

Business Plan 2018-2020: Framing the Future with Talent and Technology

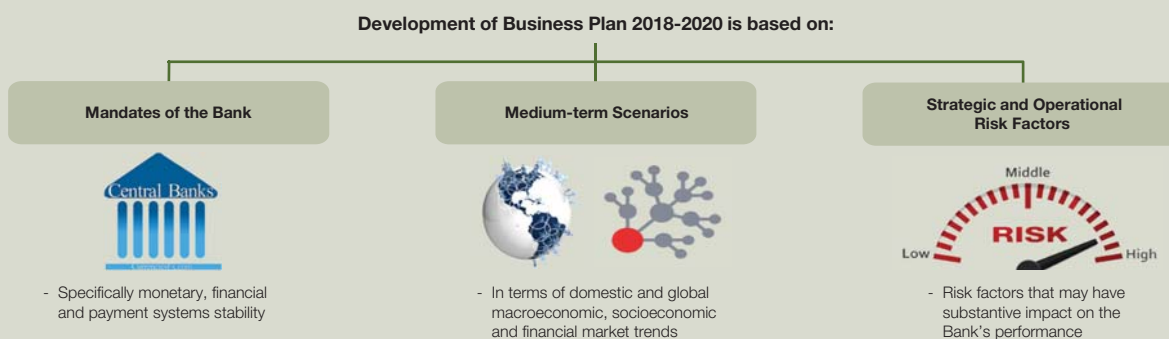
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Introduction

The Bank's Business Plan 2018-2020 (BP) with the tag line 'Framing the Future with Talent and Technology' provides the lens in setting future priorities. The combination of talent and technology has given rise to several common themes that will have a profound impact on the 21st century organisation. These themes include innovation, productivity, agility and accountability. The themes reflect the new performance attributes required in today's organisation to cope with the rapid changes constantly reshaping the environment in which businesses operate.

Diagram 1

Development of Business Plan 2018-2020

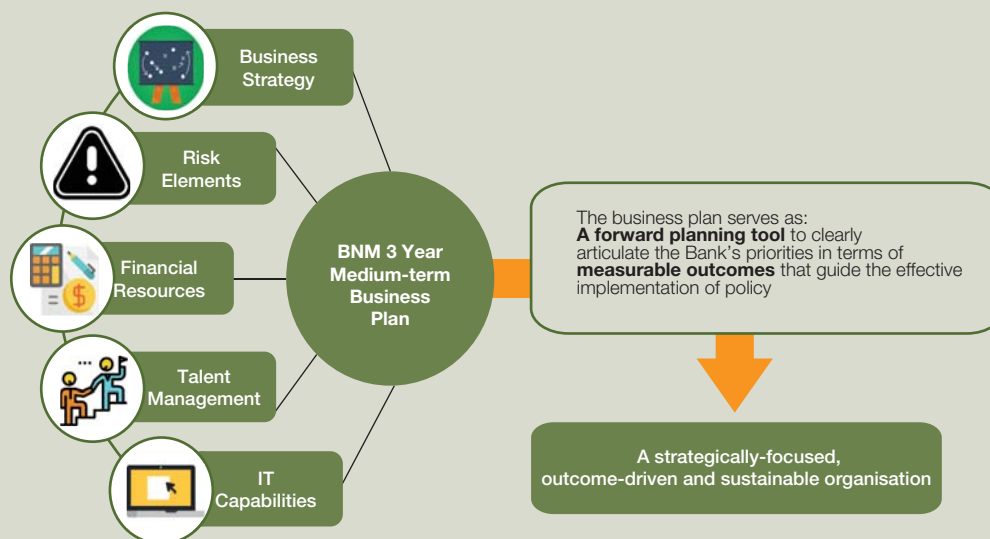


Source: Bank Negara Malaysia

The Bank's medium-term BP is designed as an integrated forward planning tool. It articulates the Bank's priorities in terms of measurable outcomes. These outcomes guide the effective implementation of policy, and align organisational capabilities with business imperatives.

