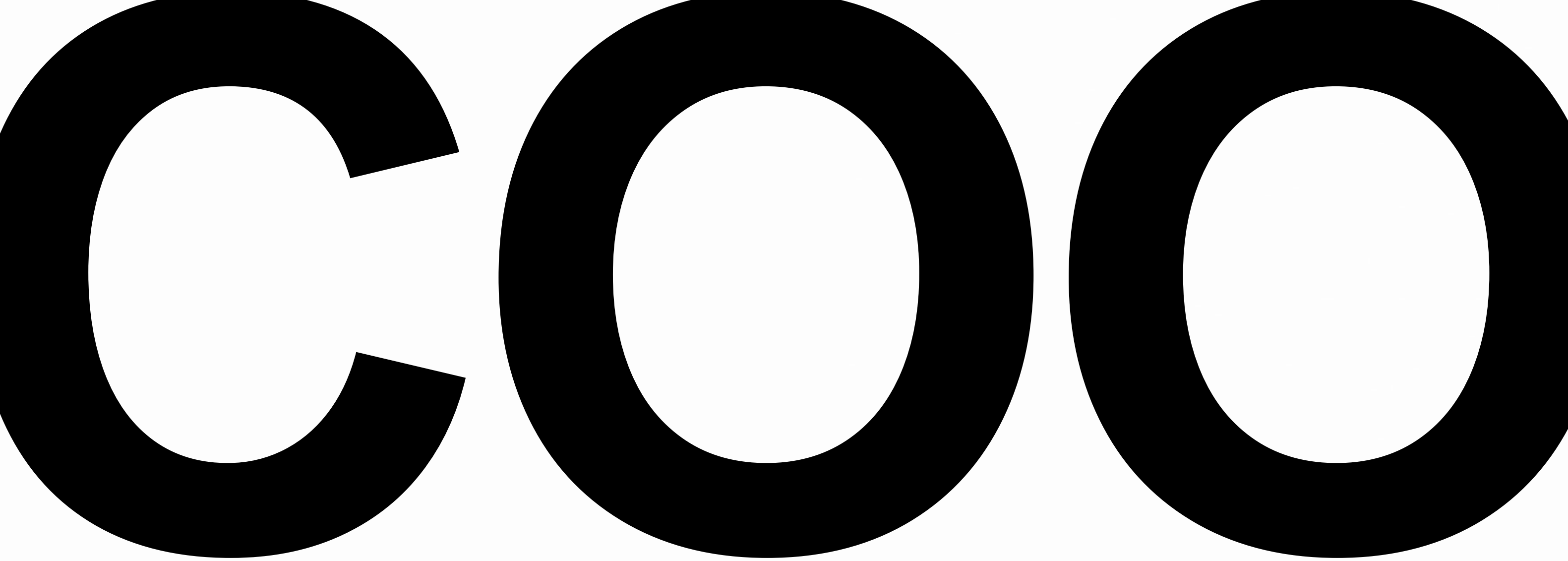

MAGAZINE Q2 **2021**

Evolving perspectives amidst the pandemic

by Maurice Evlyn-Bufton, CEO of Armstrong Wolfe

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EXCLUSIVE INTERVIEW

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An interview with Ronald Taylor, Head of Diversity and Inclusion, Mizuho Americas

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Purpose over profit - How can we have both?

by Patrick Butler, Managing Partner, Armstrong Wolfe Institute

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JUN 2021 ISSUE #5

ARMSTRONG WOLFE

Contents

Foreword 3
by Maurice Evlyn-Bufton, CEO of Armstrong Wolfe

Markets COO structural change 4-5
by Maurice Evlyn-Bufton, CEO of Armstrong Wolfe

Purpose over profit - How can we have both? 6-8
by Patrick Butler, Managing Partner, Armstrong Wolfe Institute

So, how do we 'do' purpose? 10-11
by Holly Milne, Client Director and Holly Starkey, Head of Global Sales, Kin&Co

Why Online Due Diligence Could Be The Key To Maintaining Company Culture 12-14
by David Lean, Chair, AFODD, Neotas

Publications 15

Evolving perspectives amidst the pandemic 16
by Maurice Evlyn-Bufton, CEO of Armstrong Wolfe

The fight against financial crime – and the unforeseen consequences of regulation 17-18
by Federica Taccogna, Senior Managing Director (Partner), FTI Consulting

Investment banks need to partner if they want to survive and grow 19-23
by Pierre Pourquery, Head of Capital Markets UK and Emanuel Vila, UK Capital Markets Consultant, EY UK

Can't squeeze operating costs any tighter? Time to think the unthinkable 24-25
by Matthew Hargreaves, global industry lead, Capital Markets solutions and Hugh Richards, ecosystem strategy, Banking and Capital Markets solutions, DXC Luxoft

The science behind workplace optimisation 26-28
by Raj Krishnamurthy, CEO, Freespace

WCOOC - Inspiring women and underrepresented groups in financial services 30-31

In the Spotlight: **An interview with Vanessa Eastham Fisk, full time Independent Non-Executive and Board Advisor** 32-35

In the Spotlight: **An interview with Ronald Taylor, Head of Diversity and Inclusion, Mizuho Americas** 36-37

In the Spotlight: **An interview with Laura Ahto, Non-Executive Director and Advisor** 38-40

WCOOC - Why traditional diversity strategies are failing 41-42

How wealth and asset managers can leverage ecosystems to catalyze growth 43-45
EY USA

iCOOC Schedule of events 46-47

Profiling the Global COO, Markets 49

Armstrong Wolfe Partners 50

iCOOC Membership 51

Welcome

to the June 2021 issue of the COO Magazine

Foreword

by Maurice Evlyn-Bufton, CEO of Armstrong Wolfe

The efforts of the COO community in managing and leading their businesses through the protracted period of disruption and dislocation born from the pandemic are obvious to us in our role in providing a platform to promote COO cross-industry dialogue.

The parallel effort to continue to run the business in its present dislocated state (where regional and locational nuances add to its complexity), whilst working on the design and pending execution of taking the business into a post-pandemic workforce operating model, have been the mainstay and our focus in the last quarter and the COO roundtable discussions we have held and moderated.

There is a new dawn of opportunity being presented to the leadership of today, and it is to find where to land within the bookends of 'all back to work, no change, no lessons learnt' to the other end where 'full optionality on working preferences' is the internal and external point of debate dominating most agendas.

Regardless of where your company may land, tooling and training staff to be effective in the new paradigm is a priority. With the added responsibility and enhanced level of scrutiny being attached to mental health and wellbeing of staff, this makes human capital facets the main concern in short-term policy-making. How this is handled, along where within the bookends you land, will influence and define your ability to retain your staff and hire the best people.

Within the last 15 months the role of leadership and more so, empathic leadership has proven to be a deep-rooted necessity to be able to drive productivity whilst retaining morale. More than any other time leadership is being demanded and assessed at every move and communication. Conversely the pandemic has given the opportunity for corporate leadership to shine and leaders to prove themselves. Where the tough times we are experiencing will pass, the memories of those that proved themselves to be tough and lead effectively will not pass or be forgotten.

The pandemic has shown the importance of leadership at all levels. The need to embrace and encourage empowerment, and train staff in how to manage the decision-making process, will inevitably help to build confidence and foster good judgment. Those that do not understand this or pay lip service to it are arguably missing or ignoring one of the key lessons to be learnt from the pandemic. The past year has highlighted this need and the fact that very little training in leadership, and almost none at the more junior levels, was delivered beforehand must be addressed.

It remains the question how much of the opportunity being presented will materialise into meaningful change at company and industry level. Indeed the industry challenge will be to ensure it takes itself forward and embraces change and in doing so is able to bring the best people into the industry and retain them to play their part.

At the centre of this effort is the COO, where this community has a key role to play in shaping the industry of tomorrow.

Markets COO structural change

2021 Anticipated post pandemic challenges need a more outward and forward-looking COO to lead the industry into a new paradigm.

by Maurice Evlyn-Bufton, CEO of Armstrong Wolfe

Influences Shaping the Organisational Design and Mandate of the Markets COO

The visibility and influence of the COO has changed significantly due to its central, coordinating role in meeting the challenges presented by the pandemic. COVID, however, has been the catalyst for this accelerated change in authority, as opposed to the sole reason for it.

From the day that lockdown was announced in various countries and jurisdictions, COOs at global and regional level have been under pressure to lead their organisations into unchartered territory. 11 months later, few foresaw this journey would still be seeking its end and that overwhelmingly the workforce would still be WFH.

Within this period COOs initially focused their efforts on meeting the challenges of the day and taking the business into next week in good order. In Q1 2021 we have entered a period of business as unusual, with the COO managing the day-to-day operations and continuing to meet its challenges, which are increasingly focused on staff and employee wellbeing, productivity, and effectiveness. Alongside this the future state is of equal importance and, prompted by this imperative, many companies are reviewing the role, alignment and purpose of the COO's office (inc. business management).

In doing so, some are reshaping the competencies required to be the COO and to be able to take the business into a new paradigm, moving its focus from being internal to forward looking and external.

Since 2008 the COO has struggled to extricate itself from the past, being charged to manage the business of the day, whilst looking over their shoulder to the past. Tasked by their executive leadership and by the regulators to ensure previous failings do not repeat themselves, the regulatory agenda since 2008 has been the overriding focus and commitment of time and resources for the COO. In 2021, however, there appears an industry wide tilt to empower the COO to look to the future, to embrace technologies and disruption, to meet the challenges of managing a distributed workforce and to take the industry into a new paradigm. To do

Back to contents

this, the COO today will need commercial competencies and experience, the support of the CEO, and funding to manage this change and meet expectations.

It is perhaps a little surprising that a small handful of COOs are still under pressure to review and reduce headcount amidst this sea of change. In some cases, there appears little regard for how reductions will impact the capacity of the COO to execute the broad spectrum of responsibilities carried by the office. In such limited cases it suggests the role of the COO is not supported or understood by the executive, who fails to realise the value an empowered COO acting with the authority and support of the CEO (or Head of Markets) can bring.

The COO's role has historically changed with the ebb of the tide, adapting to meet the challenges of the day. This time there is hope its influence and its positioning will be better understood, funded and supported to enable the role to maximise its impact.

Any review should lead to a moment of reflection and a redefining of purpose. This should lead to a reallocation of responsibilities to other functions, streamlining the responsibilities of the COO's team, and moving tasks into group or the infrastructure. The COO would move from being responsible for some operational tasks to the client in receipt of them.

With a change in mandate and in purpose there will almost certainly be a need to upgrade staff within business management to ensure it has the depth of experience and content (risk, technology, and project management skills) to add value to the business effort. Either way, the present COO's mandate is inevitably going to change as an impact of the pandemic. The pandemic has been the catalyst to accelerate a natural evolution of the COO function, giving rise to unforeseen challenges. In this context change is needed if the COO is going tackle the challenges ahead.community in 2021. There will of course be time allocated to innovation, to business horizon scanning and the future, but the COO's book of work will remain steadfastly committed and anchored to these two objectives.

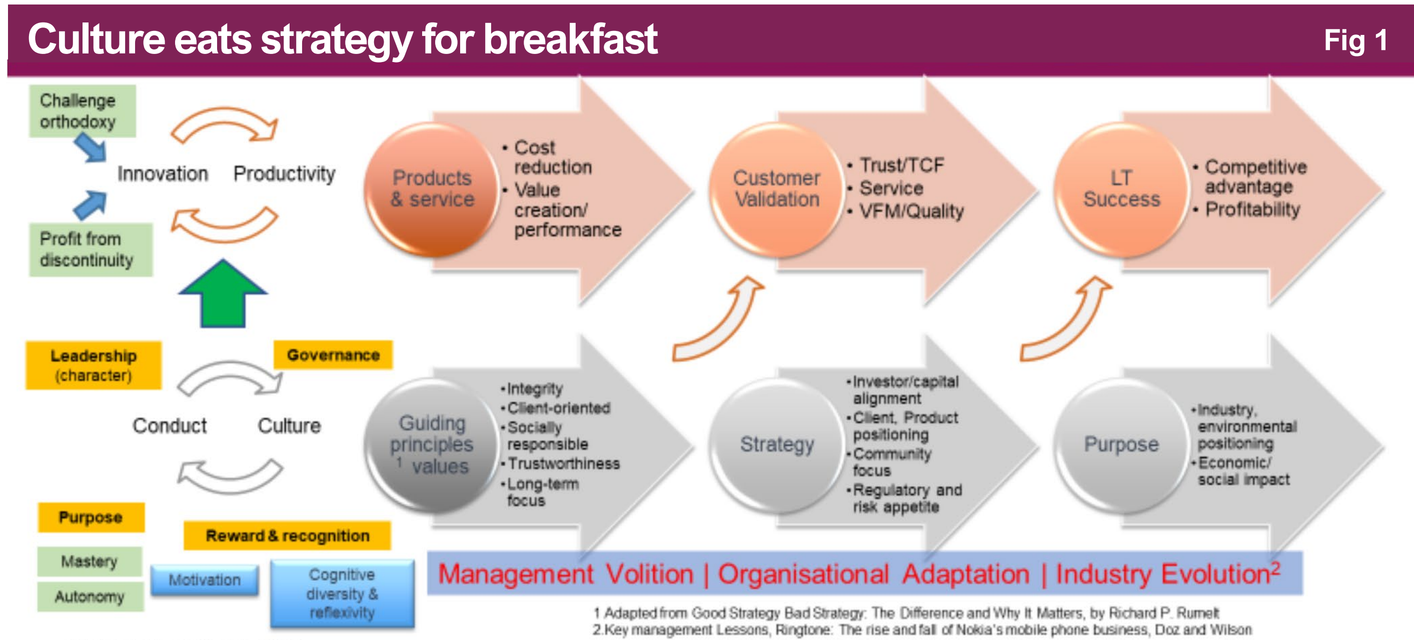
Read full Markets COO Structural Change article here

Purpose over profit - How can we have both?

by Patrick Butler, Managing Partner, Armstrong Wolfe Institute

Purpose-driven companies witness higher market share gains and grow three times faster on average than their competitors, all while achieving higher workforce and customer satisfaction.

At the AW Conduct and Culture summit in April, the discussions demonstrated how important it is for banking to get Purpose right, notwithstanding the regulatory imperative. In the session on Crystallising Value, the links between Culture, Strategy, Purpose and long-term value are logical and clear (Fig 1). This illustrates the assertion by Peter Drucker that Culture eats strategy for breakfast – the Strategy will not work without the performance of the company – the company is the people – the people deliver well or poorly through their behaviour. In its simplest form, Conduct refers to the behaviour of staff at every level. This behaviour both shapes the Culture of the firm and is in turn influenced by the culture.



