response can be defined business activities.
- **Business Activities Model** – show business activities and related business processes which are extremely essential for responding business events.
- **Business Information Model** – show the organization of required information to align with the knowledge resources in the enterprise capabilities.
- **Business Roles** – show the identification of roles and responsibilities available within the enterprise. It also defined mandatory skills and their levels to be capable with the future roles.
- **Business Locations** - show the identification of location available within the enterprise. In this case, it classified the branches by separating into many types based on geography, customer demands, products & services and customer segmentation.
- **Business Structure** - show the deployment of people into each business location related to branches.

Business Event List defines a couple of things that happen, most often outside the enterprise, that cause the enterprise to respond in some way. The Business Events List describes only the events of major business significance and these only at the high level. It identifies the key triggers which cause the enterprise's activities to respond in some ways.

Events can be recognized as 3 major categories:

- *External events* are those occurrences that take place outside the enterprise and which require a response from the enterprise. External events of the retail bank includes:

EVTE-001 Customer Branch Entry	EVTE-006 Corporate Financial Transactions
EVTE-002 Simple Retail Banking Transactions	EVTE-007 International Financial Transactions
EVTE-003 Complex Retail Banking Transactions	EVTE-008 Financial Transactions on ATM/CDM/PUM
EVTE-004 Customer Investment Transactions	EVTE-009 Customer Complain
EVTE-005 SME Customer Financial Transactions	EVTE-010 New Roles and Responsibilities Assignments

- *Internal events* are triggers that are based on specific conditions or decisions. Internal events of the retail bank includes:

EVTI-001 Customer Segment Identification	EVTI-007 Campaign for international banking services
EVTI-002 Campaign for simple retail banking services	EVTI-008 Help Desk Support Request
EVTI-003 Campaign for complex retail banking services	EVTI-009 System Incident Monitoring Trigger
EVTI-004 Campaign for Investment services	EVTI-010 Business Incident Trigger
EVTI-005 Campaign for SME services	EVTI-011 Product and Service Satisfaction Survey
EVTI-006 Campaign for Corporate services	EVTI-012 New Products and Services Update

- *Temporal events* are events that occur as a result of the passage of time. Temporal events of the retail bank includes:

EVTT-001 Branch Opening on Business Days	EVTT-005 Annual Customer Satisfaction Survey
EVTT-002 End Day Closing on Business Days	EVTT-006 Quarterly System Maintenance
EVTT-003 Branch Opening on Non-Business Days	EVTT-007 Quarterly Training Program
EVTT-004 Branch Closing on Non-Business Days	

Business Activity Model is focused on identifying the process activities within the organization. It is used to help define how a business currently operates or would like to operate in the future.

Business Activity Model of the branches of retail bank can be developed by referencing to **IBM Business Component Model (CBM)** framework as well. The model can be separated into 6 modules including **Strategy & Insight, Sales & Serving, Offering, Processing, Support Services and Risk & Financial Management.**

- **Strategy & Insights Insight** includes strategic activities, market insights and customer insights.

Strategy & Planning	ACT-001	Strategic and Plan Process
	ACT-002	Proposition & Capabilities Development
	ACT-003	Enterprise Architecture
	ACT-004	Re-engineering
Market Insight	ACT-005	Research and Publish
	ACT-006	Survey and Analysis
Customer Insight	ACT-007	Customer Analysis & Segmentation
	ACT-008	Customer Profile
	ACT-009	Customer Credit Risk Profile
	ACT-010	Customer Historical Service Transaction
	ACT-011	Customer Culture

- **Sales & Serving** includes sales management and delivery processes to deliver necessary offerings to the customers.

Management	ACT-012	Customer Relationship Management
	ACT-013	Customer Satisfaction Management
	ACT-014	Business Operation Control
	ACT-015	Operation Management
Delivery	ACT-016	Customer Reception
	ACT-017	Face to Face Customer Service and Support Process
	ACT-018	Remote Customer Service and Support Process
	ACT-019	Customer Service Representation
	ACT-020	Teller Operations
	ACT-021	E-Channel & ATM Services
	ACT-022	Call Center Services
Support	ACT-023	Business Incident Management

- **Offering** collects the marketing, offering development & deployment and delivery of products and service across integrated channels.

