We Geek Out on Making Change (and You Can Too)

A data-backed guide to help drive successful digital transformation for Canadian businesses.

Report from Interac Corp.

Interac

Introduction

If you can just help your coworkers reach the "geeking out" stage of change, amazing things can happen in an organization.

This is the moment when their eyes light up as they share details with customers about a big shift others are making to provide better service. It's what causes their brows to furrow as they focus on problems that come up, confident they'll figure out a solution. The geeking out stage marks the time when everyone has not only bought into the change that's happening in your organization but are proactively helping to define how it rolls out.

Organizations can struggle to get anywhere close to this point for a number of reasons. Even as the rise of new applications and channels open up opportunities for digital transformation, employees and even business leaders can be resistant to change. People are comfortable working in familiar ways, with tools they already know. There are often fears about the risks involved in changing systems and processes. There can be doubts about the expected payoff from making a big change too.

Given ongoing economic challenges and rising customer expectations across almost every sector, sticking with the status quo is likely not an option. If you're reading this, it's probably because you've already recognized the need for your organization to embrace digital transformation or have been tasked with helping lead the charge.

The goal of this report is to empower you with data based on a recent survey of financial and technology decision makers commissioned by Interac Corp. about how they feel when they're making these kinds of changes[1]. We'll identify the key catalysts and the biggest impediments, with insight on how to overcome them. Think of it as fuel for the engine you're building to drive your organization towards digital innovation – a journey that will ultimately bring greater value to both your customers and the employees serving them.

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1. A 7-minute survey was administered online by Leger, on behalf of Interac, from November 24 to December 1, 2023. A pool of financial and technological decision makers in Canada were invited to participate. A total of 102 financial and/or technology decision makers completed the survey.

Part 1: The Ins and Outs of Change

What sparks change?

Periods of high inflation and other economic headwinds mean Canadian organizations should think carefully about managing costs while remaining competitive. Success can depend upon adopting tools that generate greater productivity and efficiency, while also ensuring they can meet customers where they are and provide a secure, trustworthy experience.

This explains why 66 per cent[1] of Canadian business decision makers surveyed said digital transformation is either a current priority or will be within the next year. These Canadian business decision makers are actively exploring how they can leverage new technologies to streamline business processes, enhance customer experiences and create new revenue streams.

For many organizations, digital transformation begins by recognizing and establishing a presence across all the touchpoints where customers increasingly want to connect. A true omnichannel approach means it's as easy to do business with a brand via a website, mobile app or social media service. The transactions across these channels also need to cover the entire customer journey, from marketing and making purchases to providing service and support.

As a result, 50 per cent of decision makers surveyed[1] said digital transformation was motivated by the belief it will help them better meet customer needs. They're preparing to make these changes even as technology continues to evolve. With the rise of generative AI, for example, tasks ranging from creating content and summarizing call centre transcripts to providing smart virtual assistants can now be done faster than ever before. The research confirmed this too, with 47 per cent[1] saying digital transformation could offer long-term time savings.

Regardless of how or where they serve customers, business leaders also know that building strong relationships requires ensuring personal data is verified and protected. That's why approximately one third of the professionals we surveyed[1] plan to implement both digital verification and digital payment methods within the next 12 to 18 months.

This finding builds upon previous Interac research, where security was one of the top motivations for embracing Interac e-Transfer® for Business as a payment method. The good news is that a more secure experience also contributes to a healthier bottom line: 59 per cent of those we've surveyed[2] in the past have said they've made the switch from cheques based on potential cost savings.

With all these potential upsides, making a large-scale change like digital transformation looks relatively straightforward. If only that were true.

What prevents change?

Fear, uncertainty and doubt – otherwise known as FUD – remains a constant in business, from when we evolved from working on paper to PCs and then later to mobile devices and cloud-based solutions.

The fear is reflected in the 52 per cent of those surveyed[1] who cited costs and financial implications as the biggest barrier to implementing large-scale change. This is completely understandable: many organizations are already working with tight budgets and increased pressure to deliver. No one can afford to make the wrong investments in new technologies and processes.

That fear can be addressed by making change incrementally or by starting with pilot projects. It can also be mitigated by working with trusted partners who have a proven track record in helping organizations adopt innovative solutions.

