

Advanced Diploma in Banking and Leadership in a Digital Age Module Specification: *Bank Strategy, Operations and Technology*

Title:	Bank Strategy, Operations and Technology
Level:	SCQF Level 10/EQF Level 6
Credits:	30
Qualification to which module contributes:	Advanced Diploma in Banking and Leadership in a Digital Age
Audience:	Current or aspiring bank employees; although not essential, prior banking qualifications, for example the Institute's <i>Professional Banker Certificate</i> and <i>Professional Banker Diploma</i> , would be an advantage, as would knowledge of formal academic methods.
Aim:	To develop the learner's knowledge, understanding and skills relating to bank strategy, and develop their ability to analyse the external and internal bank environment, evaluate strategic options, develop strategy, and manage its implementation through effective leadership and management of operations. A key theme of the module is the impact of digital innovations on bank strategy and operations, and how banks can harness advances in technology to help them grow and flourish in an uncertain future.
Learning outcomes:	<p>On completion of this module, the learner will be able to:</p> <ol style="list-style-type: none"> 1) construct a strategy statement that summarises a bank's mission, vision, values, and objectives, its scope, and how the bank will achieve its objectives in its chosen domain 2) analyse a bank's strategic position in the external environment, including both the macro-economic environment and the industry or sector environment, with a focus on digital innovations that are affecting banks and banking 3) critically analyse a bank's resources and capabilities, and identify the strengths and weaknesses of the bank and its

	<p>products and services relative to its competitors, and the extent to which these strengths and weaknesses are capable of dealing with the changes taking place in the external environment and the opportunities and threats arising</p> <p>4) evaluate a range of strategic options for a bank in relation to environmental and organisation analyses, and propose a bank strategy that supports the bank’s mission, vision, values and objectives</p> <p>5) assess the physical, financial and people resources a bank would require to deliver its preferred strategy and options for acquiring them</p> <p>6) assess the implications of a bank’s strategy in terms of key changes that will be required to its structures, systems and culture, and propose how these could be managed through effective leadership and management of operations.</p>
Delivery methodology:	<p><i>Bank Strategy, Operations and Technology</i> has six units. The learning approach includes:</p> <ul style="list-style-type: none"> • reading and self-study • self-assessment and reflective activities • case studies • online discussion forums • online knowledge checks at the end of each unit • applying learning at work • reviewing and reflecting on current practice • creating a personal development plan to develop the learner’s skills and further enhance their professional practice.
Learning resources:	<p>Learning resources include:</p> <ul style="list-style-type: none"> • an interactive study guide in pdf format • text books and online resources for core reading • recommended further reading and resources.
Assessment:	<p><i>Bank Strategy, Operations and Technology</i> is assessed by a 6,000 word work-based assignment designed to transform theory into practice and ensure a close fit between professional qualification and business</p>

need. Completing the assignment will enable the learner to demonstrate their achievement of the module learning outcomes, as well as their understanding of bank strategy, operations and technology in a digital age and their application of professional values and behaviours. Formative assessment is provided in the form of online objective testing at the end of each unit.

Learning outcomes <i>The learner will be able to:</i>	Assessment criteria <i>The learner can:</i>	Indicative content
<p>LO1: Construct a strategy statement that summarises a bank's mission, vision, values, and objectives, its scope, and how the bank will achieve its objectives in its chosen domain.</p>	<p>1.1 Explain what is meant by strategy and how a bank defines it purpose.</p> <p>1.2 Differentiate between mission, vision and values.</p> <p>1.3 Assess the extent to which a bank's key stakeholders define its purpose and for what reasons.</p> <p>1.4 Identify strategic objectives and key measures of performance that typically apply to banks.</p> <p>1.5 Assess key issues for a bank's strategy according to the <i>Exploring Strategy</i> framework.</p> <p>1.6 Explain the purpose and components of a strategy statement.</p>	<p>Defining strategy</p> <p>Defining purpose:</p> <ul style="list-style-type: none"> • mission • vision • values • objectives <p>Scope and advantage</p> <p>Stakeholders, governance and social responsibility</p> <p>Strategic objectives and performance measures</p> <p>The <i>Exploring Strategy</i> framework</p> <p>Strategy statements</p>
<p>LO2: Analyse a bank's strategic position in the external environment, including both the macro-economic environment and the industry or sector environment,</p>	<p>2.1 Analyse their bank's strategic position in the external macro-economic environment by conducting a PESTEL analysis.</p> <p>2.2 Identify key drivers for change in banking.</p>	<p>Macro-environment analysis:</p> <ul style="list-style-type: none"> • PESTEL analysis • key drivers for change • forecasting and scenario analysis