Marketing	ACT-024	Marketing & Brand Management
	ACT-025	Campaign Management Process
	ACT-026	Campaign Execution
Development & Deployment	ACT-027	Product and Service Development & Deployment
	ACT-028	Product Catalog
	ACT-029	Service Catalog
	ACT-030	Product & Service Integration
	ACT-031	Channel Integration
Delivery	ACT-032	Core Banking Services
	ACT-033	Supplement Services
	ACT-034	Investment Services
	ACT-035	Corporate Services

- **Support Services** are business processes that can improve and maintain service quality of delivery.

Support Services	ACT-062	Agile Application Development
	ACT-063	IT Service Management
	ACT-064	IT Operation Support
	ACT-065	Human Resource Management
	ACT-066	Facilities Operation & Maintenance
	ACT-067	Subsidiaries Integration
	ACT-068	Learning and Development
	ACT-069	Coaching and Mentoring
	ACT-070	Business Process Management

- **Processing** collects the mechanism for executing back-end the banking operations for supporting each products and services.

Core Banking Services	ACT-036	Deposits Processing
	ACT-037	Domestic Money Transfers Processing
	ACT-038	Cheque Processing
	ACT-039	Credit Cards Processing
	ACT-040	Debit Cards Processing
	ACT-041	Personal Loans Processing
Supplement Services	ACT-042	Payments Processing
	ACT-043	Life Insurance Processing
	ACT-044	Non-life Insurance Processing
	ACT-045	Mutual Funds Processing
	ACT-046	Hire Purchase Processing
	ACT-047	International Money Transfers Processing
	ACT-048	Micro Finance Processing
	ACT-049	Foreign Exchanges Processing
Investment Services	ACT-050	Wealth Management Processing
	ACT-051	Asset Management Processing
	ACT-052	Securities Processing
	ACT-053	Government Bonds Processing
	ACT-054	Private Bond Processing
Corporate Services	ACT-055	Corporate Loans Processing
	ACT-056	Cash Management Processing
	ACT-057	Equipment Leasing Processing
	ACT-058	Factoring Processing
	ACT-059	Trade Finance Processing
Common Services	ACT-060	Process Integration
	ACT-061	Information Integration

- **Risk and Financial Management** include the management processes for any risk, financial status and compliance & regulation for the enterprise. It is also about financial monitoring & control and Credit Risk Assessment for each individual customer.

Risk	ACT-071	Individual Credit Risk Assessment Process
	ACT-072	Credit Policy & Planning
	ACT-073	Asset & Liability Policy & Planning
Finance	ACT-074	Financial Control Consolidation and Reporting
	ACT-075	Finance Policies
	ACT-076	Fixed Asset Register
	ACT-077	Accounting General Ledger
	ACT-078	Bank Treasury
Compliance	ACT-079	Audit/Assurance/Legal/Compliance
	ACT-080	Business Policies & Procedures

The Business Information Model is developed to gain a strategic understanding of the major groups of data managed by the business. It provides a single strategic view and understanding of the enterprise information requirements. Business Information Model Development is about identifying high level business information needed to align with knowledge resources. Then, the 1st level of business information can be concluded at this step.

We can obviously separate business information into 12 groups as following:

Strategic and Plan includes the business information about enterprise business strategy, value propositions, supporting capabilities and enterprise architecture method for strategy enablement.	Customer includes the whole information related to the customers involving their profiles, risk profile, their satisfaction level, and culture for foreigners and their behavior.	Offering includes the information about product, service, daily financial transactions and product & service development method for capturing customer information and feedback to improve products and services of the bank.
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<p>Operational Transactions includes financial transactional identification and holistically customer transactional records related to this identification. We called it as “<i>Business Transactions Information</i>”.</p>	<p>Risk and Finance includes risk policy and financial accounting information such as accounting general ledger.</p>	<p>Branch and Channel includes the detail of all branches and also the branch classification of each branch category. The branches can be also identified by geography, assets, inventory and other physical attributes. This group also provides the wide range of channels which are/will be available in the enterprise such as mobile banking, internet banking, ATM/CDM/PUM machines.</p>
<p>Marketing includes marketing and campaign information of the bank.</p>	<p>Human Resources include the information about staffs, skills and training facilities to include staff productivity of the bank.</p>	<p>Support includes the information about IT operation and maintenance services within the enterprise.</p>
<p>Governance includes the collection of business mechanism to control operation procedure, quality and compliance within the enterprise.</p>	<p>Technology collects the knowledge and information about both general and information technologies required for the bank.</p>	<p>Subsidiary/Partner includes the profile, existing resources and customers of the bank’ subsidiaries and partners.</p>

