

# Redefined for the future: Unlocking digital potential today

How a collaborative approach  
accelerated Bank Rakyat's  
digital transformation journey



Shape the future  
with confidence



Your Bank of Choice

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# Foreword

In an era where digital maturity defines competitiveness, banks face a pressing challenge - how to accelerate transformation while ensuring their teams are equipped to sustain it. According to EY's Human@Center research, organizations that put humans at the center of their transformation efforts can increase the probability of transformation success to more than 70%.

Bank Rakyat (BR), Malaysia's leading Islamic cooperative bank, embraced this very challenge and recognized the need for digital transformation, starting from the internal upskilling and embedding new ways of working. And this is where our partnership began.

Ernst & Young Consulting Sdn. Bhd. (EY Malaysia) collaborated with BR through a **Digital Augmented Resources** model, blending service delivery with deliberate upskilling. Together, we drove successful delivery of key digital initiatives under the Digital Transformation focus area. Forty bank employees were upskilled with technical skills and the Agile method to scale these solutions. The results speak for themselves - faster project delivery with an overall 64% digital competency growth. Our embedded, co-creation approach laid the groundwork for lasting transformation.

The journey ahead is full of potential. As BR scales its digital ambitions, we hope this collaboration serves as a replicable model for other institutions navigating similar challenges. True success lies not just in today's outcomes, but in empowering organizations to shape their own future. This report showcases how we helped turn that vision into reality.



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# EXECUTIVE SUMMARY

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The financial sector is undergoing rapid digital disruption, compelling institutions to evolve in response to shifting technologies and customer expectations. For BR, this marked a pivotal moment to strengthen its position in a competitive, tech-driven landscape. BR's 18-month partnership with EY unfolded across three structured phases, seamlessly combining project execution with continuous capability development. Unlike traditional end-to-end delivery by consultants, this approach embedded learning into each project stage, empowering BR's team to build new skills while actively contributing to tangible outcomes.

With over seven decades of history, BR had established itself as a pillar of Malaysia's financial community, serving millions of members through its unique cooperative model.

Known for supporting entrepreneurs, small businesses and local economic growth, the bank had delivered trust through personalized service and community-oriented values.

As digital adoption accelerated industry-wide, BR recognized that tradition needed to be paired with transformation.

To accelerate this, BR identified three specific business goals of **Grow, Sustain and Accelerate** to upskill its resources and secure its position as a reference model and leader in Shariah-compliant financial services.

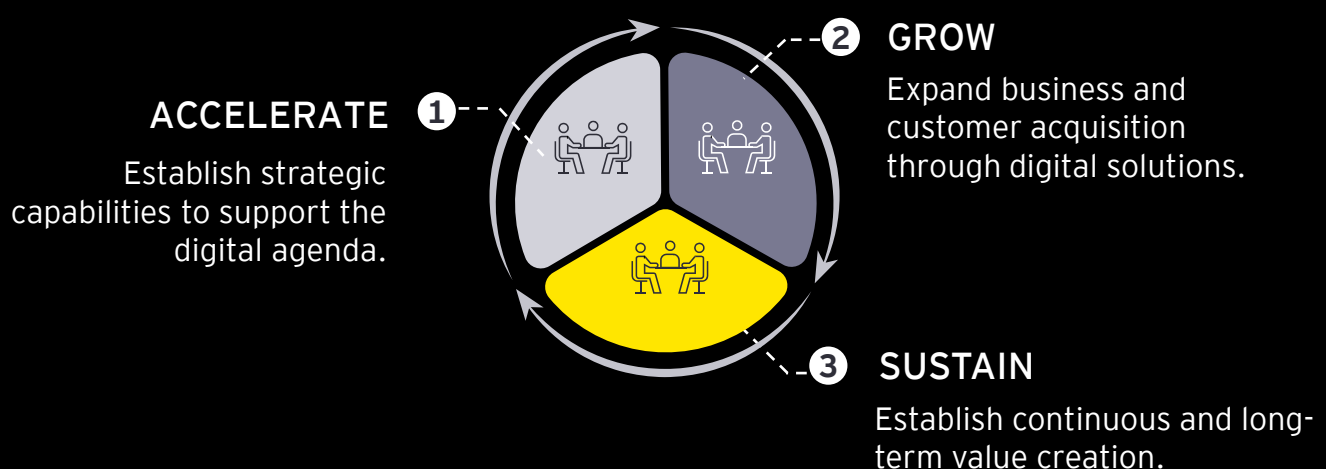
To achieve these goals, BR partnered with EY in Malaysia to drive digital transformation through a **Digital Augmented Resources (DAR)** model.