The uncertainty may be due to a lack of education about how new technologies or processes work, and misconceptions about what's involved in making the change. For instance, lack of time was the second-biggest barrier to change identified in the research, cited by 38 per cent of those we polled[1]. Yet they also realize they should make the time: approximately one third[1] acknowledged their financial processes are not as secure as they could be – putting valuable customer relationships and future growth in peril.

As for doubt, organizational tensions and misaligned goals between teams could be one of the culprits: 78 per cent of respondents[1] cited executive-level buy-in as a top challenge. There's also the doubt that comes from what you might call the "good enough" bias. In previous Interac research, we found six in 10 financial decision makers[2] said their current processes generally work well and are efficient. Making a compelling business case is the only way to combat this mindset.

None of this is to suggest that employees aren't ready to rally around digital transformation. In fact, one of the biggest surprises in the research is the positive, forward-thinking outlook they share. More than half (52 per cent) of those we polled[1] said they feel hopeful or optimistic at the prospect of implementing a large-scale change in their organization. Roughly four in 10 (43 per cent[1]) said they felt motivated to make big changes.

What really matters to employees is that they do not feel alone in this process: 61 per cent of respondents[1] said large-scale change needs to be championed by at least one person, or it won't happen. With the right leadership, 47 per cent[1] believe investing in large-scale change makes their organization a more appealing employer.

In other words, your coworkers may be ready to geek out. They just need a champion like you to offer a vision of why they should.

Geeking out: The art and science of transformation

To call Anna Foat a change agent might be a bit of an understatement.

"I will jump off the cliff like Wile E. Coyote and not really be too concerned about how I'm going to land," she admits. "But in that sense, I am like one per cent of people. Most people are not like me, and that's a good thing, because if they were, the world would be chaos."

Foat's career has focused on channeling her willingness to embrace change into helping others do the same. Working in organizations that span technology, insurance and other sectors, she brings on-the-ground experience in seeing organizations through multiple waves of transformation of all kinds. Foat shared her lessons learned in making change happen:

① Focus on the middle layer of management

People at the top of an organization may be following their north star, and those on the front lines may be ready to adopt new processes and tools. In between, however, middle managers may represent the biggest barrier to change. Foat suggests looking at the change from their perspective.

"All of a sudden, everything you did last quarter is not what you're going to do this quarter. You're going to have to manage new people in a new way," she says. "You don't necessarily get the fun of doing the work. You don't get a lot of the glory from the output. You mostly get the hassle of trying to do someone else's bidding in a way that's unfamiliar to you."

If you're introducing digital verification or digital payments, for example, engage middle managers early on so they feel consulted and part of the process. Provide FAQs and guidelines on how to encourage adoption among their team.

② Talk about the path from A to B, not just the destination

"As much as senior folks believe that they've communicated a change well, oftentimes they've communicated the outcome and not given a whole lot of thought to the process to get there," Foat says. "They may have also underestimated the amount of ground support that those people in those middle managerial levels actually need."

That support may simply be about clarifying expectations and addressing the real fears that managers could have about making mistakes as changes are implemented. This is a conversation that has to happen consistently and often to break down siloes and to secure cross-organization alignment, she adds. Be transparent about the outcomes your digital transformation is designed to achieve, and where they can make the biggest contribution.

"Don't expect that you're going to have a meeting and then everyone's going to be singing 'Kumbaya' and change will happen an hour later," she says. "Make it safe enough for them so that they don't want to be negative and be resistant. Often, they don't want to say no. They're just too scared to say yes."

③ Find your 10 per cent, then wait for the FOMO

Foat recalls working with a health-care organization where a new CEO was brought in from an outside sector. There may have been questions about his qualifications, but he approached a big change he had to make by looking for the most influential managers and asking them to be in a beta program of an initiative he was leading.

"He got, I don't know, maybe 10 per cent of all heads of these departments to play ball. And immediately, he had this velvet rope of people banging on his door going, 'Why am I not part of the beta?'" she says. "He got something like 85 per cent conversion (to the new initiative) with no real change management plan, although he had his own way of doing it."

④ Remember that forward momentum is not the only option

Foat credits Shopify exec Farhan Thawar for writing an article that encapsulated an approach she's used – and suggested to others – to become more open to change. It comes down to asking yourself a simple question: Can you walk back through the door?