[1] "Purpose is everything", Deloitte Insights September 2019

Back to contents

Motivation 3.0

A greater understanding of human motivation will allow managers to read the signs of disengagement and enable them to align personal purpose with those of the firm: Behaviour is influenced by both Intrinsic and extrinsic motivators. Intrinsic motivators are considered, by Daniel Pink to include Purpose, Autonomy and Mastery and are the most potent form of motivation in complex and creative industries. These can be heavily influenced by the extent to which individuals feel valued or threatened and can be undermined by poorly implemented Extrinsic Motivators (Pay and Punishment) – for which read "carrot and stick", the traditional tools of banking, but which have lost currency in many of the more innovative industries.

Throughout the summit took different angles to explore what this means for the COOs and how they can in fact get to grips with managing Conduct to enhance their contribution to the success of the firm, through the levers the COO has it her or his disposal. At the heart it became clear that understanding the drivers of conduct, motivation and decision making, then building ways to measure and so manage these at all levels is key to bringing performance in line with the Purpose and aspirations of the firm.

How we identify and manage the drivers of behaviour seems to be a nebulous challenge, but if we start to break it down into its constituent parts, we can identify a framework that has a greater impact on performance. One that does not throw out existing approaches entirely but refocuses them. Through a more critical analysis of what is important to deliver client success, and a fresh view on some of the tools that will allow firms to measure these, we can take great strides towards a more coherent, effective and efficient approach that will offer substantial returns on investment: 25-40% pa in one case study presented at the summit.

As the UK Conduct regulator brings on to its senior management team a fresh approach a notable element is the appointment of Jessica Rusu, further enhancing its leadership (at least in regulatory and public service arena) in Data and Intelligence development and use. This reflects the growth in new technologies that enable firms to measure behaviour.

At the summit we had several discussions on the opportunities and challenges in this area, given data as a reporting and Management Information tool is a critical part of the COO's toolkit. The extent to which COOs can leverage the technological and conceptual advances to drive the right behaviours, could enable them to build substantial value and mitigate risk more effectively, while building operational resilience. This will become more crucial as Regulators shift their sights on the COO as the real pivot for measuring and managing Culture in Banking. This has already become apparent as we take the Three Lines of Defence analysis we did earlier in the year in partnership with FTI consulting to a roundtable later in the year with the Financial Conduct Authority.

With this in mind and in response to the theme of the discussions at the Summit and in multiple webinars over the year, Armstrong Wolfe has identified some core areas against which the growing Advisory practice is targeting its attention. As we develop solutions, we will continue to discuss and share how these work through the community network.

One advantage of the Armstrong Wolfe community is that we have access to a number of talented, skilled Business Advisers from the Operating and Control universe who can support any Advisory project as Subject Matter Experts.

Conduct and Culture as an integrated driver for Performance in uncertain times

Following the Workforce Planning survey, Armstrong Wolfe is building a focus to the challenges faced

by firms as they develop solutions for a return to the office as the Covid-19 pandemic becomes better understood and better controlled.

This partnership combines the Advisory and Learning legs of the Institute with the Technology Practice which brings selected partnership firms that provide some of the tools recommended by members. Key to all this is bring the latest behavioural management models and frameworks to bear with new tools available to enable COOs

The goal is to bring an integrated, holistic approach to solve the specific challenges of each member such as those raised by discussions on Operational Resilience and Return to the Office.

By leveraging established methods for critical decision-making techniques, leadership and management coaching, conduct frameworks, based on evolving examples from industry, together with work-space management tools and techniques, we help shape and articulate the options available to iCOOC members to build effective programmes and solutions for changing working environment.

We are approaching the issue by starting to break down its component parts on the basis that:

a. The prolonged working from home has changed working dynamic, practices and relationships.

b. Many firms expect to implement a hybrid model you expect which will throw up as yet undetermined challenges of supervision and management, especially with split teams.

Key elements:

a. Performance optimisation, management of dispersed teams and collaboration – including performance metrics and new measures to foster autonomous working, while maintaining the critical human connections that support purpose-oriented focus and avoid the isolation that split working can cause. E.g. solutions to reintroduce the human touch that is often key to problem solving, responsiveness and resilience.

b. Remote monitoring and supervision to manage conduct risk and ensure welfare and contribution is optimised – this will require behavioural approaches: (leadership, welfare monitoring, self-management, example setting, critical decision making, understanding and aligning personal interests with those of the firm, regulator and clients)

c. Space management to ensure suitable allocation of open or flexible seating, avoiding where possible the pitfalls of personal preferences and embedded behaviours, while enabling effective control functions and fostering collaboration to and operational resilience.

As we build out the framework some of the concepts that were discussed at the Summit will come into sharp focus, such as the ability to measure behaviour, in order to reward the positive and discourage the negative, Culture measures and methods to model the financial benefit of getting the right behaviour, including how it can reduce the capital held under regulatory liquidity models. many of the new technologies showcased at the Summit, will be invaluable in this process.

To learn more about how the Institute can help, please contact Patrick Butler

Editors note:

The Armstrong Wolfe Institute for COO Professionals.

This brings leading edge behavioural techniques including performance management, coaching, leadership and culture techniques to align Conduct with Purpose through via two streams of activity.

a) Innovation Hub Advisory - in partnership with the iCOOC membership develops innovative approaches and solutions to managing Conduct and Culture through developing new competency frameworks and leadership models to allow firms to identify and so embed the drivers of a strong Culture, whether to meet regulatory, operational or performance goals

b) Learning Hub - curating and managing a select ecosystem of learning provision to provide an integrated approach to education and training that complements the specific challenges articulated by the membership and identified through the Advisory work.

Back to contents

1st - 5th November 2021

International Conduct and Culture Summit

A week of virtual webinars for the Financial Services Global COO and CCO community.

Armstrong Wolfe has created another opportunity to hear from industry and regulatory leaders, prominent academics and those at the forefront of behavioural science on how culture and conduct is shaping the Financial Services industry.

REGISTER YOUR INTEREST

10 webinars

1 week

Global audience

Back to contents

So, how do we ‘do’ purpose?

Purpose answers the question ‘why does this organisation exist?’, providing a North Star aspiration that guides the decision making and behaviour of your people, as well as the direction of the business.

by Holly Milne, Client Director and Holly Starkey, Head of Global Sales, Kin&Co

79% of leaders say connecting people to purpose is critical to success (PwC)

59% better retention rate for companies where employees are engaged in purpose (Gallup)

81% increase in creating better products and services (EY & HBR)

64% of CEOs say purpose made their company more innovative (EY)

181 of the world’s most powerful CEOs have pledged to become purpose-driven (CEO Roundtable,2019)

If you attended the recent Armstrong Wolfe Conduct & Culture summit, it’s very likely that you left with no uncertainty that purpose is at the top of the corporate agenda. It guides decision making, drives value creation, mitigates risk and is a key focus for investors and regulators alike. Your organisation's purpose creates value and strengthens resilience, but only if it’s truly genuine.

As specialists in purpose and culture-led change, you don’t have to convince us that purpose is the most valuable asset businesses can have for improving performance. However, the big question we get from our clients is ‘how do we ‘do’ purpose’? Now that’s where things get interesting.

Becoming a purpose driven business is a transformation that shouldn’t be underestimated. It requires a different way of thinking, a new way of making decisions, a philosophical and operational shift in the way you do business. Purpose work, therefore, is about changing behaviours, about winning over hearts and minds from the top, right through to the frontline. This means that the journey to truly start living organisational purpose, must be rooted in human psychology.

You may have heard the Kin&Co ‘story model’ referenced at the summit in the Corporate Purpose session.   We developed it as a means of combining and simplifying several of the most effective behaviour change models and theories. Some of these include the Transtheoretical Model of Change (TTM), the Ikea Effect, Affinity Bias, and Cognitive Dissonance (even the length of some of these theories titles shows why we created a more accessible approach!)

The model below looks at this journey from an employee’s perspective, starting by defining how they need to work or change their behaviours (What’s the Story), communicating this widely (I Know The Story), enabling them to feel able to change and see the proof of change around them (I Believe The Story), and then finally driving ownership and true advocacy for your purpose (It’s My Story).

Back to contents

KIN &CO

Building a strong culture: the science

Alongside Kin&Co's core delivery methodology we have developed various effective behaviour change models, the one below underpins the assessment of how deep and well embedded Culture, Purpose and/or Belonging is within an organisation. It has been used in organisations around the world to successfully change cultures. It looks at change from the employee's perspective, beginning with defining 'the story' (i.e. your ambitions and strategy) and moving through developing an understanding of it, belief that it's truly lived by that organisation, to advocacy and role modelling.

WHAT'S THE STORY
Setting the intention - co-creating your purpose and ways of working.

I KNOW THE STORY
Colleagues knowing and understanding the intention

I BELIEVE THE STORY
Colleagues believing that the intention is true by seeing them reflected in the organisation's operations AND BEHAVIOURS

IT'S MY STORY
Individuals owning and driving the intention, using it to make decisions and innovate

This model was developed by Kin&Co as a means of combining and simplifying several of the most effective behaviour change models and theories. Some of these include the Transtheoretical Model of Change (TTM), the Ikea Effect, Affinity Bias, and Cognitive Dissonance.

Proprietary property of Kin&Co, not to be reproduced without express written consent.

A frequent pitfall for organisations seeking to create this type of change is skipping one or all of the first three stages, and trying to move colleagues straight to ownership. Psychologically, this is impossible.

Many also fail to keep colleagues properly engaged in this process from start to finish. Particularly in the aftermath of COVID-19, we're seeing many organisations miss a huge opportunity to reunite, re-engage and re-energise colleagues in the process of co-creating the purpose in the first place (What's the Story). Similarly, once launched, many organisations then return to BAU, referencing purpose in a tokenistic way in their comms and neglecting to properly engage people with it. The outcome of these actions is that purpose is treated like any other top-down roll-out having little impact on actual colleague behaviours.

Co-creating solutions with colleagues from the start, communicating successes and leveraging advocate groups are part of the solution to this and all things we have used to create success for organisations. But the hard work doesn't stop there. Small incremental colleague-led changes are great but, what are the flagship initiatives and changes you're going to make to really demonstrate you're serious? How are you measuring success of both the embedding and the impact of your purpose? What's your strategy and plan for ensuring you're focusing on what matters?

The action you take to embed your purpose will be the difference between it failing (or worse causing cynicism and disengagement because of the lack of change) and the change delivering powerful momentum.

We didn't say this would be easy did we? However, it really doesn't have to feel difficult if you ensure that hearts and minds come along with the processes and systems. Maybe the G30 should have called it Culture & Conduct instead...

Rosie Warin, CEO of Kin&Co will be taking part in the next Armstrong Wolfe summit, talking through more details of how to 'do' purpose effectively. For more information on purpose, to view case studies or to read about other models and methodologies visit our website at www.kinandco.com.

Why Online Due Diligence Could Be The Key To Maintaining Company Culture

by David Lean, Chair, AFODD, Neotas

Armstrong Wolfe Conduct & Culture Summit

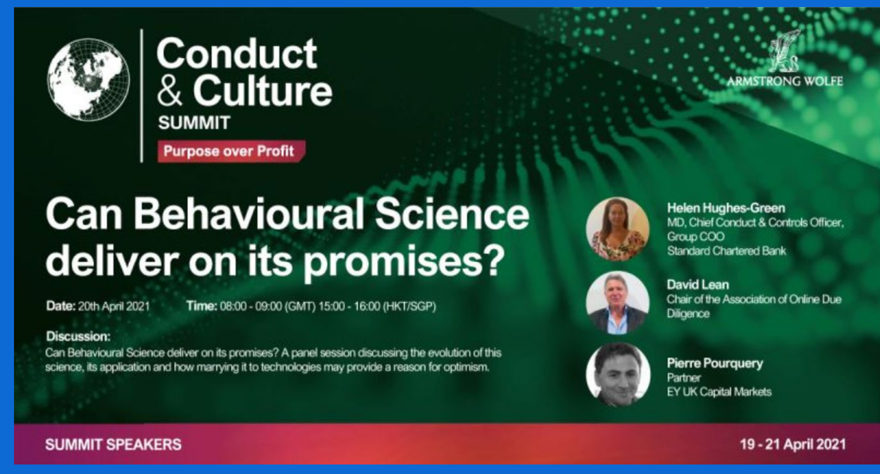
In April this year, Armstrong Wolfe held their Conduct & Culture Summit, inviting senior executives from global organisations to discuss and learn about conduct and culture. The summit featured a host of senior figures from international firms, industry experts, academic leaders and more.

The core message of the three day event was how to build, sustain and nurture a prosperous culture within an organisation, while navigating the everyday challenges of running a business. With panels discussing leadership, threat management and governance issues, the event was undoubtedly a valuable learning experience for those in leadership roles.

But what is culture? Why is it important for businesses? Let's take a look.

How do you define culture?

We define culture as the way things get done on a day-to-day basis. It's the heart of the business, the connection of the employees to the work and to their team members, it's the management structure and much more.



It would be easy to dismiss it as an intangible, especially in industries that are so reliant on data to make decisions. This couldn't be further from the truth. While it may be difficult to measure emotion, staff satisfaction has clear and direct links to productivity, profitability and overall firm performance.

Why is culture important?

A study by LSE found a strong link between positive employee emotion and firm performance. Higher levels of employee satisfaction typically meant more productivity, meaning a higher overall performance for the firm and thus greater profits.

A similar report by the Harvard Business School describes the impact a positive and effective culture can have when measuring performance across an industry. The report suggests that having an effective culture can account for up to half the differential in performance between competing organisations. Staff wellbeing is a competitive edge.

Back to contents

Understanding People Is The Key - Putting Behavioural Science To Work

At the Conduct & Culture Summit, David Lean, Chair of the Association of Online Due Diligence (AFODD) joined David Grosse of HSBC, Helen Hughes-Green of Standard Chartered Bank and Pierre Pourquery of EY UK Capital Markets to form a panel of experts. Their panel, hosted by Armstrong Wolfe's Maurice Evlyn-Bufton, Maurice posed the question - "can behavioural science deliver on its promises?".

One of the core takeaways, perhaps, was the importance of elevating character alongside competence. Valuing a person's behaviour and attitude alongside their skillset and aptitude.

They asked - how can we learn from behavioural science to create thriving, positive cultures within our organisations? Are these practices being considered enough or is there still more to do?

There is certainly a case for applying these theories to business practices like recruitment, onboarding and on-going monitoring of workplace culture.

What is crucial when analysing behaviour is helping people not make assumptions based on a limited amount of information such as a CV or skills based questioning, or the small number of interactions you may have had with a candidate to date. The important question to ask is does that information acknowledge anything to do with this person's behaviour or is it purely skills assessment or box ticking?

Building and Protecting Culture

Building, managing and maintaining a positive atmosphere is a delicate balance. While superficial staff benefits may foster short term positivity, long term solutions are needed to ensure productivity is high and staff turnover is low.

When it comes to your people, if you want to establish a proper culture you have to understand what makes people tick, then build around it.

Proactive management of this situation can come in many forms. Two of the most effective ways to nurture this position are:

- Recruitment and onboarding - effective screening of a candidate's character as well as their competencies to ensure that they are a) fit for the role and b) fit for your organisation and existing team members
- Reviewing existing personnel and practices - regular, critical reviewing of current culture and leaders to ensure that a positive atmosphere is being developed and teams are at their most productive

Proactively addressing these issues and avoiding poor decision making are critical in nurturing this situation.

