
WHO David Garceran Nieuwenburg

FUNCTION Head of E-business at ING
Asia-Pacific, man behind *The Idea Factory*

WHERE Hong Kong

LOCATION Starbucks. Out-of-the-box
thinking can best be done out of the office.
Nieuwenburg and his colleagues take their
wireless laptops along to brainstorm sessions
at Starbucks or at local competitor Pacific
Coffee.





You can have a good idea in just one second. But then what? How do you convince a manager that your idea could generate a great deal of money in a few years' time? In search of our innovation culture, *ING matters* talked to some passionate innovators within ING.

Big plans

“Why does everything take so long here?” Ron van Kemenade often wondered when he started work as Director Internet at Postbank. “I was astonished. At Internet service provider KPN Planet, my previous employer, if you thought of something yesterday, you put it into practice today, so to speak. At Postbank, it seemed to take forever.” That was four years ago. Van Kemenade is now General Manager and is actually happy that the bank does not rush into launching all sorts of novelties. “A little caution is good at a bank. I had to learn that. A bank stands or falls on trust, and we have to take that seriously. Innovation is easy if you have no customers and aren't responsible for customers' money. You try something out and see what comes of it. But at Postbank, you always have to be sure that you can deliver what you promise. Every innovation or application has to work right away for seven million customers.”

This does not mean that Van Kemenade thinks innovation should be placed on a back burner at Postbank. On the contrary, Postbank has an excellent track record with innovations such as *MijnPostbank.nl*, Postbank's Internet banking portal, *Netgesprek*, which allows mortgage advisers to send information to customers' home computer screens, *Rentepunten*, a rewards

program for savings customers and with personalized bank cards. Van Kemenade sees innovation as the driver of growth, particularly in a mature market like the Netherlands. All the same, innovation often conflicts with the demands of continuity and is thwarted by ever stricter regulation.

One resounding success, for instance, was a recent viral campaign that attracted almost 40,000 responses. In this campaign, an e-mail message was sent to around 300 students inviting them to design their own bank cards and alert friends to the possibility. “The first group of recipients had explicitly stated that they wanted us to contact them, but then the mail went to thousands of other people. That could have led to our being accused of spamming,” Van Kemenade explains. “We also had to take account of the potential photo rights related to the images people were choosing for their personal card designs. Another company would probably have just run the risk, but we cannot and do not want to do that.”

A STEP FURTHER

Mark Cliffe, ING Group's Chief Economist, believes that mobilizing great ideas across the Group could allow it to innovate faster than the competition. Cliffe, in a presentation delivered to the Executive Board, coined the term “ING 2.0” to capture new approach-



The Dutch-language book *Ideeën genoeg* (More than enough ideas), is written entirely by colleagues of ING Retail's Venturing Department. The book is published by Prentice Hall/Financial Times and is available in bookstores and from online booksellers.

“Innovation is easy if you aren't responsible for customers' money.”

Ron van Kemenade

Innovation



JOHN CLEESE

Monty Python legend John Cleese recently shared his view of creativity at an ING Business School workshop in Amsterdam:

"You don't always need to be in control. The brain produces about 70,000 thoughts a day on average, so you'll think about a problem and its solutions more than once a day. Start by thinking about the problem and its parameters. The process of incubation is the time you're not actively thinking about the problem. Learn to challenge the inspiration that follows, but don't be too critical of your ideas."

"When writing the Monty Python sketches, we worked in pairs. We regularly tested our ideas on other team members. The test was simple. If the others laughed, we included the sketch. If they didn't, we knew the sketch needed more work. [...] It's much more efficient. We think we always need to be in control. We send our best and final work to superiors and when they're not happy, we're disappointed—and exhausted. By regularly testing your ideas, you have far more time to be creative."