"The decision that you're about to make – is it a final decision? Or can you retreat from the decision?" she says. "Give yourself the kind of mental freedom to say, 'I'm going to try this thing over here, and if it doesn't work, I can just walk back through the door.' With most things, there's a degree to which you can walk back through the door and deal with any risks or adjustments you need to make.

Of course, you can't necessarily revert back from digital tools to manual processes. Instead, make sure the team knows how they can quickly seek support and the process for escalating urgent issues.

⑤ Recognize you're not the only passenger on this journey

Foat uses an analogy with her team and others who need to imagine the better future a large-scale change could bring. She asks them to imagine a city bus making the same route over and over again.

"There's not a lot of people on the city bus at first. And you know, the bus may have to go around the loop a couple times, but eventually you see all these other people on it. Maybe some of them are your friends," she says. "It was scary when there was no one on the bus and you didn't know where it was going or how many stops there would be. Eventually, as you see more people on it, you'll get on board, too."

Part 2: Unlocking the Benefits of Change

Let's geek out: Making the case for change

When faced with an overwhelming number of options, there can be a temptation to do nothing at all, or at least wait before making a significant change. Yet Canadian business leaders know that putting change on the back burner is not as safe as it seems. More than one third (35 per cent) of those we surveyed[1] said their organization is wasting money by continuing to use outdated processes and technology.

Your business case for digital transformation should consider how you'll avoid or mitigate the risks of sticking with the status quo. It should also articulate what a large-scale change will mean for the following key pillars:

Building trust

Every relationship between a business and its customers is based on an implicit promise: the customer will provide their personal information and payment, and the business will handle it both securely and appropriately.

As more everyday processes shift to digital channels, protecting customers and employees alike becomes more critical. Asking customers to verify their data through e-mail and social media logins doesn't create this kind of trust. For some, it may contribute to misperceptions that electronic payments are more susceptible to hacks or data leaks.

The truth is that digital payment solutions such as Interac e-Transfer provide multiple layers of security compared with traditional methods such as cheques. That means organizations are better able to balance convenience with security and consent, bringing value to everyone.

Awareness of how switching to digital solutions can help is growing: 34 per cent of those surveyed[1] said they believe digital transformation will make their processes more secure. However, there may be a need to provide more insight into how digital verifications and payments work and to answer any unresolved questions or concerns.

Improving the customer and employee experience

When we surveyed decision makers on which departments they expected would be resistant to change, the feedback was clear: operations was number one[1]. When asked which departments would benefit the most from digital transformation, though, operations was also near the top, cited by 44 per cent of respondents[1].

This speaks to how operations are seen as integral by the rest of the organization. It's a function that covers the way things are done – from how employees manage everyday processes to how customer experiences are delivered.

If operations teams are hesitant to adopt digital transformation, it may be due to the impediments we described in the previous section. Your business case should consider the benefits of digitizing, which include making critical processes faster, easier and more trusted by your team and your customers.

Think of the manual efforts involved in using cheques, for example, such as printing, mailing, and auditing recipient details. Contrast that with the way digital payments could reduce the administrative burden and streamline record-keeping.

Using a solution such as Interac Verified™, meanwhile, can translate into faster onboarding. Let's look at the hiring process as an example. For new hires, digital verification can help accelerate their path to doing the job they were hired to do. The same technology provides a more welcoming start to the customer's experience with an organization, while also giving them greater choice and control over how they verify their information.

More than a quarter of the survey participants (26 per cent[1]) told us they think digital transformation will make it easier to recruit and retain staff. An even greater proportion (38 per cent[1]) said their organization has won new customers by pursuing such large-scale changes.

Driving cost savings

Ahead of operations, 50 per cent of those surveyed[1] said finance and accounting teams would benefit most from digital transformation. That's probably still a lower estimate than the reality.

CFOs and their teams often spend far more time than may be necessary on consolidating financial statements, closing the books and reporting the numbers to senior leadership teams. The number of people who need to handle a cheque from the moment it's written to the point it's reconciled doesn't help. The costs of producing, printing and distributing paper cheques has also largely become an unnecessary expense.