Proactive Culture Management - Recruiting People, Not CVs

There is no substitute for effective screening when it comes to recruitment and hiring the right people.

When you follow typical hiring practices, you may go to an agency, receive and review a shortlist, interview, run traditional corporate background checks, then you've narrowed it down.

On paper this person has the experience you were looking for, the skills to thrive in the

Back to contents

role and looks like they have all the attributes to succeed. What you may not know is they have an explosive temper, they spend every evening sharing explicit content on the internet or boasting about doing drugs on the weekend. The person is not the cv and cannot be found in traditional background checks.

Existing teams and structures should also be considered in hiring decisions. Having invested time and resources into building a comfortable culture, the wrong new hire could be like a grenade to that space.

The impact of making a bad hiring decision isn't restricted to just the costs associated with the recruitment, hiring and eventual removal of that individual. Loss of productivity, lack of leadership and staff turnover could all contribute significantly to financial and cultural damage within the organisation.

Enhanced screening of candidates including social media and online reputation screening will help inform decision makers with real world data. While we have established it's difficult to quantify emotion, online data can now be used to interpret more of a person's character by assessing it against real-world risk indicators: violence, anger, explicit content, discriminatory behaviour and more.

"Why is it that in existing corporate background checks, we only ever check new hires for the sort of behaviours that affect work? We don't check for the sort of behaviours that affect culture and most industries don't screen their existing staff"
David Lean, Chair, AFODD

Proactive Culture Management - Internal Review

Consistent review of existing staff and practices is another tool to use to help build strong corporate culture. While making the wrong new hire could impact teams negatively, it's important to consider internal risks as well.

If staff turnover is high, then look for the consistent piece of the puzzle. Is the leader of a team still there but his juniors are regularly leaving? LSE found that employee satisfaction to have a substantial positive correlation with customer loyalty and a substantial negative correlation with staff turnover. It's easy to screen new staff but not always considered that the issue could be coming from within.

For industries regulated by the FCA, Senior Managers undergo scrutiny as part of the SMCR Fit & Proper Test. The annual test assesses whether senior managers are fit for their role and can include a review of their honesty and integrity.

The Bottom Line - Using Resources Properly

Annually, firms spend millions to encourage workplace culture, often overhauling every few years to realign to company beliefs or correct the damage of a bad decision. What if that money could be saved? What if we could stop the rot from the inside out?

Using what we can learn from behavioural science could play a crucial role in halting this cycle. Understanding people and their suitability, not just skills and competencies will help inform good decision making.

For recruitment, effective screening using all of the data available will lower the risks of a bad hire and the negative repercussions that come with it. In this case, the potential momentum that is lost for internal teams is just as significant as the person who comes in and destroys it. The bad egg will be removed eventually but it's hard then to build a sense of calm and unity in a team that may have faced significant disruption.

When it comes to screening internal teams, it's easy to see how this principle could be extended to other industries beyond financial services. Firms regularly reviewing senior management are more likely to spot opportunities to optimise organisational structures and minimise threats before they are damaging.

If you would like to discuss online reputation screening, corporate background checks or senior management screening with our team, please schedule a call here.

Back to contents

Publications

by Maurice Evlyn-Bufton

All proceeds will be donated to Goražde Children's Foundation.

The COO Charity, is providing basic food and essentials to the families affected the most by the pandemic, January 2021.

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To Catch A Thief
The evolution of the Chief Control Officer

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Threat Management

Evolving perspectives amidst the pandemic

by Maurice Evlyn-Bufton, CEO of Armstrong Wolfe

Defining Threat Management

Entering 'threat management' in the Cambridge Dictionary it will offer you 10 disciplines of management: talent, event, asset, time being four, but threat is not one of them. As an alternative it presents: You can also search for 'threat' and 'management'.

- **Threat:** a suggestion that something unpleasant or violent will happen, especially if a particular action or order is not followed.
- **Management:** the control and organisation of something

(Cambridge Dictionary)

If you complement this with a Google search using 'threat management definition' as your reference, you are taken to a multitude of options and opinions. All, however, see threat management as an umbrella term for the computer security and information security programmes instituted in an organisation. Clearly the concept of holistic threat management has not become common practice. Why is this?

We had framed our hypothesis before the pandemic, that threat and its many dimensions, come together at the intersection of non-financial, conduct, cyber, ESG, geo-political and enterprise-wide risk. These established risks have become increasingly overshadowed by climate change, which poses significant risks to the financial system, particularly for the insurance and banking sectors. This data cluster and high-value assessments could readily feed into a threat management data pool.

Additionally, Covid-19 re-emphasised the importance of pandemic risk management. The short-term risks and challenges presented to employers include an unforeseen change in working practices, with industry workers proving they can be just as productive and accountable when WFH. How the industry and its participants will deal with this change in the long-term is to be determined. The importance of getting your positioning right, however, and thereafter investing in precise training, tooling, and rewarding of staff (to maximise workforce performance in the new world post pandemic) will materialise into a human capital risk. This risk is important within an industry highly reliant on hiring and retaining the best people, and where workplace options may shift the focus from corporate allegiance and compensation to work placement optionality and culture.

Human Capital Risk is heightened when additionally accounting for the evolving liabilities on mental health and a duty of care towards employees and more materially, the anticipated conduct and cultural challenges that will become evident with the passage of time.

Threat therefore is uttermost when one meets another or triggers another. More so, in the case of the pandemic and like the disease itself, its consequences are contagious, fuelling other risks to become an exponential one.

Threat management can therefore be defined. It is a discipline that is complementary to and encompasses established risks and is best understood in the capacity of horizon scanning and the ability to detect and determine actions to emerging risks. Its methodology relies on the integration of established risk data, to be looked at in real-time with its aim being to detect early signs of potentially important developments (that could impact the business) through a systematic examination of potential threats and opportunities, with an emphasis on the use of new technologies, data aggregation and digitisation.

Read full Threat Management article here

The fight against financial crime – and the unforeseen consequences of regulation

by Federica Taccogna, Senior Managing Director (Partner), FTI Consulting

Unashamedly, FATF's recent announcement of a project launched to research – and remedy – the collateral effects of financial crime regulation has been my inspiration for this article.

I've thought about addressing this topic a number of times but always abandoned my plans because it's such a contentious subject.

Law and regulation are intended to enshrine the principles of 'what is right'—in this case, fighting financial crime. Suggesting there might be something in them, or by way of them, that causes (unintentional) harm is a controversial discussion, to say the least.

Yet, I have worked – and work – with senior management at governments, jurisdictions and firms that are faced with exactly that challenge every day. Ignoring the more detrimental consequences seems remiss, if not disingenuous.

On one hand, jurisdictions – and government agencies and their institutions – need to attract business to achieve economic growth. This means, especially for smaller jurisdictions, to pick niches (such as FinTechs, virtual assets and gambling).

On the other, they are under pressure to implement robust national anti-financial crime frameworks. And the two things are not always capable of coexisting.

I think, for example, of jurisdictions recently subject to greater FATF and international scrutiny. These have typically pushed for tight regulation that has left many financial institutions incapable of banking in the very sectors of the industry that the jurisdiction is seeking to attract, often for a combination of operational, structural or skill-shortage reasons.

Or the much-discussed loss of correspondent banking. Institutions from jurisdictions that have achieved a greater degree of compliance with regulation (or at least feel that they have) withdraw correspondent banking support to institutions in jurisdictions that are perceived as 'high- risk' but are in the process of strengthening their frameworks.

And, to pick an example I was discussing with a client recently, what about when prospective customers are illegal (and even, legal) migrants? These individuals would be classed as inherently high-risk customers. They are amongst the categories most vulnerable to exploitation on the part of organised crime.

That, paired with the fact that all the major banks in these jurisdictions are facing regulatory scrutiny and do not want to be seen as taking on excessive risk, and the fact that there is widespread confusion and lack of

consensus of what enhanced due diligence needs to be performed, often results in an entire class of individuals being denied access to mainstream financial services.

In all cases, this has the potential to push individuals and financial flows towards darker economies or institutions with laxer controls and, ultimately, reducing economic prosperity. I would stretch as far as saying that it has the effect of doing so, or at least the potential, having witnessed examples first-hand.

Other times the tension is between bodies of regulation or various agencies and actors in the chain. I have seen solid investigative frameworks routinely fail to bring results to court, in part because the judiciary views financial crime enforcement as a breach of human rights or other regulation (e.g. data privacy). Who is right?

Law, legacy and legitimacy

Do we need to accept that tighter anti-financial crime frameworks will in fact exacerbate or create societal inequalities? Or that there is a priority in the merit of laws and regulation? Does GDPR win over AMLD, or the other way around? Do we need to rewrite regulation in a way that suits business models?

But are law and regulation the culprits to begin with?

My take on the topic is that it is not poor drafting, or the perceived draconian nature of law and regulation that causes the problem. Widespread and deeply detrimental unintended consequences (for example, the financial exclusion of a large part of the population from mainstream institutions) are a symptom of the fact that their implementation needs to be improved and humanised.

Meaningful implementation of measures that prevent financial crime and do not paralyse business or the economy takes a combination of both business acumen and deep understanding of financial crime (the practice of it, not just the theory) that are difficult to find in isolation. Let alone in combination.

To add to the challenge, there is legacy. As our understanding of how criminals exploit our structures and markets has evolved, government, enforcement agencies and financial institutions have adjusted to it and tried to play catch-up by way of a series of incremental improvements to legacy processes and systems.

Implementing truly meaningful ongoing monitoring for financial crime would take, for example, a whole new system, built on the knowledge of how criminals abuse the system. But is a large bank, or a gambling operator, really going to take down the myriad of different platforms that they have in place to make it work?

In my (somewhat unintended) journey in financial crime I have learnt that truly solving the problem is not easy. Complete removal of financial crime risk could only be (truly) achieved through entire paralysis of business. And that is not what one should aim for. Hence the emphasis on a 'risk-based approach'. But once again, there is merit in not paying lip service to the concept in the abstract, but rather turn it into an active tool for implementation and optimisation.

As someone who fell in love with business before discovering the wonders of fighting financial crime, I continue to enjoy that aspect of my job the most – the challenge of working with my clients to optimise, create value and achieve compliance, even demonstrably preventing financial crime and unravelling complex networks of abuse because we have achieved the right balance between theory and its application in practice.

The topic is a long one to exhaust in a single article. It is undeniable that the tightening of financial crime frameworks in recent years has transformed economies, business models and the way (and extent) to which we access financial services. The debate about whether it has caused harm and inequality is only beginning. And the discussion should be frank as to whether the losses to society deriving from financial crime compare to those deriving from tight anti-financial crime regulation – perhaps leading to improvements across the board.

We should not be afraid to think critically about the subject whilst coming up with novel and more effective approaches. It is commendable that FATF should look at regulation from this perspective. It shows appreciation for the challenges of meaningful implementation and is a priority for us to collectively address.

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For more information on Armstrong Wolfe's collaboration with EY, read here

Investment banks need to partner if they want to survive and grow

by Pierre Pourquery, Head of Capital Markets UK and Emanuel Vila, UK Capital Markets Consultant, EY UK

As returns fall and costs stay high, the challenge for investment banks is not IF they need to partner with others, but HOW.

EY Head of Capital Markets UK, Pierre Pourquery and Emanuel Vila the UK Capital Markets Consultant, explain the different partnership models available and the substantive benefits they can bring to investment banks.

1. Once too big to fail are now becoming too small to survive

At the heart of the debate about the future of investment banking is the inescapable fact that investment banks continue to fail to cover the cost of their capital — with an average return on equity of 6-8%, against the cost of capital of around 10%.

As a result, since the crisis of 2008, we have seen some investment banks exit certain products or locations. We have also seen ambitious strategic cost-reduction programs, although these have largely failed to bring down costs significantly.

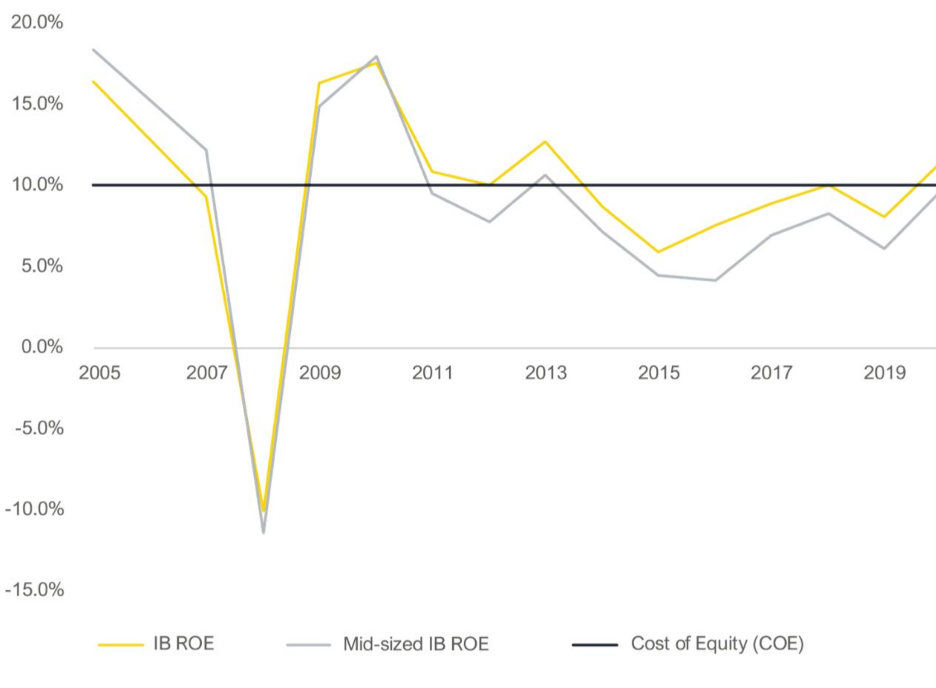
Something fundamental needs to be done and quickly by the banks as the status quo is not sustainable.

Front, back, middle office costs and technology investments remain too high for most banks. Critically, margins have fallen significantly as automation and e-trading have increased in use. We are now seeing this in Fixed Income, Currencies and Commodities (FICC) and Foreign Exchange (FX), while it has been the reality for some time in equity markets.

Investment banks with limited scale and high-cost income ratios, especially those part of a universal bank, are the most likely affected by this decline in profitability and must act now. Only those able to operate at a large scale — i.e. at lower cost

Average investment banking ROE and COE (%)[1]

(2005-2020)



[1] EY Analysis - Average investment banking ROE (%) from 2005 to 2020, based on 16 banks across multiple sizes and regions. Mid-sized investment bank ROE is based on the average ROE from a sample of mid-sized investment banks.

and for large volumes — will be able to survive unchanged. These large banks are benefitting from their significant market share, continuous investment in technology, underscored by large balance sheets, entrepreneurial culture, and the benefits of economies of scale.

