



CETREL
a SIX Group company

TrAxxion
Vector your Company

Product Service Innovation
Refocus to Service Profitability

Technology Innovation in the Financial Services Market

Creating focus and clarity, before starting the journey to results

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 Co-Creation
navigation solutions

Today's discussion came about from a recent experience that we had whilst working on innovation project within the Cetrel group, which highlighted the important of having a clear focus and direction, before you can embark on a journey to achieving results

About Us



Mark Notschaele
VP PMO
CETREL

Mechanical Engineer with over 22 year experience in:

- Portfolio, Program
- Project
- Service delivery manager within in ICT, petro-chemical-, manufacturing-, and financial services.

Founder of TrAxxion



Nick Frank
Consultant
Product Service Innovation

25 years industrial experience in Engineering, Sales & Marketing, Service Operations and Consulting

- Xerox
- Textron
- Acument Global Technologies
- Husky
- Noventum



First a little bit about us

Innovation is a journey, not a word



The Innovation For Financial Services Summit 23rd Sept 2011

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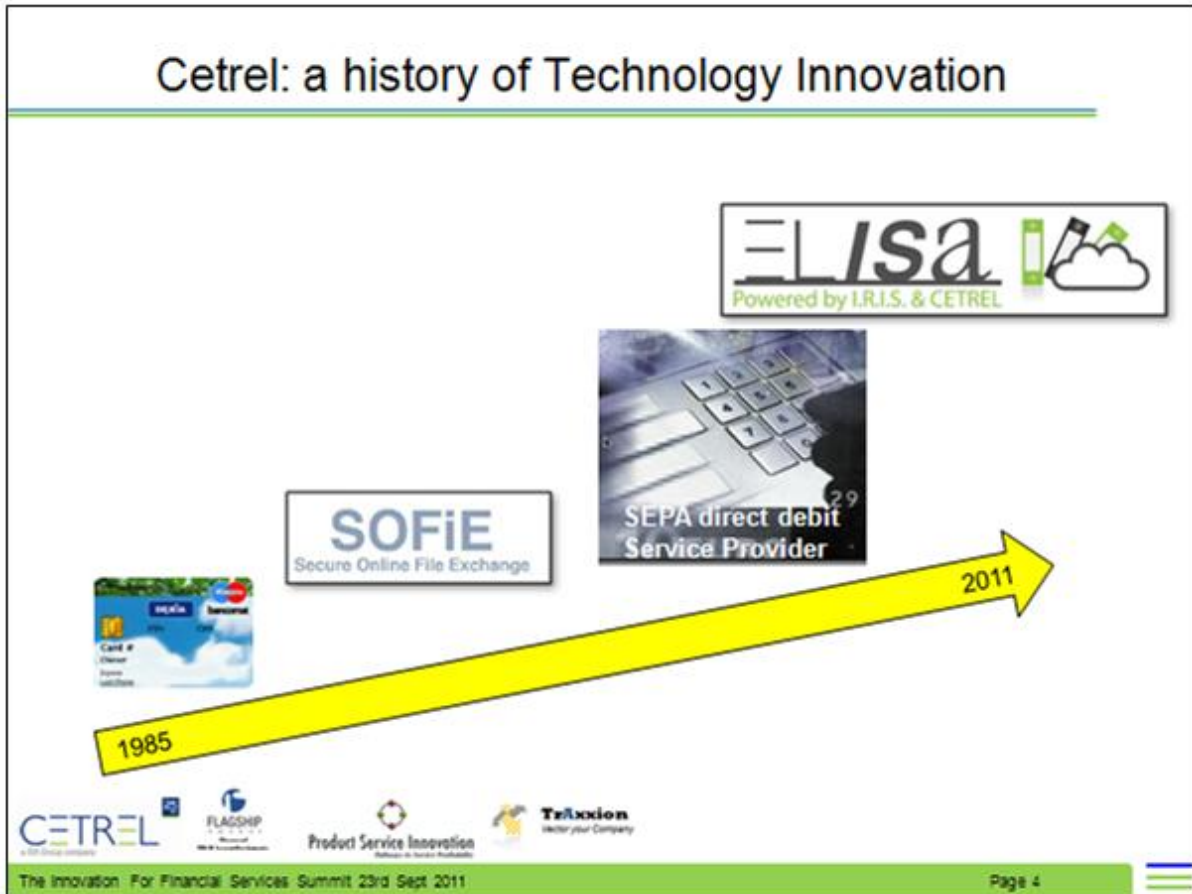
Indeed this experience highlighted what most of us probably feel that innovation is a very overused word which by itself will not lead to concrete results.