For Business Information Model Development, we would apply **Entity Relationship Diagram** to show business information building blocks and the relationship between each entity within the scope. (See Figure 41 for Business Information Model of the retail bank’s branches)

The Activity / Information Usage matrix is a bi-directional mapping between the entities in the Enterprise Information Model and the activities in the Business Activity Model. The matrix defines the relationship between business activities and business information by one-to-one approach or one-to-many approach (See Table 58 – 63)

Business Roles are logical, categories of jobs that perform the business activities of the enterprise. We look to combine roles based on common activities they perform.

ROL-001 Mentors	ROL-006 Branch Manager
ROL-002 IT Operational Services	ROL-007 Product Specialist
ROL-003 Customer Service Representatives	ROL-008 Service Specialist
ROL-004 Branch Teller	ROL-009 Reception Officer
ROL-005 Branch Supervisor	ROL-010 Multi-lingual Communication Specialist

The following skill inventory is actually related to branch operations of the retail bank.

SKL-001 Communication Skill	SKL-010 Finance and Accounting Fundamental
SKL-002 Language Skill	SKL-011 Product and Service Knowledge
SKL-003 Customer Relationship Skill	SKL-012 Business Process and Procedure
SKL-004 Negotiation Skill	SKL-013 Business Applications
SKL-005 Consultative Skill	SKL-014 Risk Analysis
SKL-006 Consultative Selling Skill	SKL-015 Information Technology
SKL-007 Leadership Skills	SKL-016 Compliance
SKL-008 Coaching and Mentoring Skill	SKL-017 Management Skill
SKL-009 Banking Fundamental	

Business Locations are the sites where the activities of the business are carried out. You can see the classification of branches as below:

LOC-004-001 Electronic Domestic Booths	LOC-004-006 Medium-Size Branches
LOC-004-002 Foreign Exchange Booths	LOC-004-007 Large-Size Branches
LOC-004-003 Satellite Branches	LOC-004-008 Full-Service Retail Branches
LOC-004-004 Shopping Center Branches	LOC-004-009 Industrial Branches
LOC-004-005 Small-Size Branches	LOC-004-010 Luxury and Premium Service Branches

There are about 9 segments to consider based on their assets value. Each segment has different potential to access purely different branch locations. See mapping table between branch categories and customer segments in Table 74.

Business Structure is another operational aspect of the business architecture, describing how the enterprise wishes to deploy its resources across its locations. See the business structure of the retail bank in Table 77.

Finally, business architecture of the retail bank's branches is fully developed by covering 6 deliverables including: **Business Event List, Business Activity Model, Business Information Model, Activity / Information Usage matrix, Business Role & Location and Business Structure.** With the combination of all business components, it shows the representation of customer centric design supporting by using branch activities to support gathering customer feedback, customer satisfaction, customer wants & needs, customer behaviors and their historical transactions to be the inputs for product & service development process. Those activities cannot be occurred without increasingly capable staffs to operation business operations at the branch.

It is truly presented the fact that is the design for creating customer focus enterprise and increase flexibility in product and service development by using touchable and real-time customer transactions and profile.

7.2 Recommendation

Significantly, business architecture of the retail bank's branches has already developed as the blueprints of the business design that align with business strategies, value propositions and resources.

Unfortunately, it is still not enough to immediately enable business strategies at shorten period of time. There are several parts of enterprise architecture framework which still need to continue working on.

Business architecture artifacts are key inputs for improving alignment for the IT Architecture elements as well as facilitating coherence in all solutions. You see enterprise architecture framework as illustrate in Figure 45.