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We're blending our cooperative foundation with tomorrow's digital capabilities to create something truly unique in Malaysian banking.

This collaboration went beyond delivery and implementation; co-creating solutions, upskilling teams and building lasting capabilities. The result - faster innovation, better customer experience, and a road map for incumbent banks embracing digital transformation.

BR25 Digital Strategy focused on three business goals:





## Choosing the right partnership model

Amid a digital shift, BR collaborated with EY Malaysia to future-proof its transformation. Augmented resource model allows a fast-track to achieving the goal - to drive immediate impact while building long-term digital capabilities. Together, they deployed a DAR model, embedding EY subject matter resources, upskilling the BR digital team through peer mentoring through the 4Es Framework (Engage, Educate, Empower, Enable).

This partnership model is agile, cost-effective and able to tailored its support to meet project demands.

DAR model involved real collaboration, facilitating knowledge transfer at every step. Initiatives include:

### Formal training

Instructor-led workshops, online courses and industry certificates

### Experiential learning

On-the-job training, mentorship programs and pilot projects

### Knowledge sharing platforms

Internal wikis, subject matter resources (SMR) sharing sessions and Agile communities of practice

### EY wavespace™ session

Workshop session at EY wavespace to explore artificial intelligence (AI) capabilities and use cases



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Together, we plan, measure and drive our digital aspirations, through hands-on technical guidance, training and upskilling, as well as implementing Agile as new ways of working at Bank Rakyat.

# THE CHALLENGE

## OVERCOMING DIGITAL MATURITY GAPS

Before the engagement, BR identified key strategic gaps to address in advancing its digital transformation:

### Digital competencies and Agile expertise

One of the key challenges was the gap in digital competencies and Agile capabilities. While BR's teams were strong in specific domains and practices, many were less familiar with Agile methodologies, highlighting a clear opportunity to adopt more adaptive, collaborative ways of working.

There were significant opportunities to enhance technical capabilities in critical areas such as application programming interface (API) integration, open banking solutions and data analytics for deeper customer insights.

These gaps presented a strategic focus to upskill talent and lay a stronger foundation for digital transformation.

### Evolving technology core

BR's existing technology landscape presents a significant opportunity to enhance for digital-first operations. While established systems have served the bank well, the key focus will be on seamless integration of modern solutions, such as integrated customer platform and digital onboarding tools.

In addition, long-standing workflows can be modernized to foster greater agility and innovation, by evolving from traditional planning cycles to rapid experimentation and iterative product development - key drivers of digital innovation.





### Embracing new ways of working

Another opportunity lies in evolving the organizational culture to fully embrace agile and collaborative work practices. Fostering a mindset that values transparency, speed, and empowered decision-making will be essential, while transitioning from siloed operations to more integrated ways of working can unlock significant efficiencies. Likewise, streamlining manual processes across the front and back office will better position the bank to deliver seamless and responsive digital experiences for customers.

### Strengthening regulatory excellence through innovation

Evolving regulatory expectations present a strategic imperative for BR to reinforce its position as a trusted, compliant, and forward-thinking institution, especially as it navigates its unique dual role as a cooperative Islamic financial institution and a leading development finance institution (DFI). The increasing scrutiny around robust customer identity verification requires BR to strengthen its regulatory technology adoption through tools and automation.

Through the DAR model, embedded EY resources worked alongside BR's internal teams, enabling hands-on upskilling in strategic digital and Agile capabilities. This approach helped close critical skill gaps and empowered the bank to accelerate its digital transformation with greater speed and confidence.