"Formal education locks people into a certain way of thinking. And we're always in a rush, so the last thing we want to do is examine exceptions. Trust your 'tortoise mind.' You actually speed up the creative process by thinking at a slower pace."

es to delivering on ING's customer-centric mission. It is a deliberate play on the term "Web 2.0" and on the powerful ways Internet offers to interact with clients on a personal and social level. Board members Tom McNerney and Hans van der Noordaa have agreed to sponsor pilot projects to help turn these ideas into reality. "People are sometimes surprised that an economist should push so hard for this, but if we're going to analyze and forecast our clients' finances we need to entice them into revealing more about themselves," says Cliffe. "A basic principle is that for every bit of information that a client offers, they should get something back immediately. Why not show them how they compare with their peers? The more information a customer reveals, the more relevant their peer group becomes. We can then follow up with more tailored product offerings. I can imagine that we could eventually offer our clients a holistic picture of their past, present and future finances."

"A strong indication that our clients are prepared to interact with us online is provided by a new daily poll on the Postbank website. Up to 60,000 people a day are responding to the questions devised and analyzed by the economists. "It's amazing to think Postbank has the biggest opinion poll in the Netherlands," says Cliffe. "Traveling around the world, I see wonderful ideas and initiatives everywhere in ING. The trick will be to mobilize the ones that work."

PET PROJECTS

ING Asia-Pacific developed ING Wiki precisely for that reason. A wiki is a website with information supplied by the users. In principle, any ING staff member can add, amend and view information on the site. "The wiki helps the ING community to capture and share available knowledge," says David Garceran Nieuwenburg, Head of E-business at ING Asia-Pacific. Garceran Nieuwenburg is also the man behind *The Idea Factory*, an informal department with no functional

description or formal mandate. "The Idea Factory is more a working method than a department," he explains. "If a team member has a good idea, he or she can take one day a week to develop it. We call these 'pet projects,' after an example from Google with a similar working method." According to Garceran Nieuwenburg, this approach works better if R&D is not the core business of the company. "You have to give innovation a chance to happen by giving good luck a helping hand."

"Dare to do new things, even if the financial returns are not yet clear."

Ingrid Geerts

Innovation is not easy to control. The Venturing Department of Retail Banking is the seventh innovation department formed within ING Netherlands in the space of 15 years. Some of those departments were close to the business through positioning within the line, while others were centralized at a high level in the hierarchy. Venturing currently falls under the supervision of retail management, but will transfer to the marketing manager after Postbank and ING merge. All the reorganizations have done little to promote willingness to innovate, according to Cees Hilhorst and Ingrid Geerts of Venturing. "At present, the focus is very much inward, on redesigning and integrating our own departments. That is understandable, but also frustrating. Michel Tilmant regularly calls for innovative ideas in his speeches. Well, there are plenty of those, but many ideas get stranded somewhere. Management often lacks the courage to really pursue them. Or they just have other priorities."

STRANDED

Hilhorst and Geerts have already seen a

number of promising innovations come unstuck, such as ING Confidence, a “payment vehicle” for the online consumer market. “Confidence” was intended for private and business parties who do business with each other via an online marketplace. With Confidence, sellers were assured of payment following delivery and buyers were assured that their accounts would not be debited until delivery had taken place. “That was associated with a attractive business model for ING,” Hilhorst says. “But because of a cutback in commercial projects, the project was put on hold.” Hilhorst and Geerts later had the painful experience of watching another party, PayDutch, win an innovation award for a very similar concept.

But there are also successes to report. “Postbank’s *Netgesprek* scheme has been a big success. When mortgage customers call

their Postbank advisor, they can view the same details as the advisor on their own monitors during their call. The conversion rate is twice as high as with an ordinary telephone call.” Hilhorst and Geerts also regard ING’s presence on Second Life as a victory. “This is an investment in a learning process and the financial benefits are difficult to assess. Of course, that is the core of innovation: daring to do new things even if the financial returns are not immediately clear.” In order to encourage this, they say that management should be made accountable for innovation. “That doesn’t happen at the moment. It’s not a key performance indicator. Obviously, innovation is hard to quantify, but you could include the extent to which turnover has been generated from new services or products in an assessment.”

“The trick will be to mobilize the new ideas and initiatives that work.”

Mark Cliffe



Great idea? *The funnel of innovation*