A better way of looking at innovation is to think of it as a journey that affects all aspects of our organisation over a period of time. And as with most journey's the most important part of moving quickly and effectively to our goal is to know where we are going and clearly understand the key steps that we must take along the way.

Seems like obvious common sense, but even business's like CETREL that are constantly pushing the boundaries of their technology, sometimes get a bit of a fuzzy view around what innovation means and may need a re-focus as to where to go.

And as a business matures, so the journey and the planning has to become more structured and managed in order to deliver profitable results.


So let's look briefly at CETREL's Innovation history









Based on innovation and the power of its stakeholders, CETREL achieved a dominant position in the card payment or E money Hub.

From this base it has developed Secure Online File Exchange systems, act as a service provider for SEPA direct debit processes as well as the recently announced ELISA document management brand

A period of reflection



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But also in the last 3 years, the business reflected on how it would compete in its current markets and concluded that

- a) It needed to become a European player to retain a competitive costs base...hence the partnership with SIX
- b) That it needed to upgrade its base line systems in order to meet the challenges of the future market. This led to the decision to upgrade its existing legacy systems using the Openway as the technology platform for its future technologies and services

This €Xmillion project has been implemented over the last 3 years and now of course we want to make sure that we effectively use it to develop our business. A great opportunity for innovation and developing competitive advantage.

Do we all have the same understanding?



However what we found was that as technology development had been so dominated by this huge development project, internally we started to get confused between what was development, what was research? How does that fit into production and operation? The bottom line was that we did not have a common understanding that allowed us to understand what was innovation and how to manage it. Without a common language, the team starts to interpret the strategy in different ways and so we become less effective in completing our mission.