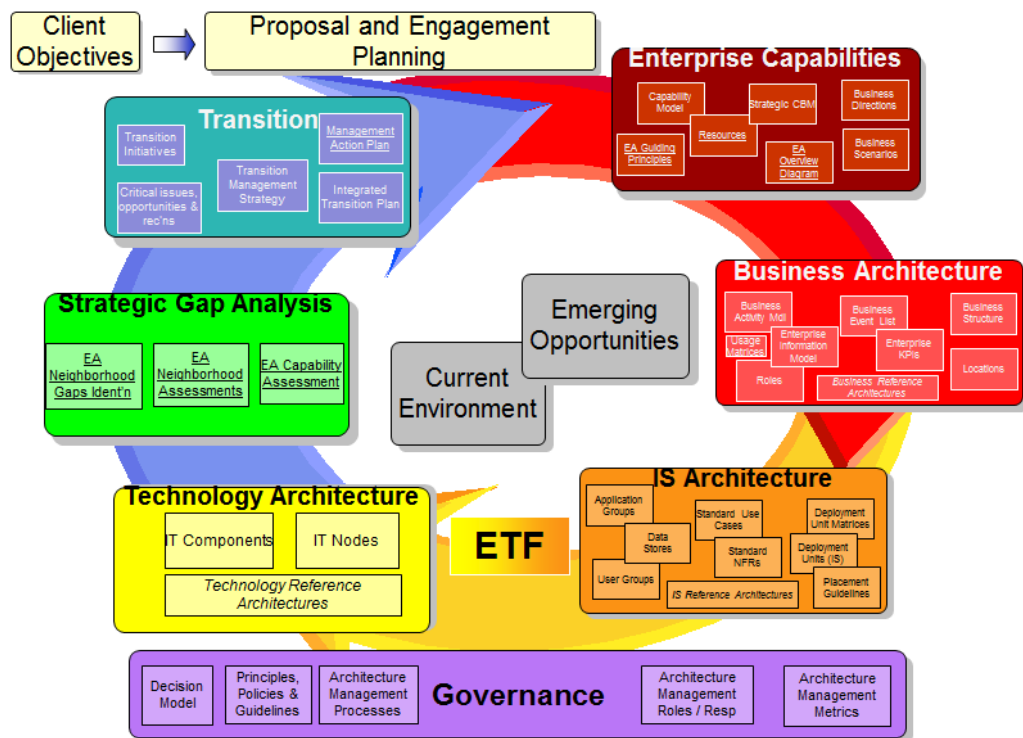


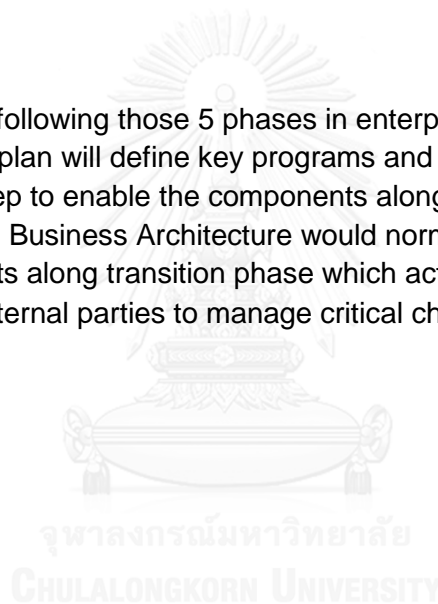
Figure 45 Enterprise Architecture Framework

In Figure 45, you might immediately realize that business architecture of the bank is just the inputs to other enterprise architecture domains including **Information System (IS) Architecture, Technology Architecture, Strategic Gap Analysis and Transition phase** respectively. It is still quite long way to go as of now.

- **Information System (IS) Architecture** defines automated capabilities to manage data and support users with business functions without reference to any particular technology. The deliverables of IS architecture includes **Standard Use Cases, User Groups, Application Groups, Deployment Unit Matrices, Data Stores and Deployment Units (IS)**.
- **Technology Architecture** defines the essential building blocks from which solutions are constructed including Functional and Operational perspectives. The deliverables of technology architecture includes **IT Components and IT Nodes**
- **Governance** is balancing the key aspects of relationships and processes on a foundation of communication. There needs to be agreed roles, responsibilities and processes or managing the whole architecture life cycle. Business units and IT participate in Architecture governance. The deliverables of governance includes **Principles, Decision Model and Architecture Management Framework**

- **Strategic Gap Analysis** understands the scale of the problem – in terms of the enterprise’s existing conformance to the “to be” business processes, organization and supporting IT systems defined in the enterprise architecture, as well as the ability of the enterprise’s IT projects to conform to the right architecture management processes. The deliverables of strategic gap analysis includes **Strategic Gap Analysis, Current IT Assessment and Architecture Review & Assessment**
- **Transition** is the active steps are taken to implement it through a series of those enterprise architecture to influence (or inspired) programs and projects within the IT Operating Plan - alongside business driven programs and projects. The deliverables of transition includes **Transition Initiatives, Transition Plan, Transition Management Strategy and Management Action Plan.**

We have to continue following those 5 phases in enterprise architecture framework. At the end, transition plan will define key programs and products which need to implement step by step to enable the components along architectural design into real banking environment. Business Architecture would normally initiate business transformation projects along transition phase which actually need all stakeholders in the enterprise and external parties to manage critical changes accordingly.