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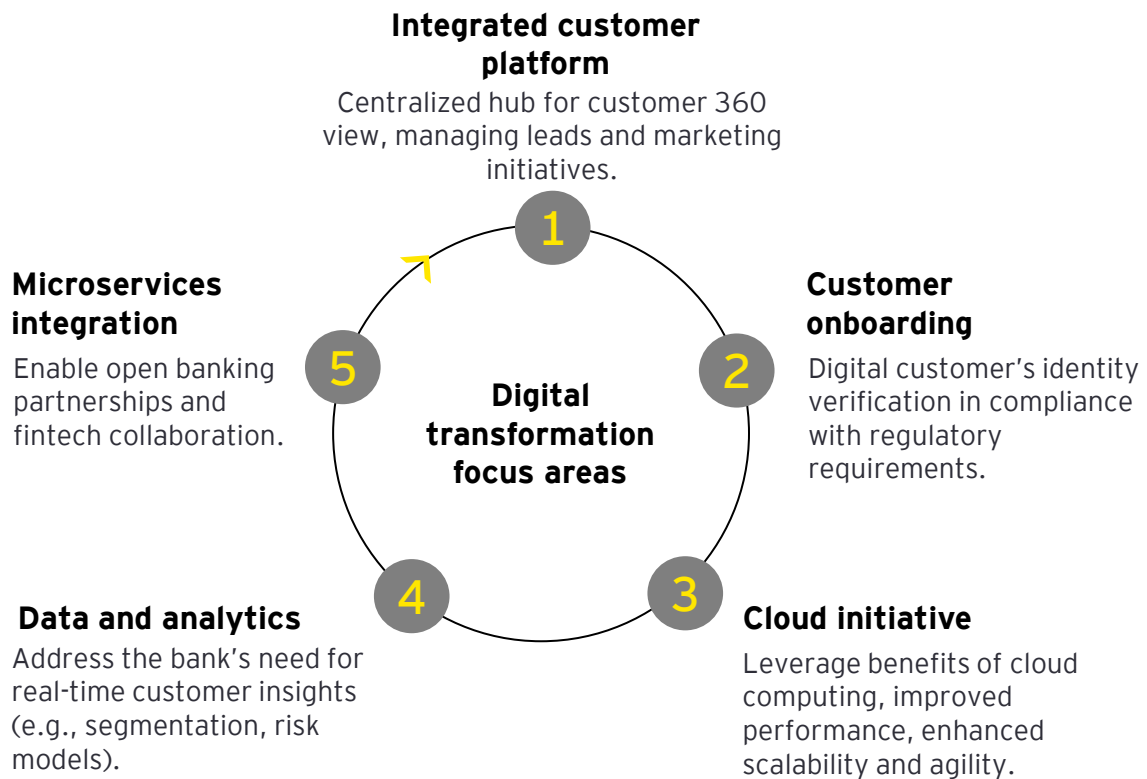
Our vision was to blend Shariah-compliant banking with cutting-edge digital innovation. We needed a partner who could deliver outcomes while future-proofing our workforce.





## Aligning the DAR program to meet BR's business needs and objectives

The DAR program provided focus areas for digital transformation and upskilling for BR's digital resources. To achieve the bank's business goals, five strategic initiatives were prioritized based on customer impact, feasibility and alignment with the BR Digital Strategy.



## Key pillars of the DAR program

### Outcome-oriented collaboration

EY teams worked directly alongside BR's teams so that solutions were implemented effectively while transferring critical knowledge. This hands-on partnership created shared accountability for results.

### Upskilling as a core deliverable

The model prioritized peer mentoring and on-the-job training to upskill more than 50 digital team resources. This provided long-term self-sufficiency.

### Agility and cost efficiency

Augmented resources provided flexible scaling of expertise (e.g., business analysts, data modelers) aligned to project phases, avoiding the rigidity of fixed outsourcing contracts or the high costs of pure end-to-end delivery and implementation.

### Risk mitigation

Shared key performance indicators (KPIs) and governance (e.g., joint Digital Transformation Office) facilitated alignment with bank's goals, reducing dependency on external vendors post-engagement.

# THE APPROACH

## A PHASED, UPSKILLING-DRIVEN ENGAGEMENT

BR's 18-month partnership with EY Malaysia was structured into three phases, blending project delivery with progressive capability transfer.

This integration went beyond conventional training programs by tailoring learning to every project phase, allowing the bank's team to acquire new competencies while contributing to real deliverables.

Upskilling was continuous but intensified at key milestones.

### Pre-project (2 months)

Baseline assessments established competency gaps

### DAR period (18 months)

- **Initiative kickoff:** Classroom trainings across all competencies.
- **Pre-go-live:** Role-specific drills for change management simulations and war room and command center setup.
- **Post-go-live:** Hypercare and post-implementation review.
- **Quarterly:** Competency assessments to track progress (Q1 2025 scores showed 80% in Advocacy level from Phase - 0).

### Post-engagement (6 months)

Six-month advisory support to sustain capabilities.