The opportunity now is for finance and accounting teams to modernize their department through digital solutions such as Interac e-Transfer for Business. This helps to bring greater visibility into cash flow, which in turn can lead to greater agility and real-time decision-making to help optimize the way resources are allocated.

Empowering growth

A digitally-driven finance team may also be a good position to keep costs under control and may free up time for forecasting, planning and analysis. Providing better guidance to the organization in a more timely manner helps to spend more wisely. It's just one reason 65 per cent of those surveyed[1] said digital payments have the most potential to impact businesses, ahead of cloud computing and even AI.

This echoes other research Interac has done. In the June 2023 Interac survey of financial decision makers across Canada, 53 per cent said they oversee processes that could be better used to support business growth.[2]

It's easier to explain this by describing what's getting in the way of higher-value work. Paper-based transactions like cheques have to be processed with a significant degree of human oversight, even if those same people are using software-based accounting systems. That can lead to delays and the risk of errors.

Transitioning to digital methods can help accommodate global payment standards and facilitate the integration with accounting applications. Interac e-Transfer for Business, for instance, allows businesses to include remittance data within a payment, easing reconciliation and reporting processes.

Suddenly, team members may be able to raise their heads up long enough to consider whether it's time to expand into a new product line, begin selling in a new geography or consider an M&A opportunity.

Protecting reputation

As much as organizations spend on marketing to build their brand, the long-term impressions of customers and other stakeholders are also based on the actions you take.

Investing in digital solutions sends a message that you're looking at the world through your customers' eyes, recognizing their needs and trying to reduce the friction that could get in the way of accomplishing what they want to do. Using the right technologies can also help provide reassurance that customers can engage with your organization knowing that steps have been taken to attempt to reduce instances and impacts of data breaches.

There's a similar reputation to protect among industry regulators who are tasked with ensuring that organizations are staying compliant and mitigating fraud and similar activities.

Nearly a quarter of those we surveyed[1] already believe digital transformation will improve their organization's reputation. That number is likely to grow as more Canadian organizations discover the power of solutions like Interac Verified, which can help protect against fraud by verifying the identity of individuals, so access is only granted to legitimate users, helping to keep the cybercriminals out.

This could also be important for customers who might otherwise be worried about having a third party store their banking information. With solutions such as Interac e-Transfer, e-mail addresses or mobile phones can be used as identifiers, verifying data quickly and easily.

Much like retail environments that have transitioned from cash-only to cashless, the effectiveness of solutions like digital verification and digital payments may quickly become a standard expectation. It will become part of how customers decide which organizations deserve their business.

Geeking out with Interac:

What's your best advice for getting buy-in from employees to embrace a significant change?

"You have to be able to answer the 'What's in it for me?' question. When people see a change like digital transformation as a top-down mandate, it can just feel like extra work. When employees realize the benefits they'll personally experience by making a change, they start to feel they have something at stake. A consultative approach gives them the opportunity to contribute their subject matter expertise to building a newer, better process. This leads to greater engagement and acceptance, while more importantly enabling employees to be directly involved in the transformation."

Mario Falvo,
Chief Financial and Risk Officer

Why should anyone get excited or "geek out" about moving from traditional to digital verification?

"Because in a world of online avatars and deepfakes, proving you are who you say you are really matters.

This is information you own, and you should always feel like you own it. Digital verification can help you do everything from having customers sign up for an online account to making a payment with complete confidence. It's offering peace of mind for both youand your customers."

Giles Sutherland,
VP Business Development,
Interac Verified

Interac Corp.

Part 3: Accelerating Change

There's a reason most races start off with a "ready, set" before the final, enthusiastic "go!" is called out. You need to know everyone is prepared to run. This includes knowing in which lane to run. Then, it's all about reaching the finish line and enjoying the victory.

The race to digitally transform is no different. Kicking the process into high gear depends on taking some of the following steps:

Involve the right players

Although having a champion is important, they need to be effective in forming alliances and fostering collaboration across the organization. This thinking was reinforced by our research, where 56 per cent of those surveyed[1] said organizational change cannot be led by one person alone.

Instead, champions should look at every department to assess what kind of domain expertise can be used to ease the transition to new technologies and processes. Sometimes these kinds of initiatives begin in IT because of the tools involved, but you need to consider the impact and domain expertise of those in sales, marketing, operations, HR and finance, among others.