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APPENDIX

Appendix 1: Banking Industry Background and Problems

Banking is definitely “the service industry that provides the services for customers who need to deposit, withdraw, lend, borrow or invest money in some specific purposes.” Consequently, Banks are the financial institution that accept deposits, withdraws or some channels which deposit into some lending activities.

Firstly, Banks act as the agent by conducting current accounts for customers, pay cheques at the bank and collect those cheques deposited into any accounts types such as current, saving deposit, fixed deposit, loan, bill deposit and etc. Banking also covers multi-channel payments for the customers such as Automated Teller Machine (ATM), Mobile Banking, Internet Banking, Front Offices considered as branches and etc.

Secondly, Banks also enable borrowing services by accepting funds deposited on current accounts, by either acceptable deposit conditions or issuing debt securities such as banknotes and bonds. Banks lend money by making advances to customers on current accounts, by making installment loans, and by investing in marketable debt securities and other forms of money lending.

Consequently, there are several payment services with interact with customer accounts considered indispensable by most businesses and individuals. Banking customers are considerably as individual, small sized organization, medium companies, traditional large firms or even global leading companies.

Account opening/closing, transfers, cards would be generally the services of banking industry across all regions in the world. Most banks provide consulting services for investment, borrowing and lending activities in helping customers to plan, execute, monitor, and manage their financial transactions based on the knowledge and capabilities of banking organizations in the market.

In general, a bank would generate the revenue in a variety of different ways including interest, transaction fees and financial advice. The main method is by interest rate fluctuation on the capital it lends out to customers. The bank makes profits from the difference between the level of interest it pays for deposits and other sources of funds, and the level of interest it charges in its lending activities. There are 2 major banking areas at this moment including **Commercial and Retail Banking**.

- 1) **Commercial Banking** (or in other words called Business Banking/Investment banking) is type of bank that provides services mainly for serving corporate customers in driving their businesses in financial-related areas. The products of commercial banks can include *business loans, capital raising, project finance, financial risk management, cash management services (e.g. Remote Deposit Capture, Merchant Processing)*
- 2) **Retail Banking** executes transactions directly to/by customers rather than business organizations or other related financial institutions. The products of retail banking include:
 - *Current accounts* enable flexible payment methods allowing customers to distribute money to payees directly. Customers always issue/order cheque book by using current accounts. There are also the facilities to arrange direct debits and make the payment by debit card linked with current account. Current accounts have two different ways which contain lending activities: overdraft and offset mortgage
 - *Saving accounts* are one kind of deposit accounts which provide reliable security and moderate interest rate. Savings account funds are considered one of the highest liquidity investments outside of demand accounts and cash. Savings accounts are generally for money that you don't intend to use for daily expenses. To open a savings account, customers just simply go to local bank with proper identification and request for account opening.
 - *Credit Cards* are the payment cards which allow cardholders to use them paying for their products and services based on the assumption that customers make the promise to pay for them at the due date. Furthermore, there is the option to link credit cards with current and saving accounts then grant a condition that debit amount from those particular accounts automatically when agreed due date arrive.
 - *Debit Cards* are the payment cards which provide cardholders to access his or her accounts to withdraw money to pay for their products and services immediately at that certain time.
 - *ATM cards* are another kind of payment cards which allow the customers to access automated teller machine (ATM) for transactions such as deposits, cash withdrawals, obtaining account information, and other types of banking transactions.

