



The Future of Finance: How FinTech, AI & Blockchain Will Shape our Future

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Why



What



How

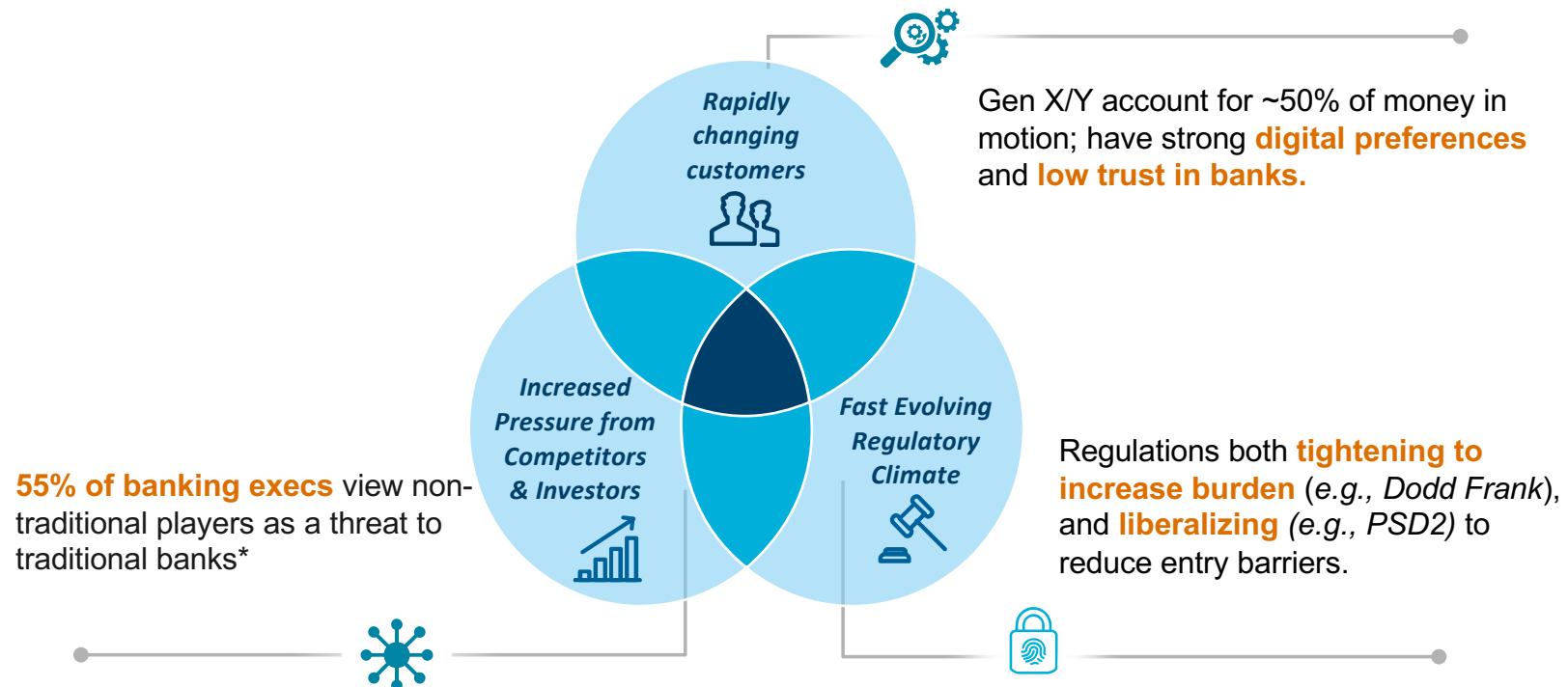


IBM



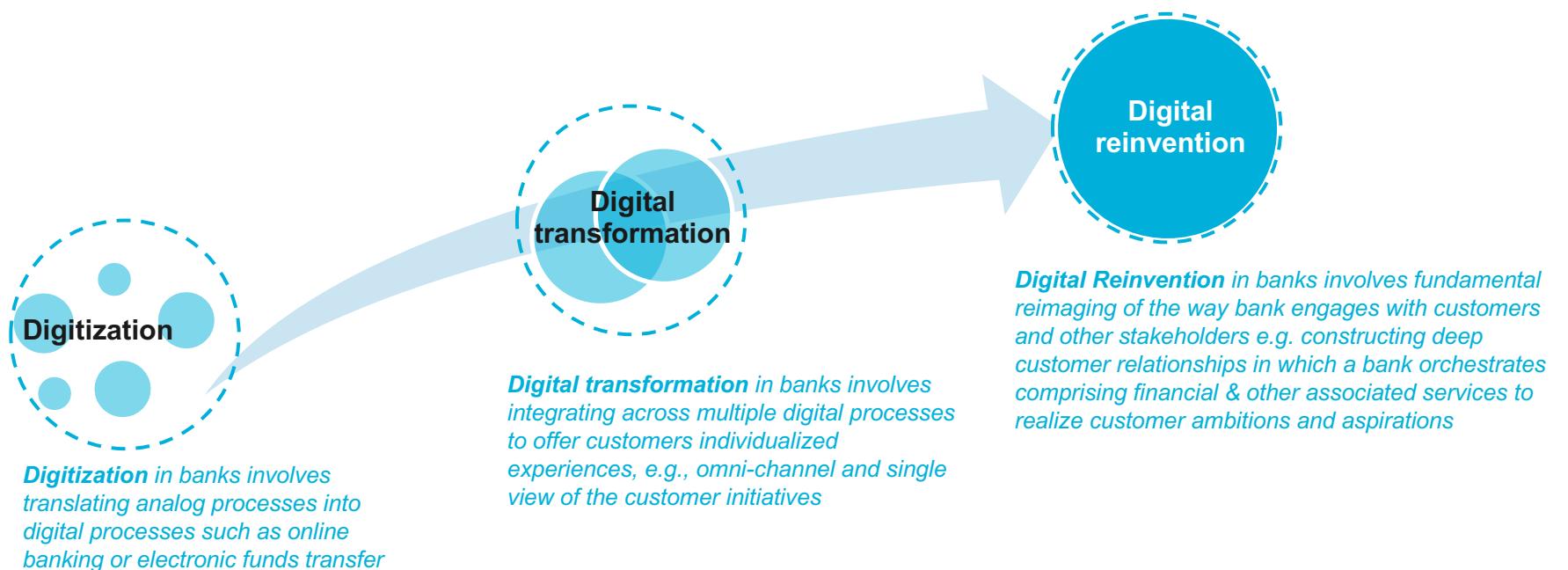
Why

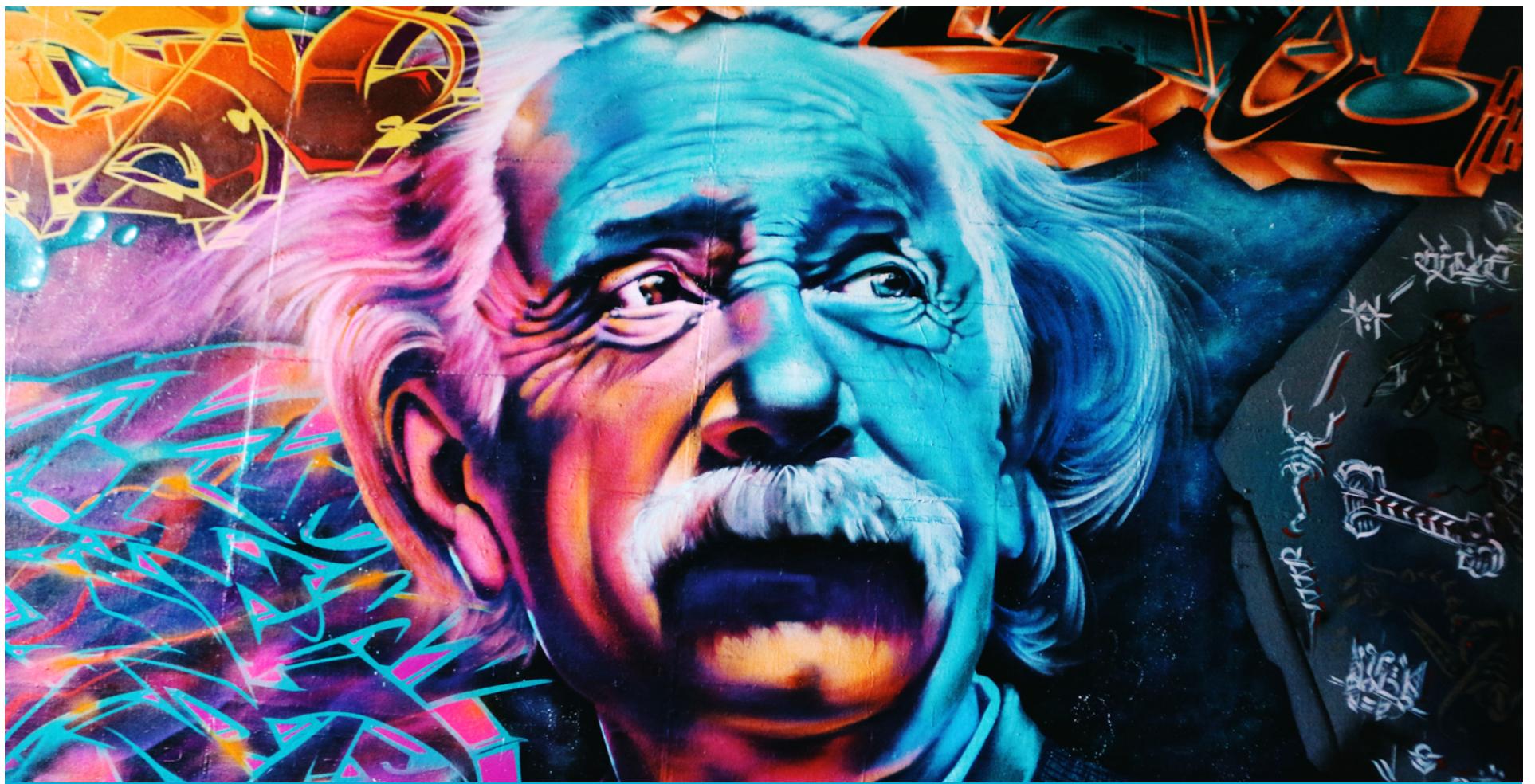