In Interac research, we found only 32 per cent of decision makers surveyed said members of their C-suite, such as their CFO, are directly involved in these discussions.[3] This needs to change, where those at all levels – from senior leadership to frontline workers – are brought in early on to understand why solutions like digital verification are important and what it will mean for the organization's future.

Set the strategy together

Employees shouldn't feel as though change is something that's simply happening to them. It should be an experience they are helping to inform and shape.

A consultative approach can begin by looking at the day-to-day processes that currently exist and where employees are running into challenges. If people feel mired in paperwork, that's an obvious problem to address. You might also hear that it's difficult to confirm when payments are made or to get a clear view of cash flow during critical planning periods.

From there, discuss how solutions like digital verification and digital payments could help. This can stay high-level initially, where you look at ideal outcomes such as increased productivity, fewer mistakes or simply more time to work on the most fulfilling aspects of everyone's jobs. Use your key performance indicators (KPIs) as a way to set realistic goals as you begin pilot projects and wider rollouts.

Never forget who you're ultimately serving through digital transformation. Nearly half of those we surveyed said organizational change happens more quickly if it is focused on serving customer needs than simply internal processes. Everything you're doing should be seen as a means to a more customer-centric end, and everyone should understand the link to internal operations.

Measure progress and get feedback

There will be a lot of milestones to reach as you pursue digital transformation. Early on, you may be simply deploying solutions and getting people up to speed on them. Soon, though, you could begin replacing or improving old processes with new ones, and it's important to evaluate your results as you do so.

Some of this measurement can be done based on the KPIs we discussed earlier. However, there is also value in organic feedback you gather directly from employees and even customers. Consider adding some questions about your organization's adoption of digital verification and payments to a regular employee engagement or "pulse" study. For customers, you could link a questionnaire or poll in an email receipt or through social media channels.

Our research found that 49 per cent[1] of business decision makers believe their business wants to pursue large-scale change and feels it is important. Build upon that positive sentiment by capturing your progress and celebrating small wins along the way.

3. A 15-minute survey was administered online by RepData, on behalf of Interac, from March 20 to 20, 2023. A pool of full-time Business Decision Makers (BDMs) were invited to participate. A total of 299 BDMs completed the survey.

Prioritize education

Effective change management is partly the art of telling an effective "before" and "after" story. Everyone might be familiar with the way you operate today, but they need to understand how the journey you're taking them on will lead to a more desirable end state.

This story will be told differently depending on the audience. Internally, you'll be educating employees on how using digital payments will simplify reconciliation processes through structured data. For customers, the story might be about the flexibility, speed and convenience of making a payment. For vendors, the story might emphasize increased efficiency and greater trust in the transactions you make thanks to real-time data and payment confirmations.

No one should be passively listening to this story, however: they need to be actively involved through training and support as they adapt to new processes. Employees might need to set aside time for formal walk-throughs of new tools. Customers and other stakeholders could benefit from education through tutorial videos or chatbots.

Bear in mind that 43 per cent of those we surveyed[1] said their organization takes a long time to make a large-scale change. Manage their expectations by breaking down digital transformation into manageable phases, maintaining communication along the way.

Find trusted partners

If any of this sounds a little daunting, remember that your organization doesn't have to pursue big changes completely on its own.

More than a quarter of those surveyed, for instance, said integrating new technologies and tools with existing processes would be a big challenge. One of the ways to address that is by turning to those who have accomplished similar goals for a variety of other organizations.

The right partner can help earn your trust by demonstrating market-leading technology and a commitment to keeping up with emerging tools and best practices, as well as relationships with other vendors and third-party providers. When you connect with potential partners, make your core values as clear as your digital transformation roadmap to ensure you're aligned.

Beyond technology partners, consider having a constructive dialogue with a financial institution that's ready to work with you on modernizing payment processes and can help you understand any additional steps and costs to factor into your plan.

Let's geek out together

If you've found this research helpful, take the next step by connecting with our team at Interac. Discover how we're helping organizations like yours manage changes big and small that leverage innovative digital solutions to address current and future needs. Begin geeking out with us by reaching out via info@interac.ca.

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