## Deploying the 4E framework

The partnership engaged EY's proprietary 4Es Framework, namely Engage, Educate, Empower and Enable, as a structured methodology for progressive capability transfer.

This framework allowed for knowledge acquisition to progress systematically, from awareness building to full application, with clearly defined milestones for each transition phase.

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For ensure real accountability and real results, EY's augmented resources shared ownership of outcomes.



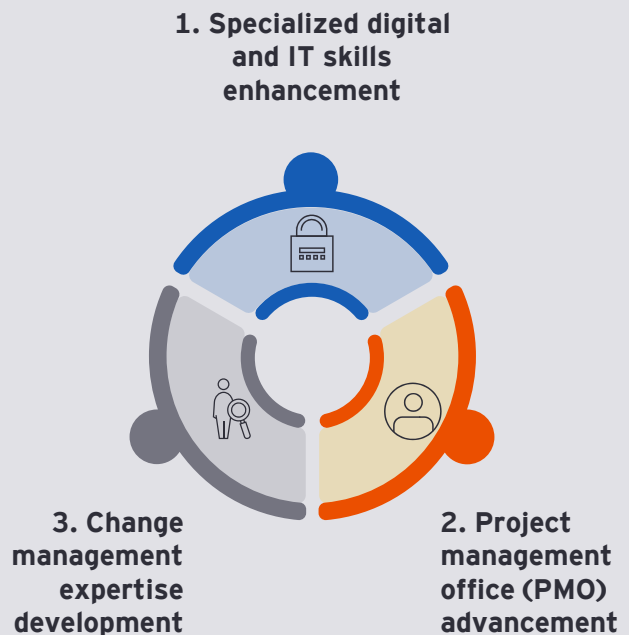
Focus	Discovery and setup	Delivery kickoff and foundational upskilling	Scale delivery and advanced capability transfer	Autonomy and sustainability
Key activities	<ul style="list-style-type: none"> <li>Conducted gaps assessments for skills.</li> <li>Co-designed governance (Digital Transformation Office) and resource ramp-up plan.</li> </ul>	<ul style="list-style-type: none"> <li>Deployed EY experts (11 roles) to lead priority initiatives.</li> <li>Launched peer mentoring for BR teams via hands-on collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>BR staff co-owned deliverables.</li> <li>Agile "squad" model fostered cross-functional teamwork.</li> </ul>	<ul style="list-style-type: none"> <li>Formal knowledge transfer (KT) sessions and certifications (e.g., EY Certified Agile Practitioner).</li> <li>BR teams independently drove 80% of sprint deliverables.</li> </ul>

**Governance:** A joint **Digital Transformation Office** tracked progress through shared KPIs, such as initiative milestones and biweekly leadership reviews. Quarterly digital competency assessments were conducted from October 2023 to March 2025 to quantify the skill grades for digital staff based on their project roles and specific competencies.

## How were the 40 digital staff upskilled?

The strategic upskilling of the bank's selected digital professionals, PMO and IT was an initiative designed to future-proof their capabilities, drive efficiency, expand their digital service offerings and ultimately enhance customer satisfaction.

Using a comprehensive approach, EY experts tailored a multi-faceted strategy to the diverse roles within these key departments.



### 1

#### Specialized digital and IT skills enhancement

We implemented targeted training programs focusing on cutting-edge digital technologies relevant to the banking sector.

#### Cloud computing and infrastructure

- ▶ Training on cloud platforms (e.g., AWS, Azure, GCP), covering architecture, security.
- ▶ Development strategies to enhance scalability and agility.

#### Agile and DevOps Methodologies

- ▶ Extensive training and coaching in agile frameworks (Scrum, Kanban).
- ▶ DevOps practices and continuous integration/delivery (CI/CD) pipelines to accelerate software development and improve collaboration.
- ▶ This particular program culminated with the participants being EY certified in the topic of Scrum Implementation post an assessment exam.

#### API development and integration

- ▶ Workshops focused on designing, building and managing APIs.
- ▶ To facilitate seamless integration of internal and external systems, enabling new service offerings and partnerships, including the use of API sandboxes.



## 2

### **Project management office (PMO) advancement**

To elevate our project delivery capabilities, the PMO staff underwent specialized training in:

#### **Portfolio and program management**

- ▶ Training on strategic alignment of projects, resource allocation, risk management across multiple initiatives and benefit realization.