For the majority of other investment banks, developing industrial partnerships, in the form of outsourcing, is probably the only way to continue their activities and to provide clients with the right breadth and quality of products. Without scale or outsourcing, they genuinely face being too small to survive.

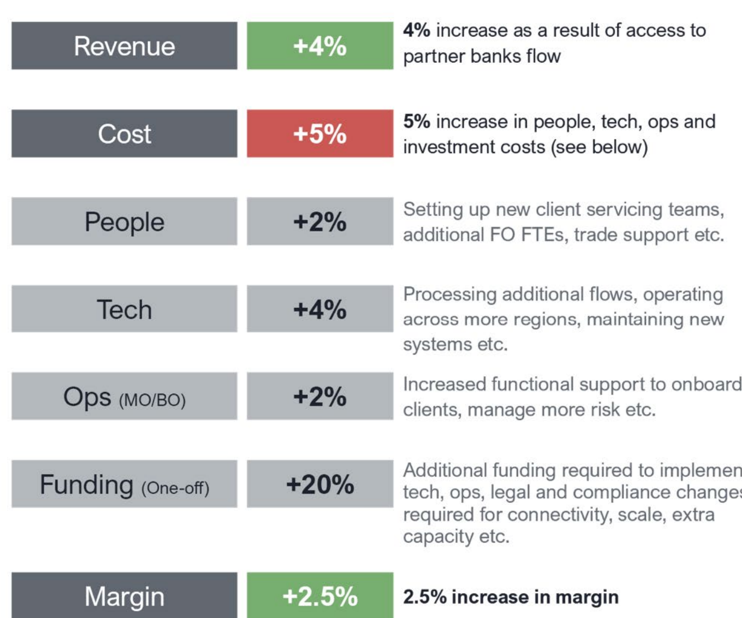
We have seen strong financial performances in 2020, driven by market volatility. This has led to some temporary improvements in ROE, tempting some banks to shift their focus away from cost-reduction in the very short term. However, banks shouldn't be deceived by these short-term gains. The reality is they still face fundamental challenges (regulatory driven costs, intensifying competition, need for size and scale to price effectively, etc.) and partnerships will remain key to long-term success.

What are the main reasons that Investment Banks choose to partner?

There are 6 strategic reasons for partnerships	1 Diminishing profitability	2 Evolving customer expectations	3 Accessing proprietary data	4 Sharing the risk of new bets	5 Intensifying competition	6 Enhancing risk and control capabilities
Industry observations[1]	80%	40%	30%	20%	10%	10%
Industry examples	A Tier 1 Australian Investment Bank outsourced their entire post-trade lifecycle to a Global Investment Bank, allowing them to significantly reduce operational costs	An American investment Bank leveraged the technologies of a BigTech firm to offer retail products with features such as enhanced privacy, security, transparency seamless integration into the BigTech's network of devices	Three Global Investment Banks built a reference data utility in partnership with a FinTech, standardising reference data among all participants such as counterparty credit ratings and security identifiers	An American Investment Bank and established FinTech brought together their investment and order management systems and cutting edge back office technologies, to provide a seamless, fully integrated & real-time settlement solution	A BigTech firm signed a strategic partnership with a German Bank to implement their cloud strategy, supporting the delivery of next-gen financial products in a crowded market	A Global Investment Bank announced a strategic partnership with FinTech, a platform that provides portfolio performance measurement, attribution, contribution, allocation, risk, and compliance capabilities

[1] The conclusions made are based on 35 observed examples seen in the Banking Ecosystem between 2010-2020. Percentage represents the number partnerships that occur for that given reason (e.g., diminishing profitability). The strategic reasons behind partnerships can overlap (i.e., two banks can partner to reduce costs as well as deliver an enhanced service to their end-clients)

2. Cooperation not competition - Table 1 – A win-win for all parties



	The outsourcer can improve its margin by up to **2.5%** per client		**The outsourcee** can improve its margin by up to **100%**	
Revenue	+4%	**4%** increase as a result of access to partner banks flow	+5.5%	**5.5%** increase in business driven by more demand for improved services, more breadth of products, more competitive pricing etc.
Cost	+5%	**5%** increase in people, tech, ops and investment costs (see below)	-45%	**45%** decrease in people, tech, ops and funding costs (see below)
People	+2%	Setting up new client servicing teams, additional FO FTEs, trade support etc.	-50%	FO & eSales automation, reduced need for in-house trading and structuring etc.
Tech	+4%	Processing additional flows, operating across more regions, maintaining new systems etc.	-50%	Less spending on maintenance of platforms, market data access etc.
Ops (MO/BO)	+2%	Increased functional support to onboard clients, manage more risk etc.	-30%	Most ops outsourced to partner, reduced market risk spending, less complex financial reporting etc.
Funding (One-off)	+20%	Additional funding required to implement tech, ops, legal and compliance changes required for connectivity, scale, extra capacity etc.	-25%	Most projects completed by the outsourcer, integration & implementation costs shared etc.
Margin	+2.5%	**2.5% increase in margin**	+100%	**100% increase in margin**

A partnership around outsourcing can benefit both sides (see Table 1). For the smaller bank, it means outsourcing a function or the entire value chain of their activities in which it is not competitive – this could include execution and front-office activities, to a third-party market player who is able to perform the same function at a lower cost and more effectively.

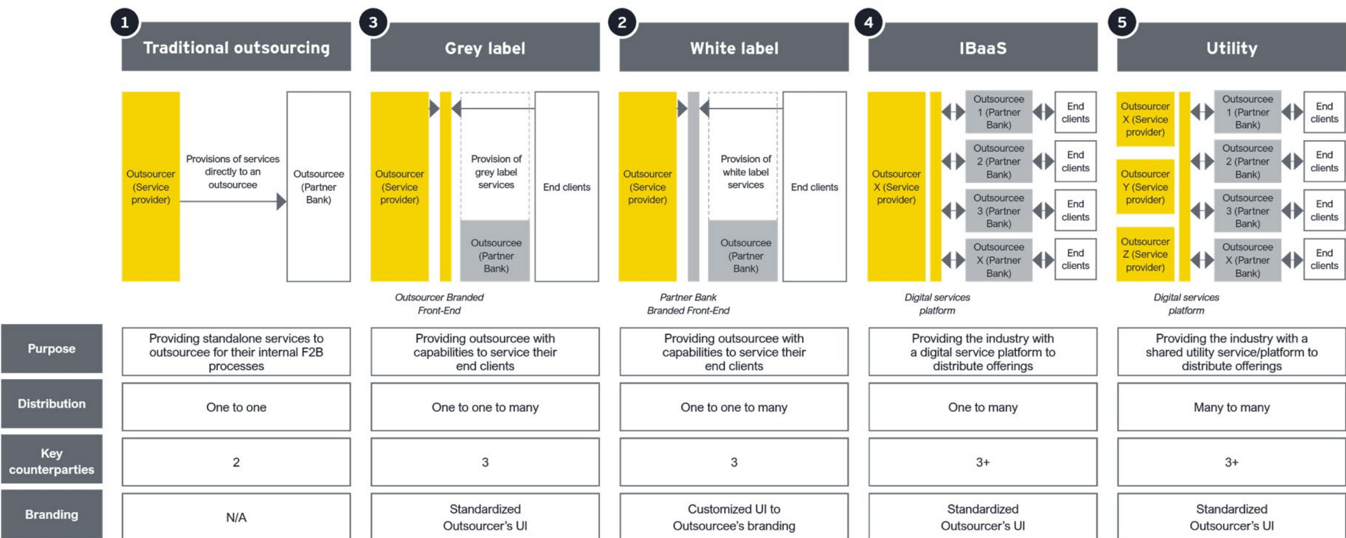
The impact could be genuinely transformative. By outsourcing instead of having their own infrastructure, banks could see costs reduce significantly as illustrated in Table 1. This could fundamentally change the viability and underlying economics of their services. It also means the banks can focus their limited resources on areas in which they already excel or wish to gain scale.

For the large bank, it provides extra revenue with low additional costs and capital requirements. It also helps them as part of a wider move away from relying on transaction fees, which are on a downwards trend, to more resilient service fees.

It is this win-win aspect that makes the rise of partnerships so compelling and inevitable. The question is when not if this occurs. To date, capital markets have lagged behind other sectors when looking at partnerships as they strived for innovation in products rather than service models. Retail banks, for example, already often outsource back-office loan processing, to save costs and speed up the process. Partnerships are not only limited to the finance industry and are also evident across other sectors like Pharma, where established players outsource the manufacturing of treatments when they lack their own tech capabilities to manufacture in a cost-effective way, increasing their production capacities without any investment. We expect the next few years to see an exponential rise in the rate of partnerships within investment banking.

Of course, it is not just large banks that can step in. We have seen the rise of FinTechs, who have the technology to take advantage, as smaller banks look to outsource core activities, such as execution, post-trading processing, and back or middle office operations.

3. Five different outsourcing options



	Traditional outsourcing	Grey label	White label	IBaaS	Utility
Purpose	Providing standalone services to outsourcee for their internal F2B processes	Providing outsourcee with capabilities to service their end clients	Providing outsourcee with capabilities to service their end clients	Providing the industry with a digital service platform to distribute offerings	Providing the industry with a shared utility service/platform to distribute offerings
Distribution	One to one	One to one to many	One to one to many	One to many	Many to many
Key counterparties	2	3	3	3+	3+
Branding	N/A	Standardized Outsourcer's UI	Customized UI to Outsourcee's branding	Standardized Outsourcer's UI	Standardized Outsourcer's UI

1) Traditional outsourcing

Using another firm's existing technology, people, and processes to manage trade lifecycle processes for internal purposes (e.g. order book management). This is a one-to-one relationship between two partners, with no end-client directly involved.

2) Grey label services

Using another firm's existing technology capabilities, people, and processes to execute trade lifecycle processes (e.g. settlements) for their own end clients. Typically, the end client of the partner (outsourcee) is aware that a third party has delivered the service.

3) White label services

While the bank still uses another firm's technology, people, and processes for their own end clients, the end client will not be aware of the use of a third party. This allows it to cut costs without losing its own unique branding and image. Given investment banks are keen to sustain their brand consistency we are seeing a high appetite for this model.

4) Investment banking as a service (IBaaS)

Sometimes known as the "Amazon model", this is a digital services marketplace where market participants can plug in and make their products available to the wider ecosystem in a one-to-many relationship. Other banks can then pick and choose the relevant services available and then automate them internally into their own systems.

5) Utility model

Similar to the IBaaS model, market participants make their products available to the wider ecosystem via a digital services platform. However distinctively from IBaaS, in utility models, we observe a many-to-many relationship, whereby multiple service providers come together in a consortium to offer their modular services.

Unlike the first three options, the IBaaS and Utility models results in a distribution model where many banks can be customers of the service, while traditional outsourcing, grey label, and white label services are one to one bespoke models.

Whatever model they use banks need to be cautious. Poor outsourcing can harm a bank's reputation or delivery of service. It can also expose misunderstanding of the true financial benefits or lack of an agreed pricing and tracking mechanism. Critically, banks also need to be ready to manage the transition and new arrangements in-house. They are importing a cheaper, more efficient system but also potentially importing risks – such as control of customers' data.

4. Execution will not be easy

For bank executives, the strategy around the future of investment banking has been a difficult equation to resolve. It involves numerous factors such as legal, IT, operations, culture, regulation, profitability, and strategic plan. Trying to determine where and how to offer investment banking services, to find a sweet spot in terms of what's easiest and most profitable has been very difficult. Partnerships could be a decisive factor in this consideration. From our experience and recent interaction with clients, there are some key decisions executives need to take:

1) Decide what products, markets, geographies and services the banks want to outsource: As well as products and geographical scope banks will need to be clear on what branding model they wish to pursue

2) Leveraging strengths as compared to Fintechs: Some Fintechs are eager to grab market share in the overall investment banking value chain. Although they may have superior technology and innovation capabilities, they cannot really cover the entire value chain – from front to back services. Large banks should therefore focus on providing integrated outsourcing solutions under the same umbrella. Their global reach and superior risk and control management are capabilities that are very difficult to match.

3) Be pragmatic and practical: Don't invest huge amounts until you understand what the client wants. Perhaps choose two or three clients and test and learn before developing the next possible offering

4) Market more and earlier: Ensure marketing works in parallel to developing and building a solution. It cannot be left until the end as it takes time to establish a go-to-market framework, educate and train teams, establish funding, set sales targets, and develop marketing messages.

5) Always have a strategic blueprint in mind: While staying pragmatic is key, leaders also need to keep in mind the big strategic end picture, to ensure they have a clear roadmap for progress.

6) Understand the regulatory, risk, legal and compliance considerations: Understanding the detailed impacts and effects of the regulatory and legal environment is critical to ensure that both parties are clear about their legal liabilities and who is accountable for what along the outsourcing construct.

5. Partnerships will be a gamechanger

To ensure sustainability in the long run, it's clear some investment banks will be better off focusing on certain areas, rather than competing across the full value chain and asset classes. Outsourcing may be the most visible sign of a new wave of partnership use in capital markets. Investment banks are now looking at partnership models to develop new ways of working. We expect to see a shift away from M&A and joint ventures to more digitally enabled, customer-centric, platform-based models that allow white label solutions.

Those who get it right will benefit from substantial cost savings, freeing up much-needed capital. They will also be able to provide a better level of service than competitors, using the latest technology, priced competitively. It may not return investment banks to the return on equity of the 2000s, but it will be a vital step in ensuring they are focusing on the most profitable parts of their business.

Partnerships could be critical in competing with Fintechs, which are increasing their role and market share in the banking industry; their presence in Capital Markets has been growing steadily in the last years. They leverage their tech platforms and talents to deliver services at a lower cost with service excellence in mind.

After years of fierce competition, some may observe the irony in partnerships being the platform for investment banks to thrive. But in times of declining profitability, increased competition with Fintech firms, and increased regulation, partnerships can free up capital and management time to ensure smaller investment banks can thrive, and not just survive.

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Back to contents

Can’t squeeze operating costs any tighter? Time to think the unthinkable

by **Matthew Hargreaves**, global industry lead, Capital Markets solutions, DXC Luxoft
and **Hugh Richards**, ecosystem strategy, Banking and Capital Markets solutions, DXC Luxoft

The long–term economic viability of many buy- and sell-side capital markets participants is far from certain. With the cost-cutting strategies of the last decade succumbing to the law of diminishing returns, firms face significant structural challenges. Simply put, if you continue shrinking costs, eventually, you arrive at a point where quality suffers. When you can’t squeeze costs any tighter, there’s only one thing to do. Rethink how you operate. Completely.

The strategic value of outsourcing technology and non–differentiated operational activities

To a greater or lesser extent, banks and asset managers trade the same products, with the same clients, in the same geographies. However, all too often, the way they organize their business processes is unique. In part, this is driven by underlying technology dependencies and, partially, by organizational inertia — the product of an *if it ain’t broke, don’t fix it* mentality. Fundamental change to key systems is impossible without major investment; a dire predicament compounded by the belief that each firm has unique requirements that demand bespoke solutions.