- *Cheques* are the documents that order a bank to pay money from an account. The persons write the cheque, the drawer, has a transaction banking account where their money is held. The drawer writes the various details including the cheque amount, cheque date, and a payee on the cheque, and signs it, ordering their bank (known as the drawee) in order to pay that person or company the amount of money stated. There are many kinds of cheques in retail banking business such as personal cheques (or customer cheques), cashier order cheques, gift cheques, demand draft and etc.
- *Mortgage loan*, also referred to as a mortgage, is used by purchasers of real property to raise money to buy the property to be purchased or by existing property owners to raise funds for any purpose.
- *Mutual Fund* is a type of professionally managed collective investment scheme that pools money from many investors to purchase securities. Mutual funds are generally classified by their principal investments. The four main categories of funds are money market funds, bond or fixed income funds, stock or equity funds and hybrid funds. Funds may also be categorized as index or actively managed.
- *Bill Payments* are financial services which allow customers to pay for due services fees at the merchant registered at that bank. For example, customers make payments for toll way fees, mobile phone usage, cable TV, credit card, insurance bills and etc.

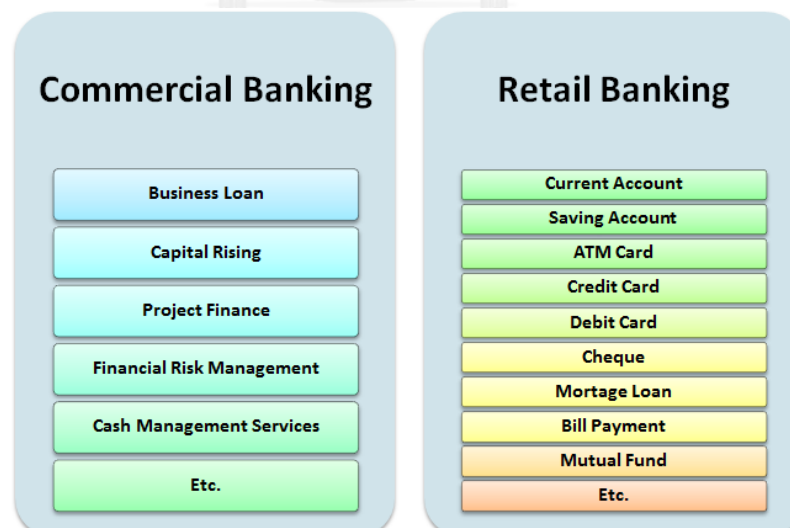


Figure 46 Banking Products based on business segments

Significantly, Author mostly focuses on retail banking rather than commercial banking in the research. There are many different channels for customers to access their retail banking services.

- *Automated Teller Machine (ATM)* is an electronic telecommunications device that enables the customers of a financial institution to perform financial transactions without the need for a human cashier, clerk or bank teller. Customers can access their bank deposit or credit accounts in order to make a variety of transactions such as cash withdrawals, inquiry balances, or credit mobile phones. If the currency being withdrawn from the ATM is different from that in which the bank account is denominated the money will be converted at an official exchange rate.



Figure 47 Automated Teller Machine (ATM)

- *Call Center* is a centralized office used for the purpose of receiving or transmitting a large volume of requests by telephone. Customers can access their bank deposit or credit accounts to make several transactions such as inquiry balance, inquiry activity, inquiry statement, order cheque book, cancel cards, do bill payment and etc. Call Center in retail banking industry also creates two ways communication between customer and bank officer via sound. Customers can contact bank to raise the issues and feedbacks provided by the bank via this channel as well.
- *Mobile Banking* is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or tablet.
- *Online Banking* is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution. Online banking is also referred as Internet banking, e-banking, virtual banking and by other terms.
- *Foreign Exchange Booth* is the location that customers can exchange money from one currency to others.

- *Branch* is a retail location where a bank offers a wide array of face-to-face and automated services to its customers. Branch is the place where more banking functions would be executed with the customers. Branches require the operations and skillful staffs working for customer services or even consulting their customers based on the requirements.

According to author's experience, the most critical issue of most banks is critically about low flexibility, reactive response to their customers' demand. Operations and capabilities would be extremely limited. Moreover, applications and infrastructure might be not strong enough to satisfy customers. It is really difficult to build and maintain banking products and services in the short limit of time. This problem also causes less competitive advantages along global retail banking business.

One of well-known retail bank in Thailand also has numerous issues in response different kinds of regulations and customer needs which are extremely varying along the time. Its operation structure is unable to be adapted in order to support new strategic approach within short period of time.