<p>with a focus on digital innovations that are affecting banks and banking.</p>	<p>2.3 Evaluate the role of environmental forecasting and scenario analysis in analysing the external environment.</p> <p>2.4 Analyse their bank's position in the banking sector environment using Porter's Five Forces framework.</p> <p>2.5 Identify opportunities for and threats to their bank that arise from the external environment.</p> <p>2.6 Assess the extent to which digital innovations are affecting banks and the banking sector.</p>	<p>Industry and sector analysis:</p> <ul style="list-style-type: none"> • Porter's Five Forces framework • complementors and network effects • industry types and dynamics • competitors and markets <p>Identifying opportunities and threats</p> <p>Digital innovations in banking, e.g., cloud computing, big data and analytics, artificial intelligence/machine learning, robotic process automation, distributed ledger/blockchain technology.</p>
<p>LO3: Critically analyse a bank's resources and capabilities, and identify the strengths and weaknesses of the bank and its products and services relative to its competitors, and the extent to which these strengths and weaknesses are capable of dealing with the changes taking place in the external environment and the opportunities and threats arising.</p>	<p>3.1 Explain what is meant by, and the scope of, 'resources and capabilities'.</p> <p>3.2 Examine the ways in which resources and capabilities can be a source of competitive advantage.</p> <p>3.3 Assess the ways in which resources and capabilities can be diagnosed and evaluated.</p> <p>3.4 Conduct a SWOT analysis of their bank.</p> <p>3.5 Assess the extent to which a bank's history and culture influence its strategy.</p>	<p>Foundations of resources and capabilities</p> <p>Resources and capabilities as a source of competitive advantage</p> <p>Analysing resources and capabilities:</p> <ul style="list-style-type: none"> • VRIO analysis • The value chain and value system • Activity systems • Benchmarking

	<p>3.6 Explain the ways in which culture can be analysed.</p>	<ul style="list-style-type: none"> • SWOT <p>The influence of history and culture on strategy.</p> <p>Analysing culture</p>
<p>L04: Evaluate a range of strategic options for a bank in relation to environmental and organisation analyses, and propose a bank strategy that supports the bank’s mission, vision, values and objectives.</p>	<p>4.1 Distinguish between types of strategic options available to banks.</p> <p>4.2 Assess the implications for a bank’s business model that arise from the concept of banks becoming an ecosystem of services.</p> <p>4.3 Examine the impact of digital innovations on a bank’s strategic choices.</p> <p>4.4 Identify alternative strategy options for an established bank whose goal is to transition to an ecosystem model of banking.</p> <p>4.5 Use a range of tools and techniques to evaluate a bank’s strategic options in terms of their suitability, acceptability, and feasibility.</p> <p>4.6 .Explain what elements are typically included in a strategic plan.</p>	<p>Business strategy and models:</p> <ul style="list-style-type: none"> • generic competitive strategies • interactive strategies • business models <p>Corporate strategy and diversification:</p> <ul style="list-style-type: none"> • strategy directions/Ansoff’s matrix • diversification drivers • vertical integration • value creation and the corporate parent • portfolio matrices/BCG matrix <p>International strategy</p> <p>The impact of digital innovations on banks’ strategic choices; fintech’s; open banking and PSD2</p>

		<p>Mergers, acquisitions and alliances</p> <p>Tools and techniques for evaluating strategic options</p> <p>Bank strategic planning process and strategy setting cycle</p> <p>Elements and evaluation of a bank strategic plan</p>
<p>LO5: Assess the physical, financial and people resources a bank would require to deliver its preferred strategy and options for acquiring them.</p>	<p>5.1 Assess the ways in which gaps between current resources and capabilities and those required to deliver a bank’s strategy can be identified and analysed.</p> <p>5.2 Explain the significance of the McKinsey 7-S framework in relation to assessment of resources and strategy implementation.</p> <p>5.3 Assess how resources and capabilities can be developed based on ‘dynamic’ capabilities.</p> <p>5.4 Assess the options for developing internal capability.</p> <p>5.5 Assess the options for acquiring the physical resources and technology required to deliver a bank’s strategy.</p> <p>5.6 Assess the options for financing strategy.</p>	<p>Gap analysis and the McKinsey 7-S framework</p> <p>Dynamic capabilities</p> <p>Internal capability development:</p> <ul style="list-style-type: none"> • encouraging innovation, entrepreneurship and intrapreneurship • learning and development • redeployment • talent management • recruitment and promotion • investing in technology <p>External capability development:</p> <ul style="list-style-type: none"> • outsourcing

		<ul style="list-style-type: none"> • acquisitions • alliances and joint ventures • collaborations with fintech's <p>Financing strategy</p>
<p>LO6: Assess the implications of a bank's strategy in terms of key changes that will be required to its structures, systems and culture, and propose how these could be managed through effective leadership and management of operations.</p>	<p>1.1 Assess the ways in which the organisational context of a bank can affect strategic change.</p> <p>1.2 Identify and assess the value of different levers for change.</p> <p>1.3 Examine the approaches to, and pitfalls of, leading different types of strategic change.</p> <p>1.4 Assess the significance of the psychological impact of change on people and what needs to happen to get them on board.</p> <p>1.5 Examine what is involved in managing bank operations in a digital age and the ways in which managers can create value for the bank.</p> <p>1.6 Explain the ways in which operational efficiencies and effectiveness could be achieved.</p> <p>1.7 Examine the impact of technology on banking operations and working practices.</p>	<p>Leadership and strategic change</p> <p>Diagnosing the change context</p> <p>Types of strategic change</p> <p>Levers for strategic change</p> <p>The psychology of change</p> <p>Bank operating models</p> <p>Operations management in a digital age</p> <p>Structures and systems</p> <p>Value and value creation</p> <p>Operational excellence</p> <p>Lean thinking and continuous improvement</p>

	1.8 Formulate a view on the role of a bank's operations manager in a digital age.	Impact of technology on banking operations and working practices The role of the operations manager in a digital age
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