#### **Advanced project management methodologies**

- ▶ Deep dives into various PM methodologies (e.g., Waterfall, Agile, Hybrid) and best practices for planning, execution, monitoring and controlling complex banking projects.

#### **PMO tools and technologies**

- ▶ Upskilling on project management software, collaboration platforms and reporting tools to enhance efficiency and transparency.

## 3

### **Change management expertise development**

Recognizing the critical role of change management in successful digital transformation, the program focused on:

#### **Change management frameworks and methodologies**

- ▶ Training on established frameworks and practical application in the banking context.

#### **Stakeholder engagement and communication**

- ▶ Workshops on effective communication strategies, stakeholder analysis and building buy-in for organizational changes.

#### **Resistance management and adopting strategies**

- ▶ Training on identifying and addressing resistance to change and implementing strategies to encourage smooth adoption of new processes and technologies.

## Customizing training paths for different roles

The upskilling initiative incorporated highly customized training paths meticulously designed for the distinct roles.

This personalized approach was directly driven by our quarterly competency assessments.

### Quarterly competency assessments

We conducted comprehensive competency assessments every quarter, evaluating each individual against the specific framework relevant to their roles. This provided a dynamic and up-to-date understanding of their strengths and areas for development.

### Data-driven training needs identification

The results of these assessments were the cornerstone of our training strategy. By analyzing the individual and team-wide scores across different competencies and sub-competencies, we could pinpoint specific skill gaps and training needs with precision.

### Tailored training topics and material development

Based directly on the identified needs from the competency assessments, we curated and developed training topics and materials that were directly relevant to improving those specific skills.

### Flexible learning formats

Recognizing different learning styles and time constraints, the customized paths often incorporated a blend of learning formats, including online modules, instructor-led workshops, mentorship and access to relevant external resources.





# THE OUTCOME

## DELIVERING STRATEGIC DIGITAL SOLUTIONS

The collaboration's tangible outputs materialized through strategic digital initiatives selected for their customer impact, technical feasibility and alignment with BR's Digital Transformation objectives.

**The microservices integration hub** emerged as a cornerstone initiative, designed to position BR for open banking partnerships and fintech collaboration.

This comprehensive integration platform included a developer sandbox environment that enabled secured testing of API services, significantly reducing the timeline for third-party integration projects.

The hub's architecture supported 10 core banking applications along with specialized connections for internet banking platform and content management systems, creating an extensible foundation for future digital ecosystem expansion.

**Cloud initiatives** constituted another pivotal effort, transitioning critical workloads from legacy infrastructure to scalable cloud environments.

This transformation addressed longstanding limitations in system availability and elasticity while modernizing the bank's technical foundation for digital innovation.

The migration followed a phased approach that prioritized non-core systems before progressing to customer-facing applications, allowing BR's team to build cloud management competencies progressively.

Security and compliance considerations received particular emphasis throughout the process, with specialized training sessions conducted in collaboration with Bank Negara Malaysia to facilitate adherence to regulatory requirements for financial data management in cloud environments.



**Digital customer onboarding** initiative revolutionized product application. Initially implemented for personal financing products, the system eliminated manual document verification bottlenecks while enhancing compliance through automated validation checks.

The solution's success prompted expansion to cloud-based deployment which had further improved accessibility and processing speeds.

This initiative directly supported BR's growth objectives by reducing customer acquisition friction and enabling seamless onboarding across digital channels.

**Integrated customer platform** unified previously fragmented customer interactions into a comprehensive 360-degree view.

The phased implementation commenced with sales module deployment, equipping relationship managers with tools for lead tracking and conversion analytics. Subsequent releases introduced customer profile consolidation, eliminating channel-specific data silos between branches, mobile platforms and call centers.

The ongoing campaign management module, targeted for June 2025 completion, would complete the vision by enabling personalized, data-driven marketing initiatives at scale.

Together, these integrated platform enhancements transformed BR's customer engagement paradigm from transaction-focused to relationship-based, aligning with contemporary retail banking best practices.

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By getting digital right today, future generations will inherit both our values and our relevance.

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**97.5%**

of participants successfully upskilled to “Independent” and “Advocate” levels.

**52**

EY Certified Agile Practitioner certifications.

**125**

hours of training and upskilling sessions for staff across digital and IT departments.

**39,000**

leads generated, improving efficiency and customer engagement.

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As we look ahead,  
this digital maturity  
will be a compass  
guiding us to sustain  
digital capabilities  
and transformations  
for generations to  
come.

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