



Finding talent and speed to transform a credit-card company into a digital native

A successful digital transformation means a lot more than new technology. You need to go all in, for the long haul.

Apart from the adoption of new technology, the digital transformation of a legacy company requires new methodologies, a new value proposition, new skills, and the passion to go “all in.” Miguel Peña, vice chairman of Argentine credit-card issuer Naranja, recently discussed with McKinsey the challenges and successes of his company’s ongoing digital transformation.

A digital-transformation journey that never ends

We serve five million customers, but we realized we weren’t reaching our full potential. We understood that a digital transformation could allow us to reach more people and offer them new services.

Two years ago, we started going all in into our digital transformation. We’ve been developing a digital factory, creating advanced-analytics teams, digital-transformation teams, and digital-marketing teams. The results are really remarkable: we’ve greatly improved many of our customer and financial indicators.

This journey will not end, because it’s not a journey anymore—it’s forever. We will continue our digital transformation. And in the end, we feel that after transforming ourselves from a physical to a digital company, there will be no difference between us and a digital native.

Getting the workforce to adopt agile

Moving people from the traditional way of working to the new way of working is actually very easy. And why is that? Because the new way of working is better than the old way. But first, you need to give your people new skills.

So we put in place a digital academy to give them the basic tools to succeed in agile teams. The on-the-job training was very fast. We now have 300 people in 14 teams working in the agile way. It wasn't so hard. But you have to empower your people. When you change, you don't want to go back.

Finding the 'fast' mind-set

First of all, our competitors, the digital natives, are going so fast that you have to go all in. Half-hearted is not enough. You have to focus not only on methodologies and people but also on the passion to transform your company, and you have to transmit that passion to your associates. That's what we've been doing the past two years or so.

Now, we are moving faster than we ever have before. But the competition and the customers are demanding more. We can do huge things in three to four months now. And in the past, we got very little done in three to four months. That's the pace we are moving at. But we need to go faster.

Achieving dramatic results by embracing agile

For me, digital transformation is not only about technology. It's about a new value proposition for

customers and a new way of doing things. If you combine these three things—technology, value proposition for the customer, and a new way of doing things—you will go all in, and you will have big results.

The way we do things now is really different from the way we did things in the past. In the past, it took us a year to produce one release. Now, we are already seeing results in two or three months, with lower costs.

Technology also helps you to do things less expensively, and if you use sophisticated technology at scale, things that once took years may take only weeks. But you need the right skills and the right people. You also need to decide which technology will help you to embrace a new way of doing things.

One of the initiatives that we are pursuing is creating new digital financial services. To do it, we needed a new core banking system. The old system took three to four years to install. But thanks to new technology, it took us only six months to put together a new core banking system that's fully cloud enabled. That's what speed means. If you don't use the technology, and the opportunities it gives you, you cannot compete in the digital world. ♦

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