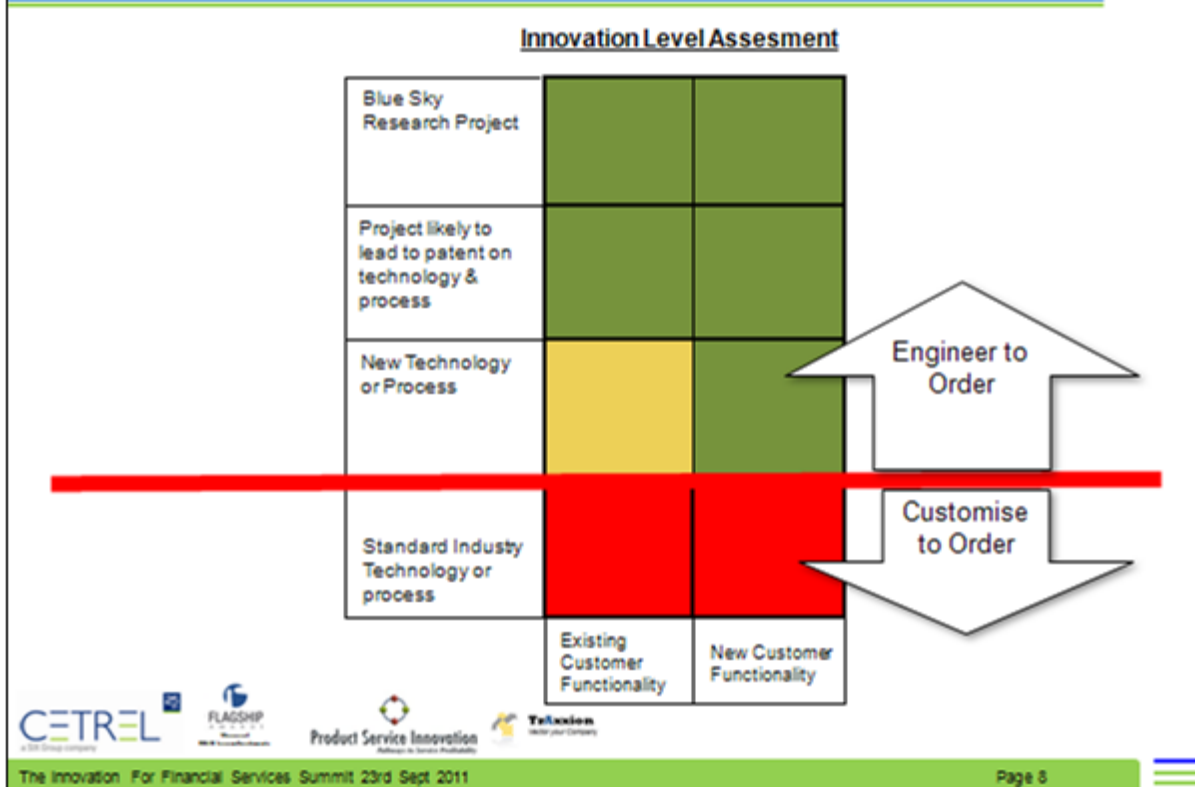
Creating a common language

Innovation Level Assessment

Blue Sky Research Project		
Project likely to lead to patent on technology & process		
New Technology or Process		
Standard Industry Technology or process		
	Existing Customer Functionality	New Customer Functionality

So we set about trying to develop a common language that was easy to understand and interpret, and would allow us to position each project we had in our portfolio

Distinguishing between projects



As well as defining innovation, we also classified projects in terms of our approach. Engineered to order projects need a greater level of research and development than projects where a known technology needs to be customised to meet the specific order.

You can imagine therefore that the skill sets required for the two are different.....which led us to developing a team focused on research and innovation, and a second on development

Creating a Focused team



So here we have the newly formed R&D team. The key difference in skill sets are....
We believe that this focused approach will allow us to better bring innovation to reality, on time and on budget