An industry in transition



*PWC Retail Banking 2020

Digital reinvention has become necessary now for organizations to succeed





What



Fintech
Innovation



Artificial
Intelligence

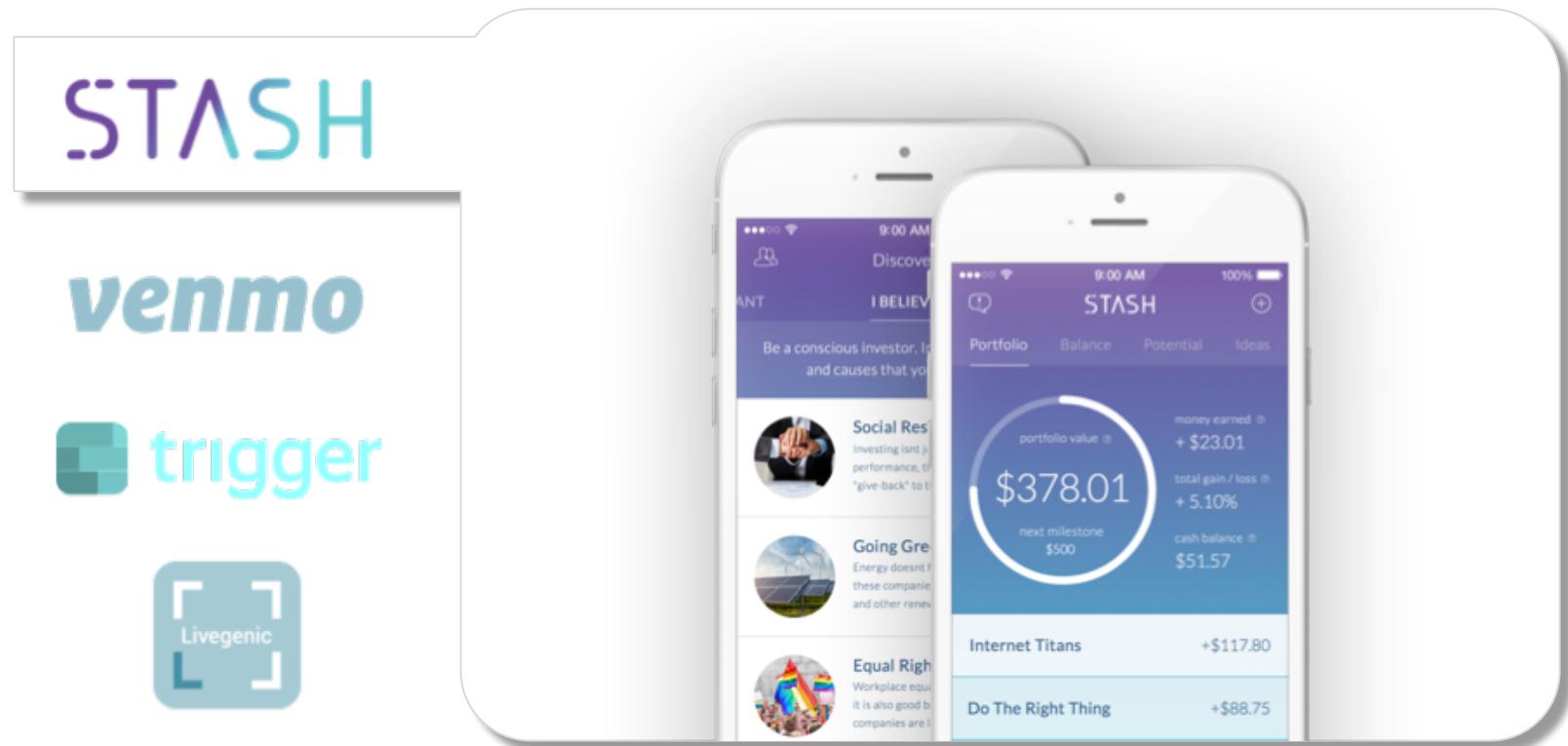


Blockchain
(Hyperledger)