Diagram 2

Business Plan as a Forward Planning Tool



Source: Bank Negara Malaysia

The objective of the BP is to ensure the Bank continues as a strategically-focused, outcome-driven and sustainable organisation. Renewal of the organisation's DNA becomes a pre-requisite for success in terms of new processes, technologies and solutions in the areas the Bank can make the most impact on the nation's socio-economic development, in line with the mandate and objectives of the Bank.

Business Plan in a Changing Economic and Financial Systems Environment

The Bank's medium-term Business Plan is anchored to four focus areas, namely:

Diagram 3

Business Plan Focus Areas



Source: Bank Negara Malaysia

The four focus areas address the Bank's legislated mandates and developmental priorities to nurture a progressive financial system that will be a catalyst for sustainable economic growth. The four focus areas are supported by Strategic Objectives that give greater clarity to the outcomes the Bank seeks to achieve over the medium to long-term. The Strategic Objectives also aim to develop stepping stones for continuous structural reforms and innovations for the economy of tomorrow, and the next generation of financial sector players.

The key strategic objectives and strategies that support game changing outcomes for the Malaysian economy, financial system and society are highlighted in Diagram 4. These strategies focus the Bank's policies on areas that offer significant opportunities for job and wealth creation, or to contain vulnerabilities that may hamper the country's socio-economic progress.

The focus on developing a culture that embraces innovation, agility, productivity and accountability is part of transforming the way the Bank operates in the new environment. New competencies and behaviours must be learnt quickly to adjust and capitalise on the pace of technological development, and to mitigate new risks. Ultimately, the business plan is to deliver results in terms of economic growth, financial stability and broad-based job and business opportunities that meet the expectations of the public, businesses and all stakeholders with a vested interest in the economic and social well-being of the nation.

As with any good plan, performance is reviewed and communicated through the Bank's broad range of publications and communication channels, with appropriate course corrections when necessary.

As the country continues to progress towards becoming a more developed nation, the financial sector and other economic structures must remain supportive of growth and be resilient to risks. The business plan aims to strike the right balance between regulation and allowing technological innovations to take place in our financial system.

Diagram 4

Strategic Outcomes

Sustainable Economic Growth

- Ensure macroeconomic environment conducive for **sustainable growth**
- Ensure a sustainable and balanced **housing market**
- Address pre-emptively the emergence of **risks of imbalances**

Financial System Stability

- Strengthen the **resilience and integrity** of the financial system
- Enhance **financial market capacity** to better intermediate risks
- Ensure **cost-effective supply** of quality and secure banknotes and coins

Digitalisation of Financial Services

- Greater **diffusion of technology** in financial services
- Accelerate **migration to e-payments** by displacing cash and cheques
- **Maximise network effects** through open and interoperable standards, and future-proofing public infrastructure

Domestic Socio-Economic Well-being

- Implement **sustainable social financing** to increase income generating activities and advance socioeconomic mobility for communities
- Ensure financial service providers are **fair in their dealings** with financial consumers
- Enact a **Consumer Credit Act** to impose consistent consumer protection requirements on banks and non-bank credit providers

Increase Professionalism and Skills

- **Professionalise** financial sector workforce including their intermediaries
- Strengthen **recruitment practises** and introduce **accountability framework** for the financial industry
- Develop the "**Financial Education Hub**" as a focal point for international learning and research to nurture a sustainable pool of local talents

Culture of Innovation and Agile Approaches

- Leadership that actively promotes continuous strategic renewal by encouraging **innovation and creative thinking**
- Adopt **agile approaches** to enable rapid deployment of solutions, including development for the necessary new skillsets
- **Digitalisation of workplace** to enable enhanced mobility, efficient information management and seamless collaboration

Source: Bank Negara Malaysia