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Technology Failure

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Technology Failure

First Atlantic bank in Nigeria was seeking a competitive advantage and resolved to adopt technological innovation. The technology was meant to enable First Atlantic Bank to evade spending in a broad branch network as a condition for matching the competitive advantage of its rivals. This paper aims to analyze the technological failure at First Atlantic Bank in Nigeria, what went wrong, and what could have been done to avoid the failure.

The selection of the technological structure was straight, with scaling in size and functionality the crucial determinants that led the bank to purchase and install the information system called Finacle from Infosys. First Atlantic Bank was ambitious in its selection of this technology. First, the bank purchased a whole set of services, comprising an internet banking platform. In addition to that, the bank came up with a six-month strategy to go live. However, the hurry would cost the bank time to analyze the risks of adopting technology in banking operations properly. Again, the limited timeline also affected the bank's change management process. First Atlantic Bank was convinced that it would gain a competitive edge by offering internet banking services to its customer base.

Moreover, before and after the product was launched, market data indicated that its uptake was low to make it a source of revenue for the bank. According to Tidd & Bessant (2020), one of the critical factors for project success is the management's input and good project management and adopting a hybrid approach when integrating legacy technologies and the new technologies introduced. The key issue with First Atlantic Bank was that it lacked an appropriate return on investment for its e-commerce adoption. This problem manifested because the new technological infrastructure did not properly marry with the legacy technologies at the bank. Therefore, there was no other pathway to adopt when the decision failed to produce tangible outcomes. Besides, Derakhshan et al. (2019) suggest that poorly executed projects, where stakeholders not part of the process at the inception and the implementation stages, are bound to fail. The important stakeholders in this project included the employees and the clients, who later participated in the project as end-users of the new internet banking platform.

First Atlantic bank could have avoided the technological failure by adopting strategies that suited the business instead of being intimidated by rivals. For instance, the Finacle technology looked promising but was not appropriate for the bank because it did not offer sufficient value. Additionally, the most important factor in technological adoption is the stakeholders involved in every stage of the project. The banks failed in this aspect.

Also, the bank failed to have its internet banking platform as a facilitator of agent banking. The bank should have created service kiosks instead of rolling out a full branch network. These service kiosks can have bank employees offer traditional banking services via the internet banking platform to many customers who cannot access internet services. However, the bank failed in this strategy. In addition to that, the bank could have contracted a third-party service provider to handle the end-user market adoption of the technological infrastructure for First Atlantic Bank to avoid the outright financial expenditures on the project.

In conclusion, deployment of the Finacle technology at First Atlantic Bank failed because the management did not prioritize the project ownership and the return on investment. The failure to involve the end-users in the initial stages of the project proved to be disastrous for the business. The bank's misfortunes could have been avoided by involving the project's end-user in every stage of the project.

References

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