Security | Social | Mobile | IoT | Cloud

IBM

Fintech innovation



Fintech innovation

STASH

venmo

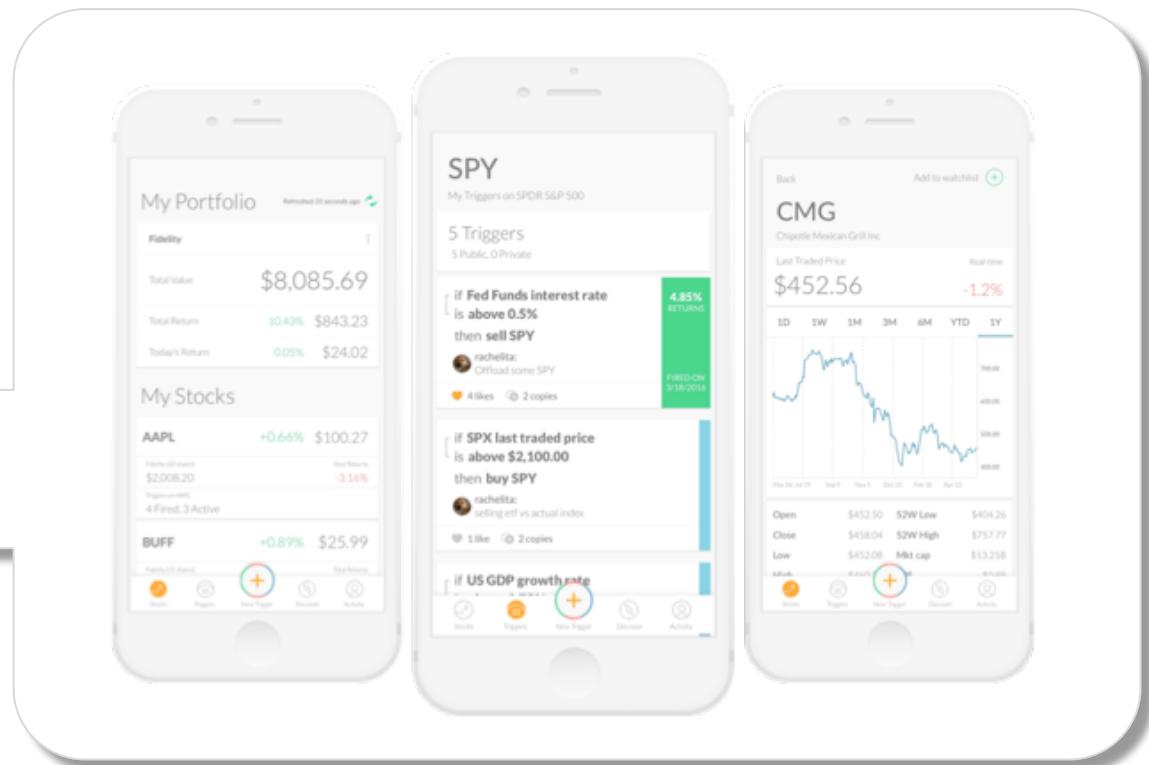