By leveraging cloud-native capabilities, industry service providers are rapidly introducing as-a-Service (aaS) business solutions, offering compelling functionality at an increasingly competitive price. However, the traction for aaS solutions in other industries is way ahead of the highly regulated capital markets sector, where the risk appetite for groundbreaking solutions has held firms back. Also, aaS benefits are not necessarily *free*. Many financial institutions struggle to identify, adapt and outsource the associated business processes required to make use of these solutions in a cost-efficient manner.

This isn’t just a cost play. Simplified and predictable systems and business processes drive higher quality outcomes for clients and internal stakeholders. Nevertheless, are firms bold enough to re-examine the status quo and their place in it?

Higher quality throughput at scale

This new reality in capital markets means focusing on the competitive advantage and what differentiates one firm from another in the eyes of their clients. As for the rest of what firms do, non-differentiating activities can and should be done as simply and efficiently as possible.
In other words, outsourcing completely to industry-standard platforms, operating at scale in the service of multiple firms. These platforms raise standards by deploying the latest technology and better, more qualified and more experienced people, ensuring higher quality throughput at scale.

And that’s the point. To achieve or maintain adequate levels of profitability and remain competitive, firms will have no choice but to embrace such industry platforms for non-differentiating activities, and focus everything else on sharpening whatever makes them attractive to customers.

Is nirvana around the corner?

This is a journey and the start should not be delayed any longer. It’s about much more than just new technology.
It’s about focusing on understanding and improving today’s business processes while adapting to new operating models. It’s about choosing the aspects of your business and the required service model that best fits your particular organization right now, and being nimble enough to change again and again as the industry evolves.

You’ll find several models in any transformation or adaptation. These models require transition programs — new, managed service offerings and a choice of levels for business processes. Each of these is a step along the journey that leads toward utility models with shared and common functionality that most likely will dominate the medium term.

As–is, as–a–Service and as–an–industry utility models

Before you take the first step toward strategic outsourcing, you need to understand both your business processes and data strategy. Crucially, you have to determine which insights will enable you to remain in control of your business, regardless of who is executing it. How much of the data clogging up your in-house systems will be redundant in future-state ecosystems? Which data allow you to differentiate your client-facing business, and can be monetized to generate new revenue streams?

Data is the key to transition, business process outsourcing and sustainable profitability, but it's not just about the data in your systems, created and processed by your business. It's the insights about your business, and being able to leverage the insights that enable you to remain compliant, competitive and in control.

Time for action and collaboration

Deep down, capital markets buy- and sell-side institutions know they have to act. They know it's pointless having a customized technology estate in-house with their own bespoke business processes wrapped around it, but they're stuck. They've outsourced all or most of the technology and business processes they think they can outsource, but the profitability challenge remains. The key blocker is fear. When it comes to change, many COOs are most worried about the risk of getting it *wrong*, even at the expense of getting it *right*.

COOs face a daunting task. Yes, many see the appeal of switching to *aaS* solutions, but they know that it's not simply a matter of exchanging like-for-like. Many think of it as a technology problem. However, while it's partly about *adopting* a new technology ecosystem, it's also about *adapting* business processes to wrap around it. This dance of *adoption* and *adaptation* has to be choreographed at pace and scale, while keeping up with business-as-usual. No wonder many firms adopt a wait-and-see approach.

Firms know they need to invest in the future, but many don't have the margin to begin or sustain the level of investment required. This is where partners come in, not just to provide solutions, but to share the investment; an approach that requires open minds and open books to arrive at the right operational models. This type of collaboration is rare in the dog-eat-dog world of capital markets, but every firm — large or small, well-maintained or weighed-down with legacy — is faced with this challenge in one form or another. Success in this space is mutual. It's not a zero-sum game.

We know. We understand the problem inside out because DXC Luxoft is already working with industry-leading partners and vendors in the banking space. This is what makes us different. We're experts in ITO, BPO, hosting and servicing hosted solutions (i.e., aaS) with proven solutions that enable optimization, differentiation and a trusted transition.

Let's explore your own firm's strategic need to outsource technology and non-differentiated operational activities.

Please visit **Banking and Capital Markets | DXC Luxoft** or get in touch **financialservices@luxoft.com.**

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With more than 25 years' expertise and international leadership in the financial and capital markets industry, Matthew is a catalyst for, and driver of, the business model and technology transformation. He is an energetic, collaborative, pragmatic and innovative leader with a passion for delivering sustainable value and working across diverse cultures to drive business success.

Hugh Richards
Ecosystem strategy, DXC Luxoft

Hugh has gained over 25 years' experience in financial services, investment banking, software company management and market strategy. He brings a unique balance of global business and technology leadership, focused on strategy, execution and innovation change management.

freespace

The science behind workplace optimisation

by Raj Krishnamurthy, CEO, Freespace

Setting the scene

As summer arrives, the UK is slowly reopening as if emerging from hibernation. With the vaccine rollout not yet universal, people are readjusting at different rates. Care and empathy are crucial during this time.

This new era brings with it a host of challenges. Any organisations reopening its workspace has a duty of care for the health and wellbeing of its employees. Some organisations may continue to implement social distancing practices, but most of the work will fall to the facilities and cleaning teams. Simply upscaling the work carried out by these teams pre-pandemic won't work; many organisations have found themselves stretched financially and can't afford a huge increase in provision. Moreover, the 'behind-the-scenes' role that cleaning teams have traditionally played – working after office hours – is no longer sufficient as communal areas and high-risk touchpoints require regular cleaning throughout the day.

The current corporate real estate landscape is also challenging owners and occupiers. Many workplaces have remained empty for months or are functioning at very low capacity. Unused office space presents a huge financial drain and predictions for working patterns after Covid suggest that these spaces are unlikely to return to previous occupancy levels. Some offices are reporting 50 per cent less desk space as a result of social distancing rules and many organisations are looking to move to hybrid working.

Technology undoubtedly has a powerful role to play in allowing organisations to adjust. Already, the market is offering innovative new designs perfect for managing new processes. Cleaning teams are using technology to manage processes more efficiently, communicate their goals, and nurture necessary changes. Freespace's occupancy-based data allows organisations to better understand and predict space-use and adjust their workplaces to new demands. It can help department heads observe changes in individual and collective behaviour, allowing them to make educated decisions on optimising real estate space while reducing the risk of transmission.

Workplace technology exists to help provide comfort and assurance. From providing a cleaning history of a given desk to helping staff plan their day at work. Furthermore, it can create opportunities for greener and more people-centric workplaces.

How data can support workplace decisions

Office occupancy data looks very different to pre-Covid, with increased demand for collaborative spaces where teams can come together safely to innovate and problem solve. Whilst these physical interactions can be recreated via video conferencing platforms, there is evidence that people crave the physical interactions and connections that have been lost throughout the pandemic.

Anonymous workplace data should be approached in two ways. Firstly, an individual must not feel forced to actively do something to generate new data. Secondly, data that already exists can be utilised to make critical workplace decisions. Workplace sensors, which provide office occupancy data, can collect information on other critical points such as temperature, humidity and other parameters that might influence an individual's decision on whether they want to occupy a particular space or not. If organisations have the data to best understand how well their space is being used and when, then it will let them reshape how their building is used. This anonymous data is pivotal for the discussions that senior leaders and department heads need to have to execute the return to work.

Employees can also access data using mobile apps. The Freespace Workplace Booking app, for example, collects information based on plans that employees are making in the workplace. This helps forecast when the office is going to be busy or not. It also enables individuals and teams to plan their days in the office so they can work together, share ideas, and collaborate. If you can see that the office is going to be busy, and you have some highly

Back to contents

concentrated tasks to do and you don't want to be disturbed then you can make the decision to work undisturbed at home. This aids business continuity and supports productivity. The use of an app to book time and space in the office has already become a necessity, whereas pre-pandemic the most powerful tool was digital signage in the workplace to support wayfinding.

What occupancy data is telling us so far

There are clear and obvious geographical differences in the approach to hybrid working and the return to offices. For example, US financial institutions are often proclaiming the value of their in-office culture, whereas there are rather mixed views in the UK and Europe.

Barclays' CEO recently said that he believes working from home is not sustainable. This was followed by Goldman Sachs' boss, David Solomon, rejecting remote working as a "new normal" and labelled it an "aberration".

In contrast, Standard Chartered came out publicly before the end of 2020 with a progressive statement offering 75,000 staff (90% of its workforce) the opportunity to adopt a more hybrid approach on a permanent basis. More recently, accountant EY became the latest to embrace a hybrid model, announcing that its 17,000 UK employees could spend at least two days a week working from home.

This suggests a tug of war between employer and employee, particularly across the Atlantic. Freespace's Q1 2021 office occupancy data shows that just 5% of buildings in the USA are operating at above 10% occupancy – a very small increase of just 1% since the start of February 2021.

In the UK, a survey by the BBC found that 43 out of 50 of the country's biggest employers said they do not plan to bring staff back to the office full-time and would embrace a mix of home and office working. Our office occupancy data has shown that across the EU and Africa, more than a third (31%) of buildings where Freespace sensors are deployed are currently operating at over 10% occupancy. This has increased from 2% when these buildings reopened at the beginning of February.

Even before Covid, our workplace technology found that buildings and offices were not being used efficiently. Occupancy data can help businesses understand how their spaces are being used which will help them make their workplaces fit for purpose in a post-Covid world. For instance, it might encourage them to review the size of the workplace to cater for the actual number of people using the office. This can also support workplace safety and compliance. It will also ensure business leaders obtain accurate and actionable data driven by user behaviors, allowing them to make educated decisions on designing, optimising and investing in their real estate space.

The race to net zero

Workplace data also presents opportunities to create greener workplaces. New investment in carbon-capture technology can remove 10m/t of CO_2 from the UK environment every year up to 2030. Based on data produced by the Chartered Institution of Building Services Engineers, every 1,000 sq ft of office space used is the equivalent to a carbon footprint of 91t C02 a year. Therefore, if workplace sensor technology was applied across all workplaces in the UK, more than 2.4m tonnes of C02 could be saved annually by making office use more efficient.

Office occupancy sensors can help organisations utilise their workspace through occupancy sensors. This can typically deliver an organisation a 20% space-saving opportunity across national and global real estate. There is more than 354m sq ft of office space across the UK, and its performance could be enhanced with sensor technology.

Not only will this make the organisation and its building more efficient, but it will also play an important role in meeting global and national net zero targets.

Staff satisfaction and wellbeing

The past year has been incredibly challenging for many people. Despite all the tragedy, some real good may come from the pandemic. Covid has thrust wellbeing and mental health into the limelight. Many have struggled with stress and loneliness. It has never been clearer that organisations have a real duty of care for their people and that this must go beyond corporate policy statements and HR. It needs to be a meaningful investment that safeguards the mental and physical health of the workforce.

Over the previous months, many organisations have worked hard to introduce new well-being practices from team building to more regular check-ins with managers. These shouldn't be temporary changes. Even

Back to contents

when the major stressors of the pandemic are behind us, many people will still be processing traumas or adapting to new ways of life. Managers and employers must take forward the wellbeing practices they have developed to create a more caring culture post-pandemic.

Working practices after Covid will look different. The majority of UK office workers have expressed a desire to continue working from home for at least part of the week. According to the Office for National Statistics (ONS), in 2020, the proportion of UK workers who were working from home increased to over one-third of the population. Sickness absence fell in those working from home while it rose in those unable to work from home. Hybrid working practices are here to stay and safeguarding include them. This extends beyond offering support for mental health. Workers must have comfortable and healthy working environments at home to ensure physical health is not at risk. Organisations may provide ICT equipment, connectivity, ergonomic furniture and collaboration tools to ensure their staff can work effectively from home. Perhaps a more challenging consideration will be equality and inclusion. Those without comfortable or quiet spaces at home may find hybrid working offerings inaccessible. Alternatives may be more appropriate, such as looking for satellite office spaces that allow workers to minimise their commute.

This liminal period in which companies are just beginning to reopen and readjust is an opportunity to review and update old systems, from processes for personal care and illness to IT and equipment provision.

The pandemic has been a time for testing new waters and reprioritising. Workplaces are no longer necessary for some. However, their many benefits have been highlighted as well as their weaknesses. If site owners want to attract tenants back and managers want to get the most from their staff, they must create spaces that inspire. The post-Covid workplace is in competition with remote working so the benefits must outweigh the time, stress, and cost of a commute and the freedom of working in pyjamas.

Understanding the home working experience

To truly make the most of the workplace, it's important to understand home working and how it relates to the experience of an office. The number of those working from home more than doubled in 2020 but it remained a minority of workers across the UK according to the ONS. However, some workers were more likely to work from home than others, with the affluent London suburbs having the highest proportion of home workers. The demographic variations between those working from home and those on the frontline, risking their health, lays bare inequalities across the UK and it is important to understand this wide spectrum of experience. As organisations move away from the pandemic, they have a responsibility to acknowledge and account for different experiences. To do so, it is important to offer flexible and varied working experiences.

Technology has a powerful role to play in this process. For many, the main draw to the office is the chance to socialise and work collaboratively. Others will be looking to achieve what they cannot at home such as find sound-proofed spaces for calls or access more sophisticated technology.

Mobile booking apps

Workers will only come into the office if they know that the main draw is accessible. They are unlikely to opt for an unnecessary commute if they are at risk of being stuck at a desk away from colleagues or in a loud and distracting area when trying to focus. Office visits are likely to be planned in advance and with a specific purpose.

Organisations will now have to grapple with their occupancy data as employees decide when they will come into the office, for how long, and for what particular purpose. This is a huge opportunity for artificial intelligence to step up and provide decision makers with the data they need to make critical decisions about their workplace and workforce.

Back to contents

Missed out on our April Summit Sessions?

Access All April 2021 Summit Sessions On Demand

Armstrong Wolfe has created the opportunity to hear from industry and reglatory leaders, prominent academics and those at the forefront of behavioural science on how culture and conduct are shaping the Financial Services industry.

VIEW ALL SUMMIT CONTENT

Back to contents

WCOOC

Inspiring women and underrepresented groups in financial services.

The 2021 WCOOC programmes have focused specifically on promoting the cause of Diversity, Equity and Inclusion by leveraging the female executives and underrepresented groups of the global COO community to leadership positions in the Financial Services industry.

WCOOC is now well-established across London, New York, Canada, Hong Kong and Singapore, and is a safe place to create real connections with your peers and encourage you to network.

This is achieved by delivering access to knowledge sharing through podcasts, content and online events for which we recruit engaging speakers from within and outside the industry.

Our 2021 efforts have centred on what more can be done to promote the positive steps taken by the Financial Services industry that remove barriers for a more inclusive workplace.

As part of the virtual forum programme, the WCOOC Career Management Series that runs quarterly across all regions has been a further source of information for the sharing of best practices to help navigate your career as a COO in a post pandemic landscape, with a focus on goals, actions and effective communication, and managing stress and mental wellbeing.