For example, Bank of Thailand published new policy (Bank of Thailand - ICAS UPC & BC1D Policy, 2009) that every bank in Thailand must support new format of **Cheque number, Cheque Bank No, Cheque Branch No** and transform the system and operation to be able to complete Cheque Clearing Process within 1 day around Thailand which means that after payer deposit cheque at any branch in Thailand, the payee should receive money within a day. This retail bank put a lot of efforts in developing new applications, infrastructure, re-organizing business and operation structure and recruiting new employee which take enormous time, budget and people compared to the competitors in Thai's retail banking business.

The Cheque Clearing transformation project has been really tight which has made employee been suffered because of low flexibility in business, operation and IT systems. It is not adaptable for changing regulations, customer wants and needs which always changed rapidly along the market.

Many retail banks still face major problems including Low flexibility in product/service development and Reactive response to customer needs.



Figure 48 Problem Summary for Retail Banking Business

Consequently, two problems also affect all retail banking business areas and channels across the organization including branch operations. As the usage volume of other banking channels (such as internet banking, ATM, mobile banking and etc.) has been grown, branch and front office users appeared to be diminished in the retail banking area. Branch is nonetheless evolving to become the centre of banking transactions and high-value advisory relationships with customers. The branch remains the place where the majority of product sales are made.

In Figure 49, you can obviously see that retail banking transactions rise up in every year between 2008- 2012. Online channel turn to be the most popular one in retail banking business this day. Unfortunately, branch operations remain the least volume of transactions in the segment. Customers tend to change their styles in doing financial activities and continue to be increased over the timeframe.

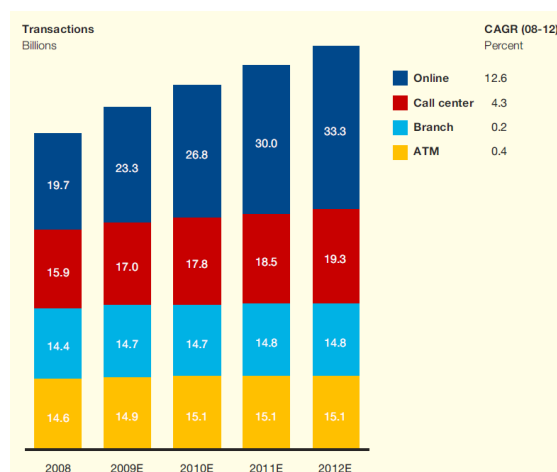


Figure 49 Retailing Channel Analysis between 2008 – 2012

Source: Tower Group; McKinsey analysis (2013)

Unfortunately, the number also shows that traditional branch operation is the case. It is clear that retail branches still continue to remain the characteristics as below:

- Branch Role: Reactive, Administration Center
- Technology: Proprietary and not integrated with other systems
- People: Spend more than 60% working period in non-customer facing activities
- Operates within only rigid corporate guideline
- Information: Not integrate customer demand gathering into the existing services.



VITA

The author name is Mr. Torranis Wathanasanti who was born on 8 October 1986 at Samitivej hospital in Bangkok. The author began primary education at Saint Gabriel College during 1992 – 1998 and continued secondary education at the same school. The author graduated from high school of Saint Gabriel College in 2005.

The author decided to study Computer Engineering with majorly Software Engineering at Kasetsart University in May 2005. The program was worked pretty much in Software Development Process and Quality Assurance. There are totally 4 years of bachelor education experience with approximately 7 months in co-operation education program along summer student program between the 3rd and 4th year. The program allowed the students to work with world-class information company operated in Thailand. It has been the author's pleasure to be qualified for joining IBM Solution Delivery's Summer Student Program. It provides valuable experience in improving skills and abilities as IT staffs in IBM. After finishing co-operative education program, the author has graduated within bachelor degree in Software Engineering from Kasetsart University in 2009.

After graduation, author immediately joined IBM Solutions Delivery as junior software quality assurance. In the year 2011, the author has joined dual master degree program in Engineering Business Management from Chulalongkorn and Warwick University. The author has explored about 5 years working experience in IBM in parallel with do master degree work.

It is so privilege to receive service excellence and recognition award from IBM at the year 2011 and 2012 which actually motivated the author to continue delivering professional services for IBM's customers.

At this moment, the author is working as Test Manager for IBM by responsible for managing software quality assurance services to well-known bank in Thailand until today.