New Idea's to retain competitive edge

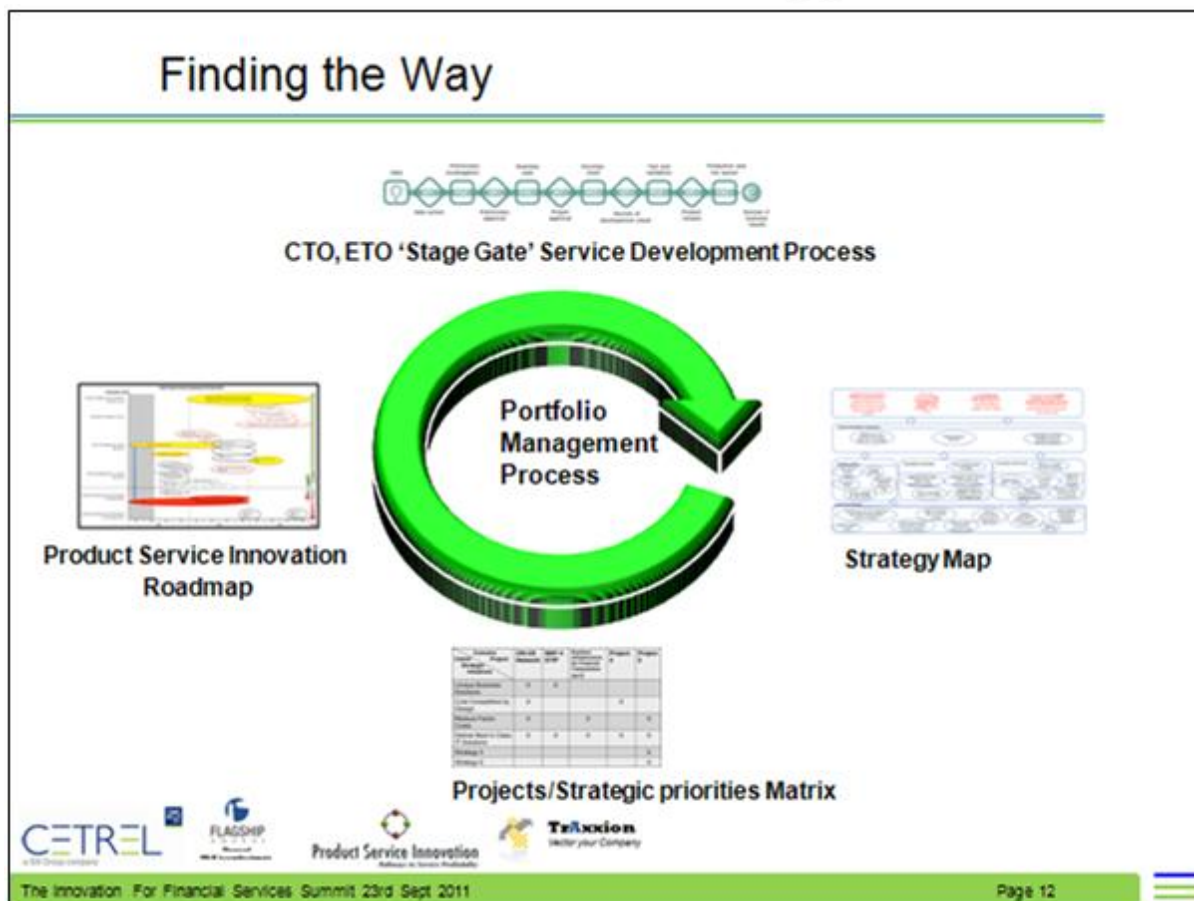


During this journey we also understood, that given our size and the complexity of our technology research we needed outside ideas to stimulate the innovation process. This led us teaming up with the SnT here in Luxembourg on a recently announced project on the resilient infrastructures for financial transactions. This will give access to leading edge thinking in the areas of security, fraud detection and testing. However to ensure this research leads to innovation, each project will be coached and mentored by a senior Cetrel technical expert, in order to make sure that these ideas are incorporated into Cetrel's products, so leading to competitive advantage

Developing the plan to start the journey



Another key requirement for innovation is to have a plan of the technology and products you require. This sounds obvious, but within small dynamic & growing companies the plan is often to react to the market need. This is not a bad way to grow early on and ensures a close focus on the customer, but there comes a time when the organization is too big, the project too costly and risk too big to simply fly by the seat of your pants. And this is why we decided to develop a Product Service Road map that shown all our projects, the timescales in which they will be completed, their strategic importance and their innovation on the innovation matrix I showed you earlier.



And looking to the future we will look to link our Product Service Innovation Roadmap to our Strategy by ensuring that our projects support the key strategic priorities set by our leadership team.

In the other direction we will look to formalise the ETO and CTO project definitions and use a milestone service development process to ensure that projects are delivery to the right level of quality, on time and at budget.

In effect we are taking the initial steps towards our vision of managing the innovation through an effective portfolio management process

Leadership focus



But without leadership, these type of activities will eventually wither and fail. Leadership vision is required to pull together the people to achieve a innovative environment that delivers results....It also is the drive to ensure barriers are overcome and that the team works through the tough times of implementing a portfolio management process

The first of many lessons.....



1st create focus & clarity.....
.....then start your journey to results



.....so that very quickly is the journey that CETREL is on when it comes to innovation. We are only at the beginning, but the key lesson we have learned is that to be successful at bring innovation to reality, the first step is to bring clarity as to what is innovation in your organization and then focus on the operations that will bring it to reality

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Thank You.....Q&A

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