We endeavour to continue the conversations around culture cohesion, specifically on best new practices on how to embed new starters, lead and manage staff and reshape culture to reflect the new norm, and how we as a collective can foster and cultivate diversity and a shared sense of purpose in the new norm we are currently building.

Inclusivity is at the heart of our virtual leadership evenings this year. These large-scale and cross regional events are facilitated around a pre-conceived agenda, encouraging more men and women into senior positions within Financial Services.

In addition to our Diversity and Inclusion programmes, we are set to launch the COO Career Scheme. This initiative will address the significant underrepresentation of minority heritage talent in the financial services community. Working with global banks and with existing programs offered by these banks, we will be targeting young talent in the final year of secondary schooling to provide business training and internships, with the aim for them to progress into either further education or directly into careers within financial services business management.

In this issue, I am delighted to share career journey experiences and industry insights from Vanessa Eastham Fisk, Ronald Taylor, and Laura Ahto. I hope you find value in reading these features, attending our online forums, receiving our content, and supporting our 2021 forumsall are our promises to you. I look forward to welcoming you all soon.

Gwen Wilcox
MD, COO, WCOOC Global Lead

ARMSTRONG WOLFE
Women in the COO Community

Podcasts

LISTEN TO ALL PODCASTS

Mental Health Awareness Week

10th - 14th May 2021 - Talking all things mental health. Guest speakers include: City Mental Health Alliance, Mental Health England, EY, Baillie Gifford, Minds@Work

Read more

Q2 Career Management Presentation

Re-visit our Q2 Career Management series by downloading the presentation.

Read more

Operationalising disability inclusion within business

by Marianne Waite, Director of Inclusive Design, Interbrand

Interbrand

Read more

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Erica Benjamin
BMO Capital Markets

Jason Brus
Former Managing Director, Global Head of Markets BM and MRC, Barclays USA

Andre Cronje
Former Global COO

Gordon Grant
WCOOC Ambassador and Global Head of Futures

Piers Murray
Former COO BNY Mellon Markets USA

Joe Noreña
Former MD, COO HSBC London & New York

David Ornstein
Former MD, COO Barclays Investment Bank USA

Alex Stanton
Former Senior Conduct Specialist, EMEA Global Markets, BNP Paribas

An interview with Vanessa Eastham Fisk, full time Independent Non-Executive and Board Advisor, based in the Middle-East

Sitting on boards at ila Bank, Bahrain; Almarai Company, KSA; Banque Saudi Fransi, KSA; The National Bank of Ras Al Khaimah, UAE and ABC International Bank plc, Europe.

Prior to pursuing a non-executive career, Vanessa spent over 20 years in a wide variety of Senior Executive Director positions across multiple geographies. During 18 years at Barclays Bank PLC, Vanessa undertook roles of Chief Operating Officer & Chief Risk Officer for the Middle East; Director of Strategy & Transformation at Gerrard Investment Management Ltd; Chief Risk Officer for the Corporate Bank and Head of the UK Leveraged Finance businesses. More recently Vanessa spent 5 years as Wholesale Banking Managing Director & Chief Operating Officer for Standard Chartered Middle East, North Africa and Pakistan.

When did you know that you were ready for a new challenge?

I got to a point where it just didn't feel satisfying anymore and I just didn't feel like I was particularly moving forward. Honestly, I felt like I was treading water and just going through the motions. So eventually, I took a long, hard look at myself and decided I was still young - maybe not in years at that point but certainly in drive and energy, and felt that I still had a huge amount of value to offer and impact to create. However, I didn't see myself moving to a third global bank but had no real idea what it was I wanted to do next.

I stayed in that mindset for quite a long time before I decided to stop beating myself up for not having a clear career pathway and decided to do something self-indulgent, something I was truly passionate about and took myself off to INSEAD in Fontainebleau to undertake the International Director Corporate Governance programme. It was my time at INSEAD, and without the encumbrance of institutional think, that allowed me to reflect, evaluate and make the decision that my next career was going to be a plural career. I wasn't going to go back into another executive role, and I was going to try and build a new career as an independent non-executive.

Through all the deliberation and rumination of what it was I wanted to do next, I never once felt I'd reached the peak of my career. Rather, I just intuitively new I wanted it to be something new but still challenging. It was very much an informed decision that I was going to have a different second career. And, you know what, maybe I'll have a third career and a fourth career, why not! Having made the leap onto a much more uncertain career pathway, I feel it's given me the courage and confidence (and unexpectedly) the

opportunities to pursue diverse work options that I truly would never have been presented with if I'd stayed put.

How did you find transitioning to a non-executive role and away from typical corporate life?

Making the decision to walk away from executive life was for me (as an over thinker) pretty agonising and extremely lonely. I didn't feel I could really talk to anybody about how discontented I was feeling. I was afraid of being judged and that people would think I didn't have the right to be feeling this way because I was considered to have an extremely successful career and furthermore like most people, as I'd strived and also sacrificed to achieve this level success, then why would I now 'throw it all away'. And because of this 'perception' I guess I felt I wasn't entitled to want to do something radically different.

And I think the situation felt more difficult because for a long time I couldn't even explain to myself what it was, I wanted to do, let alone explain it to others. Looking back, I think I made myself deeply unhappy for a time. As the main breadwinner, I also felt the financial burden deeply, and felt guilty that my choices could potentially disrupt the ability to stay in our home, keep the kids in school etc, and I felt I was being selfish by potentially putting all that at risk.

Eventually I broke my mental and emotional deadlock and did make a decision to walk away from a 20+ year executive career and a steady pay check. The year at INSEAD certainly helped, firstly because it gave me the opportunity to think outside the mindset of being an employee, it also allowed me to reflect more on the root cause of my discontent and perhaps more importantly it enabled me to be honest with myself that sticking doing something that no longer felt like I was still learning and growing and that I no longer took immense satisfaction in, would be cheating the organisation and cheating myself. I would have been doing the job for safety reasons, for the financial security and that lifestyle it allowed. At the end of the day, I had to look in the mirror and say, is this who I am and can I live with this? Is this right? For the institution – maybe, but it certainly wasn't going to be right for me. And I thought to myself, I have bigger goals, I still have ambition, I'm still energised by creating impact and delivering value – I just needed to grow some b@@@s!. But honestly, making that decision was really tough and mentally and emotionally one of the hardest and loneliest journeys I have been on.

Are the skills you hold as an executive transferable to non-executive roles?

Absolutely. But in my experience, I do think it's less about the technical skills and perhaps more about style and delivery, adaptability and curiosity. Your domain expertise is always going to be of high relevance, because usually, that's why you are appointed to a board in the first place. But some of the skills that have made you successful in your executive life, may not necessarily make you equally successful as a non-executive. As an executive, you have responsibility for a certain set of deliverables and the accountability rests with you. When you're a non-executive, that activity rests with someone else, notably the incumbent CEO and his management team, which means your role as non-executive is no longer delivering the results but directing and influencing a set of outcomes to benefit a range of stakeholders. And to do this there is a need to balance multiple elements whether it's the ability to frame a strategy, align it with a set of risk appetites and tolerances, be able to challenge information provided beyond what's produced in the board papers, have the ability to know when to really push and challenge the executive management and when to unequivocally support and of course not forgetting the increasingly critical requirement of robust oversight and supervision.

And for me, it wasn't just the transition from executive to non-executive that was new, I also found myself in completely different environments with very different norms and customs, and if I'm honest, I probably found this the hardest adjustment. Whether it was sitting on a board of a very local institution with warring shareholders or advising the founders of a start-up digital bank with less than a dozen employees, these were all very new experiences which whilst initially daunting, enabled me to continue to learn and develop capabilities that I wouldn't have had should I have stayed in my executive bubble.

Funny enough, this latter role catapulted me into the new world of fintech and innovative start-ups and from this a whole series of opportunities presented themselves from directly working with regulatory bodies to influence fintech regulatory reform; to supporting local start-ups and perhaps most satisfying to mentoring founders and entrepreneurs who didn't necessarily have the depth of experience nor capability to commercialise or monetise their big idea. The reason I share this is because when I started out on my second career journey, none of these opportunities remotely figured and they came about really just by being visible and active in this new space and of course having the credibility of a proven executive career behind me. This seasoned domain knowledge and experience converged with my energy and passion and interest that perhaps not all non-executives have, seemed to be massively attractive to 3rd parties.

I guess there is also a certain symmetry between the choices I made and those made by the founders and entrepreneurs I feel honoured to work with. I certainly don't measure myself against their ability to ideate and the strong sense of belief they have in their product or proposition. In fact, I am always in awe of people with the dreams and visions and who have the courage of their convictions to walk away from security without the angst and rumination I certainly put myself through. But at the end of the day, we are all different and I do believe as cliché as it sounds, everyone's journey is different.

Do you see value in networks and support groups for MD level individuals?

If there was one thing that I wish I'd had, when I was agonising over what to do next, it would have been the opportunity for someone to listen without judgement and someone to offer me guidance and advice. Someone who might not necessarily have been at the same inflection point as me, but who perhaps had a similar executive story and who could at least appreciate the WHY in what I was trying to achieve. So often, it felt like I was a little echo chamber, continually talking in my own head and the responses that were coming back weren't particularly helpful for moving me forward!!! I think if there are networks where people feel comfortable, where they feel it is of value and not something

Back to contents

that they have to do because it's expected, then I would wholeheartedly recommend people embrace them. Not all networks are the same and not all will necessarily provide the 'safe environment' one might need to be able to open up about career dilemmas, but I do think 'career plateauing' when people are still at their peak but feeling dissatisfied will form part of the 4th industrial revolution challenge and I'm not convinced industries and companies are geared up for this in the same way they weren't with the original diversity challenge.

You are a very successful professional but have you found this impacting your personal life and your role as a mother?

Firstly, I strongly believe women who achieve positions of seniority in whatever their chosen field are extremely deserving of their status and success. I know how hard you have to work, the commitment you have to give, the challenges and obstacles that have to be overcome and at times the trade-offs that have to be made.

I think when you're in your 20s, you never really worry about how you're going to balance it, you just get on with it. But then you get into your 30s, which is when I had my first 2 children, then you realise how much of a balancing act it really is. I recall being pregnant with my first son and I naively, probably foolishly thought I could treat having a baby like another work project. Clearly the reality was way different and whilst the practical aspect of looking after a baby was something that could be structured (and yes, I confess at this point I wasn't one of those earth mothers with a zen like approach to feed on demand – I was much more the Gina Ford school of parenting with a turbo charged spreadsheet!) I never planned for the emotional impact and for how much this would disorientate what up until that point had been a very clear and unfettered linear career ambition.

I think by the time I was in my 40's and had been blessed with my 3rd son, I sort of realised how increasingly tricky the balancing act becomes. I was fortunate in that I had support at home to help with all the practical stuff, but nonetheless I started to feel I was the one missing out, not the kids! And of course, that train of thought tends to lead on to reflecting on all the sacrifices one makes to ensure all the balls stay in the air. Since stepping away from full-on executive life, I've realised that I did make a lot of sacrifices, but I don't think ever in my career. These sacrifices always came in my personal life – missing school stuff, sports days, concerts, and the 'firsts' of things. I don't have regrets because I recognise those sacrifices allowed me and the family to have the life we have, but I do wonder if I hadn't made the decision nearly 6 years ago to choose a different career path which gives me far more freedom of time, whether regret would have eventually manifested.

I recognise everyone's journey is different and there a myriad of reasons why people feel ready for a different challenge; whether that's because they can't see or frame the next step in their current organisation; or they no longer feel they are thriving in their current environment or like me they feel a deep-rooted need to do something different. Whatever the motive for potentially looking at a 'next' career, my advice would be rather than ruminating and beating yourself up because you don't know what it looks like and you don't know whether its achievable, or whether it will pay enough, or whether it will derail your stellar CV, I'd simply take some time to try and work out the root cause of unrest. And of course, it may take a level of self-awareness and honest reflection that requires digging beyond those surface level frustrations and really peeling back to the real essence of who you are and what you truly want next. I am truly glad I took the leap and of course its not all been plain sailing and there have been setbacks and at times periods of self-doubt as to whether I could genuinely build a plural career in the timeframe I set myself, but I truly feel my NED career has made the most content and fulfilled than I've felt in nearly two decades and whilst at times I wistfully reminisce on seeing a regular salary plop into my account at month end or the broad smile a nice annual bonus always brought, I simply wouldn't change what I do now for anything.

An interview with Ronald Taylor, Head of Diversity and Inclusion, Mizuho Americas

What does your career journey look like?

My career journey has been anything but linear. I actually started off working with children in Residential Treatment Facilities (RTF) and truly enjoyed the work, although at times it was emotionally draining. I felt I was making a real impact in the lives of the 10-14-year-old boys I worked with.

They'd been removed from their homes because of challenges either they or their parents were having. I often served as one of the few male role models for many of them. I still describe this work as the most challenging I've ever done.

Unfortunately, it did not pay very well and I decided to go back to school later in life to get an undergrad in Business Management with a focus on accounting. Why accounting? At the time, Big 6 public accounting paid well (relatively) and while I didn't have a complete understanding of what I was getting into, I went for it anyway.

I was fortunate to land an internship with KPMG in their Boston office and upon completion was offered a position on the Audit team. I declined, as the next year I was moving to New York and getting married. To my surprise KPMG amended the offer to include New York and my professional career started. While doing financial service audit, I was very involved in KPMG's diversity and inclusion initiatives. After receiving my CPA and making manager I went to the partners and informed them I was going to leave accounting to pursue diversity & inclusion work full-time.

Again to my surprise, about two weeks later there was an offer to join the newly created Workplace Solutions team where I focused on diversity, work-life and community. I knew then that diversity and inclusion would be my life work. Following KPMG I worked for several firms: EisnerAmper, Deutsche Bank, The Federal Reserve Bank of New York, and my current position as Head of Diversity & Inclusion for Mizuho Americas.

What are the skills that have led you to be such an expert and renowned voice in the D&I world?

There is no real "command and control" with D&I. Many of the skills I incorporate into my work center around influence, patience, and helping leaders and employees see a vision for a more robust, engaged, and profitable organization by ensuring D&I is at the center of everything they do. I also spend time cultivating and leveraging a robust network of other D&I practitioners. I'm a LinkedIn groupie and find many valuable articles and insights to help inform Mizuho's D&I initiatives.

What do you think are the main challenges faced by D&I professionals at the moment?

Prior to the horrific and tragic events of 2020, I think the challenges were greater. Right now I feel there is a window of empathy and opportunity to make significant strides in moving D&I forward. I feel that many who were unmoved regarding issues of racial injustice are engaging. A lot of organizations, including Mizuho, have established diversity

dialogues and listening sessions acknowledging the need for employees to truly let their voices be heard and fulfilling the desire of many who want to hear it. I have seen leaders doubling down on their diversity commitment by becoming more actively engaged in the efforts.

How does the Mizuho D&I strategy differ between regions?

I really enjoy the D&I conversations relating to D&I across the regions. In Tokyo, where Mizuho's head office is, they've established a Diversity Committee to address challenges in Japan which are specific to the region. I coordinate with the Committee to hear about challenges and opportunities, as well as share on focus areas in the Americas. EMEA is another region I'm able to collaborate with, helping them to launch different initiatives, i.e – a Reverse Mentoring Initiative, where the senior employee is mentored by a younger one to bring new perspectives. I've also had the opportunity to participate on a global panel in support of Diversity Month.

How does Mizuho measure progress and success relating to D&I?

It is important to analyze metrics as they relate to gender and ethnic representation however it is equally important to ensure a culture of inclusivity and engagement. Many companies focus on the numbers without putting equal efforts into managing the culture. Mizuho is intentional in making sure the diversity work isn't just a numbers game and spends a good deal of time addressing the culture and sense of belonging of all its employees.

Who is the Ronald 'outside of work'? What are your own interests and what other roles and positions do you hold?

Golf, golf, and more golf. I only play on days that end in the letter "Y". My wife got me lessons 16 years ago and I'm sure she's regretted it ever since. I've recently joined the Board of Advisors for Genesys Works NYC, an organization that provides high school age young professionals with internships with financial service firms. I also serve on the Bronx Community College Business and Technology Board of Advisors. My family loves to travel. Our last trip before the pandemic was an incredible cruise to Alaska. We're looking forward to being able to travel again soon.

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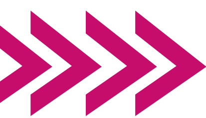


An interview with Laura Ahto, Non-Executive Director and Advisor

From her first role at Bankers Trust to the CEO of the European Bank, Laura offers an insight in to her journey to CEO.

Laura shares her experiences on seeking to understand differences with a life-long interesting in learning, the power of transparency and effective communication with stakeholders and colleagues alike and, above all else, the importance of enjoying the journey whilst leading by example.

What led you to a career within financial services?

I was always very interested in working in an entrepreneurial environment. I was also excited about international experiences, having taken my first trip abroad upon graduating from University, and having the opportunity to experience business in the context of global culture was very important to me. I was also looking for the opportunity to experience a wide and diverse range of roles over the course of my career.

Finally, with financial services being an industry that must constantly adapt to rapid change, and support its clients, employees, shareholders and the communities in which it operates, it was a very exciting place to be.

Bankers Trust Company, my first employer, provided all of this. It also gave me very early exposure to senior management, and the culture was very collaborative whilst competitive. These early experiences reinforced my thoughts that financial services was an ideal industry to work in.

Since the early days of joining BT, I have had opportunities to work at a variety of organizations, in different countries around the world. My roles have included Head of APAC Client Service and Operations at BT, based in Sydney; Head of EMEA Operations at BT/ Deutsche Bank, in London; Head of Business Management at PIMCO Europe and Deputy COO at Barings Asset Management, in London; Branch Manager and COO in Frankfurt, CEO of the European Bank, in Brussels, and COO of Asset Servicing and Digital, in New York, all at BNY Mellon. I have enjoyed an abundance of experiences, which have all built on each other and led me to now focusing on global Board and Advisory roles.

I can honestly say that what attracted me to financial services early on remains true today, and my career showcases it. Whilst Financial Services is constantly changing, and strategic change and sustainability are more important now than ever, it continues to be a wonderful industry which provides many opportunities.

How did you find the cross-cultural transition to working in different countries?

Working in different regions of the world, and countries, has been an enriching experience, personally

and professionally.

Australia was the first place I worked and lived abroad. I went there to establish an Operations Center to service the APAC region, so I was working with people in a real variety of countries and cultures. I made a lot of mistakes and had to learn quickly.

All of this taught me to be alert to not being judgmental, but rather to seek to understand differences. And to ask “Why” when I did not understand something, with a genuine interest in learning about it.

How did you experience being a woman in a very male-dominated profession?

For a long time, I never felt that there were any differences. I worked hard for the organizations I was employed by, and felt that my contributions were recognized and rewarded. It was only as my career progressed, and the roles I was doing became more senior, that I came to understand a different picture, especially through learning about impostor syndrome.

These experiences have shaped my strong belief in the importance of gender diversity, and finding ways to teach girls in school and young women in university and just starting work to understand and overcome any feelings that they are not good enough. They have so much to contribute to making the world a better place, and it is crucial that we support their development of self-belief early on. participants the opportunity to build their knowledge and also provide an opportunity to network with other women in similar industries and roles.

What advice would you give to yourself 20 years ago?

First and foremost, bring a passion for life long learning to your work. Business is changing so rapidly now, with technology and digitization as enablers, that you have to be ready to change with it, support the change for clients, colleagues, and communities.

With the world being more connected than ever, most of us engage with colleagues around the world in the course of our daily work. I have benefitted from actively seeking to understand how different countries and cultures operate, what are their features, what makes them tick. In the US, we can sometimes assume that everything in the world works as it does in the US, and with experience we learn that this may not be the case. Understanding how businesses, governments, regulators operate globally can impact businesses

and the ability to succeed.

Networks connect the world, and we all can find support and assistance in our own informal and formal networks. Seeking to establish and develop them is important. I have always found that people are pretty happy and willing to help each other. And remembering to pay it forward and help others helps the entire business and community progress.

Surrounding yourself with a diverse group of friends and colleagues, to maximize what you will learn about how different people approach the same problem, will lead to better outcomes. Quite often, one plus one will equal three rather than two.

And finally, it is so important to remember to have fun. I have had wonderful opportunities to live and work in many places. Work is one very important and enriching part of life, and it is equally important to really enjoy and be personally enriched by the opportunities it brings you.

How have you kept true to yourself whilst simultaneously achieving success throughout your career?

I have always sought first and foremost to do what is right for the enterprise. Balancing business opportunity and the ambition to drive sustainable profit and growth, with internal and external controls and governance requirements, can sometimes be challenging. I have always seen my role as CEO and leader as requiring those balances to be understood and respected, supporting all aspects of the business.

Understanding exactly what it is which needs to be done, making the time to engage with stakeholders inside and outside of the organization, and really listen to and hear what they have to say, has helped me to ensure that I was leading on and delivering what was really needed rather than what I thought or assumed was needed. And taking personal responsibility, whilst supporting teams and colleagues, I have always found to be very important to success and developing followership.

I have also found that communicating transparently, continuously and consistently is critical to sharing successes, flagging issues early, and keeping everyone aligned and on board. This is not easy when things are not going well, but it is of course in those moments that it is most important.

Finally, I have always sought to remember that stakeholders include customers, colleagues, shareholders and the communities in which our businesses operate. It is crucial to engage with, consider the impact to, and support all of them. When we leaders behave in this way, others follow us.

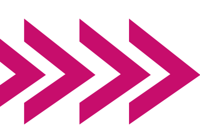
How do you feel the world of work has changed since you started your career journey?

The biggest changes I observe are that understanding the rapid pace of change, the impact of technology, and taking the opportunity to learn new skills to keep current are really important.

In addition to technology, globalization has been a huge evolution and whilst it may go politically in and out of favor, there is no denying that we instantly know what is going on around the world, and connect to it, for better or worse, more so now than ever. It is really important to acknowledge this and be comfortable with it.

Business is no longer the exclusive domain of white men. Women and ethnically diverse colleagues are attaining roles of prominence more than ever, and it is about time. We have all learned that diverse organizations are more successful and this arises from them looking and operating like the stakeholder communities in which they engage and serve. Still, there is more to do.

It is important that businesses are finally considering that their role is greater than that of simply enhancing shareholder value, that they have a responsibility to society and the world, and to making it a better place for all.



Why traditional diversity strategies are failing

LWCM is a Canadian not-for-profit organization founded in 1995, with a mission to accelerate equity, diversity and inclusion in Canada's finance industry. They do this through initiatives that amplify the careers of diverse talent, build the industry's equity and inclusion literacy and strategies, and uniting firms to drive change. WCM has 3,500 student and professional members, and it's partners include Canada's major banks, pensions and prominent financial institutions.

This article is an excerpt from The Equity Equation, a WCM report published in 2020, which was an industry-wide study of employee experiences in Canadian finance. The Equity Equation investigates how personal identities, such as gender, race and sexual orientation, impact experiences at work, and offers firms a powerful roadmap towards equity, diversity and inclusion.

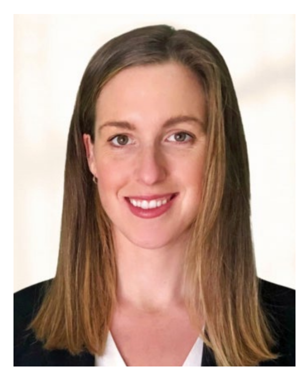
Lara Zink, WCM's President and CEO and Katie Squires-Thompson, WCM's Chief Strategy Officer share their thoughts on why traditional approaches to advancing women haven't yielded the representation and inclusion we were hoping for, and what strategies and tactics leaders can adopt instead to increase diversity at their firms.

Traditional strategies employed with the intent of increasing the representation and participation of women in corporate workplaces typically focused on developing that talent group. Heavy recruiting, building out programs, events and initiatives that support the advancement of women are good examples. While there is no shortage of efforts that aim to support the advancement of women, gender parity remains out of reach.

We now know that this traditional 'women-centric' approach to diversity is not only ineffective, but likely regressive for several reasons. The whole concept of inclusion is an interesting one - requiring employees outside the dominant group to "fit in" to this culture in order to succeed in their careers. For example, consider how women-specific leadership programs can signal that women require additional training and must be "helped" and "fixed" in order to meet the standards and style of leadership in their organization, while men naturally fit the standard without additional development.

Against them, and distracts from addressing the real issue: the structural barriers and inequities that put women and other non-dominant groups at a significant disadvantage. Meanwhile, employees within the majority group are led to assume their firm is taking sufficient action with regards to diversity.

Similarly, public displays of inclusion, no matter how well-intended, can actually intensify feelings of exclusion and decrease women's sense of belonging, by highlighting them as outsiders and signalling that they require targeted inclusion efforts. This is also damaging for those in the dominant group, as they may also begin to feel excluded, deprioritized, to question if they are being treated equally and ultimately, resentful of the support directed towards the non-dominant groups. Thus, any instance of favoritism, priority treatment or focus on a specific demographic group risks creating a culture of opposition, setting a tone of 'us versus them'. This perpetuates the status quo that we are trying to transform and ultimately restricts the development of a true meritocracy.



The recommendations in The Equity Equation shift the focus for firms away from developing demographic-specific talent and onto building a more equitable system: the distribution of opportunities, advancement practices, policies and addressing other systemic barriers. Here is a high-level checklist. Full details on each recommendation are available in the report. Leaders who effectively integrate these recommendations will put their firms on the path to reaching new levels of equity, diversity and inclusion.

Checklist for leaders to drive ED&I

1. Commit to equity

- Publicly commit to fairness and equity within your firm
- Publicly acknowledge how different groups experience the workplace differently
- Can you articulate how the traditional 'women's-centric' approach to diversity is regressive?

2. Build equity, diversity and inclusion literacy

- Share this research with all people managers in your firm
- Offer unconscious bias and bystander training Implement a tool (as simple as a survey) to provide anonymous feedback to managers

3. Standardize processes and practices

- Feedback and review process: use a rubric with quantifiable criteria
- Feedback and review process: train managers to deliver unbiased feedback
- Promotion and hiring: measure candidates against a set criteria
- Promotion and hiring: use a bias spotter for all discussions on candidates
- Compensation: conduct annual gender and race pay audits
- Compensation: review by level and across race and gender

4. Implement hard targets for a set period of time

- Targets by gender and race by level and department
- Targets for gender and race for annual hiring
- Targets for gender and race for annual promotions

5. Ensure firm is free from harassment and discrimination

- Harassment and anti-discrimination policies are reviewed annually
- Employees understand how to file a complaint and what the process is
- You have an ombuds office that is independent
- You truly practice zero tolerance

6. Transparency: measure, monitor and report

- CEO has released targets to all employees and provided a discussion forum
- HR has released their standardized processes
- Measure representation by level, hiring, promotion, exits and retention
- Monitor performance over time Report both internally to all staff and externally (at least annually)

For more information, go to www.wcm.ca

How wealth and asset managers can leverage ecosystems to catalyze growth

EY Building a better working world

Learn how investment firms can use partnership-based strategies to deliver better financial and operational results.

In brief

- While Ecosystem strategies have become commonplace in other industries, they are still developing in the investment management space.
- At a time when traditional M&A has struggled to deliver on return expectations, accelerating digital transformation will give investment firms the opportunity to meet customer needs and drive growth and efficiency.
- Leveraging diverse ecosystems of third parties can allow investment management firms to redesign product mixes, strengthen distribution capabilities and enhance operating platforms without the need to build or buy.

Today's investment management industry is under pressure in ways that go beyond responding to the COVID-19 pandemic. Assets under management (AUM) have been growing at a healthy rate, but much of the industry struggles to generate adequate risk-adjusted returns.

Competition from emerging FinTech and established big technology firms is increasing. Intensifying shareholder scrutiny has resulted in many firms to look to the M&A market in search of efficiencies of scale, differentiated products, new distribution channels or deeper customer relationships, but relying solely on such traditional strategies has not been enough.

To remain competitive and satisfy activist shareholders, wealth and asset management firms may want to think boldly about using ecosystem business models, similar to those employed by Amazon or Uber, to unlock value. The accelerating digital transformation has caused growth-minded firms to look beyond traditional industry boundaries and leverage the capabilities of partners to meet customer needs, drive growth and lower operating costs.

Leveraging diverse ecosystems of third parties can allow investment management firms to redesign product mixes, strengthen distribution capabilities and enhance operating platforms without the need to build or buy. This approach can free up energy and capital to develop, implement and market their own differentiated products and services.

Partnership models require wealth and asset management firms to expand their strategic playbooks and acknowledge that M&A may not be the only way to achieve efficient and resilient outcomes in a rapidly changing digital environment. To prepare for the journey requires an honest assessment of the firm's strategy, strengths and weaknesses. It also demands a structure for prioritizing partnership opportunities, thoughtful planning and sharp execution.

These are still early days for ecosystems in the wealth and

asset management space. At the pace the digital world is evolving, it may only be a matter of time before they become a core part of every investment firm's strategic arsenal.

Asset management: partnering for growth and efficiency

The urgency to embrace ecosystems may be the greatest for institutional asset managers, that can risk losing increasingly sophisticated investors if they cannot find ways to offer differentiated products, expand digital distribution and build resiliency on a budget. Growth and efficiency are the name of the game, and ecosystems are a potentially more effective way to achieve those goals than acquisitions.

Today, asset managers are using M&A to chase growth in one of two ways. The biggest firms are seeking scale to support strategic objectives. For example, Invesco's acquisition of Oppenheimer is focused on achieving scale to drive down costs. Franklin Templeton's deal for Legg Mason creates needed scale in fixed-income trading and other key product sets.

On the other end of the spectrum, smaller, more-nimble asset managers are looking to reach, attract and retain customers by acquiring boutique firms with differentiated products or distribution capabilities. The effectiveness of these M&A-driven growth strategies has been mixed.

Ecosystems provide a potentially less-costly and less-complicated alternative to achieving many of those same objectives. Partnering generally does not require the same investments of time, capital and labor as an acquisition, yet it can afford many of the same benefits in an expedited fashion.

For example, BlackRock is hosting its Aladdin infrastructure on Microsoft's Azure platform to enhance client experiences with greater computing scale. Partnering with cloud platforms or FinTech firms can enable asset managers to pursue continuous innovation and develop scalable operating solutions in resilient, cost-effective ways.

Ecosystem partnerships can be an effective way for asset managers to achieve growth and efficiency goals without massive capital outlays, while also avoiding some of the more complicated cultural and integration challenges commonly associated with M&A.

Wealth management: partnering to expand reach and capabilities

For wealth management firms, it's crucial to attract and retain clients through different stages of financial maturity to meet growth objectives. Recent M&A deals, including Morgan Stanley's acquisition of E*Trade, Charles Schwab's acquisition of TD Ameritrade and Goldman Sachs' acquisition of United Capital Financial Partners, have been driven in large part by this strategic imperative to broaden customer bases.

Ecosystems provide a more cost-effective way to achieve similar objectives. Leveraging the capabilities of partners to serve the digital needs of clients — something they have come to expect in other parts of their daily lives — can make those relationships more meaningful

and longer lasting.

The following are some top considerations clients are seeking from wealth managers, and some perspectives about how ecosystems can help meet those expectations.

- **Digital access.** Retail clients are accustomed to accessing and buying products and services online and expect wealth managers to provide the same convenience. Partnering with FinTech and nonfinancial technology firms to enable seamless digital interactions not only can enhance the user experience, but also may enable stickier relationships.
- **More diverse investment choices.** By partnering with specialists to provide leading-class environmental, social and governance (ESG) and thematic fund options, wealth managers can solidify relationships with mass-affluent customers as their needs evolve. We expect global financial services firms will continue to partner with more technology-focused asset managers that have expertise in ESG investing to allow advisors to create personalized values-based portfolios for clients who increasingly care about the social impact of their investments.
- **Account assessment and monitoring.** Retail investors are more hands-on today and want transparency around the social impact of funds.

Providing third-party tools that filter, screen and monitor investments can empower customers, making the relationship more relevant.

Lower costs. Leveraging lower-cost back-office functionality from partners to enhance efficiency, resiliency and risk management can enable firms to provide greater value to clients.

Partnering with nimble FinTechs and other specialists via ecosystem strategies is becoming a preferred way for wealth managers to provide customers with high-quality digital experiences and leverage emerging technologies in pursuit of efficiency and resiliency.

Four actions firms can consider now to leverage ecosystems

Align vision with strategy

Investment firms can identify clear strategic objectives for an ecosystem operating model and resist the temptation to simply react to what is happening in the marketplace. Firms can establish frameworks based on those objectives to assess existing capabilities and value chains.

1. Which customer needs, product deficiencies and operational challenges need to be addressed, and is that best accomplished through building, buying or partnering with a third party?

2. Where does the firm stand relative to competitors — in terms of AUM levels, product specialization, distribution channels and customer experiences? And how can partnerships help make up the most glaring gaps?

3. Which core products and capabilities are very unique to the firm's offerings to be part of an ecosystem? Which customer and back-office needs can be best addressed by partners?

4. Which customer segments may be targeted through the ecosystem and what value propositions will drive ecosystem participation for each of those segments?

Evaluate and prioritize focus areas

Leverage industry and proprietary data sets to scan the market for partnerships that can provide the greatest benefit. Analyze potential partners' track records, investment histories and capabilities to prioritize opportunities relative to the firm's short-, medium- and long-term strategic objectives.

Develop an engagement plan

Prepare to work with partners by developing a baseline version of the firm's current operating model, including people, processes, existing third-party relationships, regions and platforms. Develop the integration strategies, talent, tools and IT capabilities needed to execute a platform-based business model.

Execute the transition

Identify and conduct due diligence on potential partners and business models that extend beyond basic financial metrics to integration strategies, operations, technology compatibility and cultural fit. Finalize the details of partnership agreements, including ownership, management, branding and communications rights, and exit provisions.

Form teams to integrate partner capabilities based on well-defined execution plans and establish that partner incentives are aligned

with those of the firm. As ecosystem capabilities mature, the firm may consider developing a center of excellence to manage its ongoing ecosystem relationships.

The views expressed by the author are not necessarily those of Ernst & Young LLP or other members of the global EY organization.

Summary

An effective ecosystem strategy can require an investment firm to assess its existing strengths and weaknesses, prioritize solutions, develop engagement plans and execute sharply with others. It may require a different skill set and thought process, but in an increasingly interconnected platform world, customers and investors alike will demand it.

Back to contents

Q2 Schedule of events

COO/ CCO Markets Events Schedule

REGISTER

COO Markets

	North America	EMEA	Asia
June	Webinars 10.00 EDT June 16: COO RTO - Productivity 12.00 EDT June 22: CCO Return to Office and Hybrid Working Maintaining a good corporate culture and control environment developing a risk culture and the drive towards 'management by metrics' How to train junior staff/new joiners and instil an appropriate risk/performance culture in hybrid working. What constitutes Effective remote/hybrid supervision? June 30: Outsourcing of non-differentiated activities	Webinars 11.00 BST June 15: RTO: COO Productivity - 11.00 BST June 23: CCO Return to Office and Hybrid Working Maintaining a good corporate culture and control environment developing a risk culture and the drive towards 'management by metrics' How to train junior staff/new joiners and instil an appropriate risk/performance culture in hybrid working. What constitutes Effective remote/hybrid supervision? June 30: Outsourcing of non-differentiated activities	Webinars 15.00 SGT/HKT June 17 COO RTO Productivity 15.00 SGT/HKT June 24: CCO Return to Office and Hybrid Working Maintaining a good corporate culture and control environment developing a risk culture and the drive towards 'management by metrics' How to train junior staff/new joiners and instil an appropriate risk/performance culture in hybrid working. What constitutes Effective remote/hybrid supervision?
July	10.00 EDT July 21 COO – RTO 10.00 EDT July 27 – Regulatory Group 12.00 EDT July 29 Global Symposium Debate: Culture is more effective than controls in preventing poor conduct.	15.00 BST July 22 COO – RTO 15.00 BST July 27 – Regulatory Group 17.00 BST July 29 Global Symposium Debate: Culture is more effective than controls in preventing poor conduct.	15.00 SGT/HKT July 22 COO – RTO
August	10.00 EDT 17 August CCO	15.00 BST 18 August CCO	15.00 SGT/HKT 20 August CCO
September	10.00 EDT 15 September COO	15.00 BST 8 September CCO	15.00 SGT/HKT 9 September CCO
October	5 October 10.00 Regulatory Group 6 October 10.00 Operations Group 18.00 – 21.00 NYC October 19 COO 18.00 – 21.00 NYC October 20 CCO	5 October 15.00 Regulatory Group 6 October 15.00 Operations Group 18.00 – 21.00 London October 27 COO [RAC London] 18.00 – 21.00 London October 28 CCO [RAC London]	7 October 15.00 SGT/HKT Regulatory Group

Back to contents

November	1 – 5 November Conduct and Culture Summit	1 – 5 November Conduct and Culture Summit	1 – 5 November Conduct and Culture Summit
December	No iCOOC forum/webinar activities Participation in yearend surveys: COO, CCO, regulation, operations		

Asset Management Events Schedule

17th June, 3-4pm BST / 10-11EDT	Technology	COO Forum sponsored by EY	North America
26th July, 15:00-16:00 BST	Return to Office (RTO)	TBC	EMEA
27th July, 10:00 -11:00 EDT / 15:00-16:00 BST	Return to Office (RTO)	TBC	North America
29th July, 12:00-13:30 BST / 17:00-18:30 EDT	Debate	Culture is more effective than Controls in preventing poor Conduct	Global
10th August, 10:00 -11:00 EDT / 15:00-16:00 BST	Workforce Planning	TBC	Global
19th August, 10:00 -11:00 EDT / 15:00-16:00 BST	Technology	TBC	EMEA & North America
16th September, 15:00-16:00 BST / 10:00 - 11:00 EDT	Transformation	TBC	EMEA
21st September, 15:00-16:00 BST / 10:00 - 11:00 EDT	Transformation	TBC	North America
21st October 17:30-21:00	Meet Ups	Dinner in New York	North America
26th October 17:30-21:00	Meet Ups	Dinner in London	EMEA
16th November, 15:00-16:00 BST / 10:00 - 11:00 EDT	TBC	TBC	North America
16th November, 15:00-16:00 BST / 10:00 - 11:00 EDT	TBC	TBC	EMEA
19th November, 15:00-16:00 BST / 10:00 - 11:00 EDT	Year End Global Symposium	Horizon scanning the pricipal challenges for the COO Community 2022	Global

WCOOC Events Schedule

REGISTER

Dates for your diary	Event	Audience
18th June (All Regions)	Why Being Menopause Supportive is Business Savvy Guest: Lauren Chiren, Women of a Certain Stage	MD level
8th (APAC), 9th (North America) 10th (EMEA) September	Career Management (3/4) - Mental health, managing stress, handling setbacks	VPs & ED
23rd September (APAC), 30thSeptember (NA/EMEA)	Leadership forums	Global COO and CCO Community and theis business partners
1st – 5th November (All Regions)	Conduct & Culture Summit 2.0	Global COO and CCO Community and theis business partners
1st (APAC), 2nd (North America), 3rd (EMEA) December	Career Management (4/4) - Opportunity awareness, mentoring, sponsorship, leveraging and managing relationships, CPD	VPs & ED

Armstrong Wolfe

Empowering The Financial Services COO Community

Find us on LinkedIn: Armstrong Wolfe | Women in the COO Community | Global COO Community

Read full Profiling the Global COO, Markets article here

Profiling the Global COO, Markets

The role of the COO Markets is commonplace by appointment, but far from common is the heritage of those that occupy this executive seat. Whereas you will expect to find common heritage if you compare, for example, the CFOs or CROs across the sector, this does not appear to be relevant when doing the same exercise within the COO community. Indeed, the only commonality they share, you could argue, is the lack of commonality of their journeys to being appointed the global COO. This research set out to prove or disprove these assumptions and in gathering empirical evidence, note what if anything can be learnt through this analysis.

What conclusions can be made? The assumptions are largely correct, although commonalities can be found in academic prowess and that the overwhelming majority are graduates and two thirds have a secondary qualification; that the evolving consensus appears to be the role of the global COO requires a business, risk and/or technology career background and innovation mindset; and that you are just as likely to reach this seat if you stay with one bank as opposed to moving from one to another in your career.

Conversely in a truly global role it is remarkable that 85% of those appointed have direct work experience in only 1 or 2 countries and more so damning that less than 6% are not white (male or female) in ethnicity.

Tim Williams
Head of Research, Armstrong Wolfe

PART 1 Workspace Location & Global Distribution

PART 2 Nationality, Ethnicity & COO Distribution

PART 3 Career Average, Market Trend & COO Tenure

PART 4 Career & COO Pedigree

PART 5 Workspace Location & Global Distribution

PART 6 COO Role, Qualifications & Responsibilities

Armstrong Wolfe Partners

Business services for the Chief Operating Officer & Chief Control Officer communities

Our Mission:

To establish Armstrong Wolfe Partners as a trusted partner, so we can support our clients as they drive their businesses forward in a sustainable way.

Armstrong Wolfe Partners (AWP) is a business solutions firm that is led by industry practitioners who have successful track records in managing change and run-the-bank operations across multiple regions.

Importantly, our team has extensive leadership experience as COOs, CCOs, Business Owners, Infrastructure Heads and Board Directors.

Given our practical hands on experience, we share your perspective and we appreciate your macro and micro concerns. We have owned regional and global programs of work - from design through delivery - and understand the impact of change on all parts of the organisation. Lastly, our previous roles have helped us develop meaningful relationships across experienced industry practitioners, service providers, regulatory bodies and industry associations, which increases the value we bring to our client engagements.

Simon Longden
Partner

Patrick Butler
Partner

Our Values

- **We place our client's interests first**
- **We operate with integrity and transparency**
- **We are committed to excellence and innovation**
- **We take responsibility for our actions**

Back to contents

iCOOC Membership

Armstrong Wolfe is proud to manage content for the International COO Community - Find out more about the Membership (iCOOC)

We are the only group membership dedicated to supporting business management professionals in Financial Services.

Our membership is one degree of separation from primary business decision makers.

They are the ambassadors of conduct with 'COO' a trademark for ethical behaviour.

This community is uniquely positioned to transform financial services.

iCOOC's mission is to help them meet this challenge by working better together.

This trust instilled in us is at the centre of what we do, how we operate, and who we work with to serve our purpose.

Why become an iCOOC member in 2021?

Armstrong Wolfe provides leading, keynote industry speakers and strategic partners to provide thought leadership and solutions development to the COO community. Working with Armstrong Wolfe Partners (AWP), this select group of corporates are recognised for excellence in their field, with AWP ensuring relevance of all content presented to iCOOC members.

We are committed to bringing to iCOOC members topics and subjects that are market-wide and non-proprietary. How do we decide what we do?

To ensure our activities are aligned to the needs of the COO, we rely on the guidance offered by our regional COO steering groups. These are voluntary appointments - the appointees being global or regional COOs - meeting every other month to set the agenda and direction of our activity for the next 2 months ahead.

In 2021, Armstrong Wolfe will provide regular peer group COO / CCO cluster calls and forums focused on the following 6 points.

The following are based upon a 100 strong COO survey:

1. Supervisory – how to meet regulatory, client and emerging conduct risk demands?

2. Technology – how to tool staff to be more effective in a WFH environment?

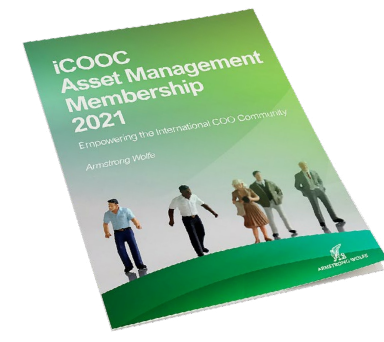
3. Innovation – where and how can digitalisation be adopted to make short term impact?

4. Operational Resilience– adapting to threats to withstand and adsorb disruptions.

5. Workforce Planning – what is the operating model for staffing post COVID?

6. Productivity – how to measure performance: appraise and reward in the new normal.

We will extend the 2020 dialogue in relation to the challenge of cultural cohesion and purpose. This will focus on how purpose is being changed by the intersection of the pandemic and the regulated and moral obligations of good conduct and sustainability.



Asset Management

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Global Markets

For more information on iCOOC Global Markets Membership download our online brochure.

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