trigger



Fintech innovation

STASH

venmo

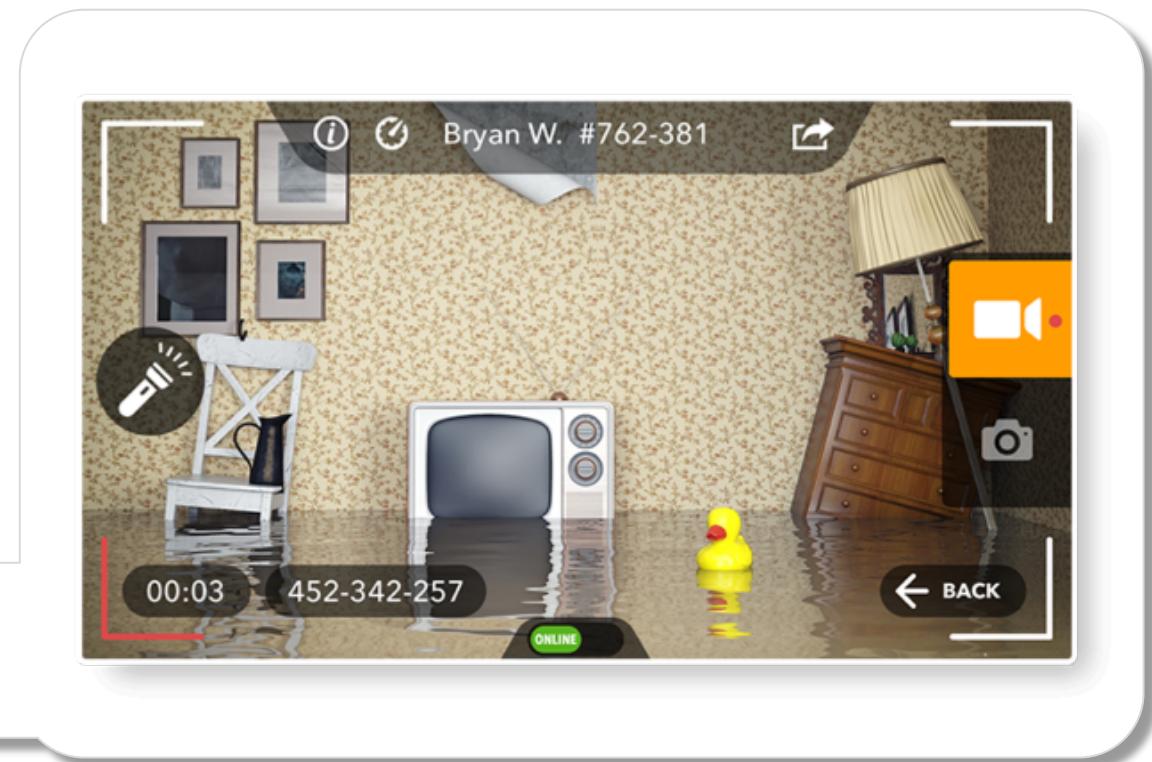


Fintech innovation

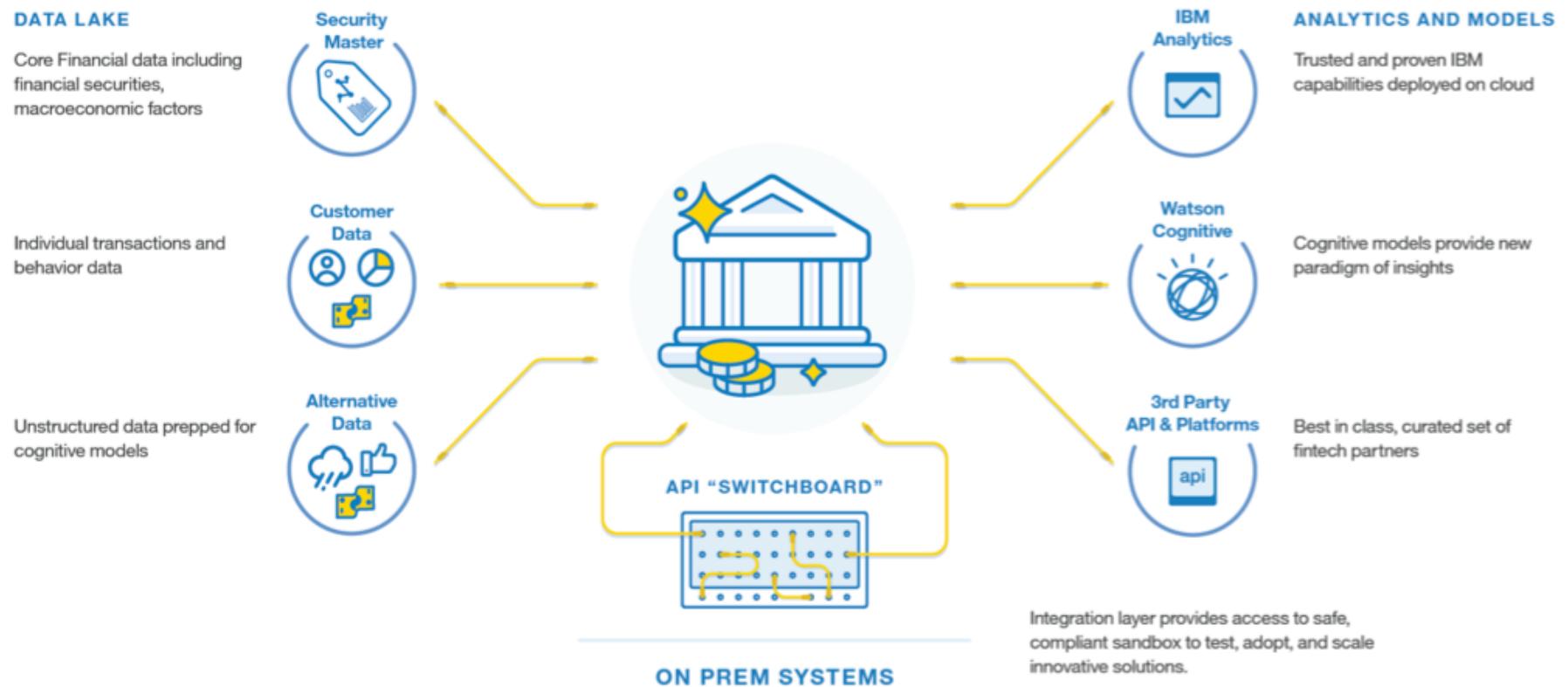
STASH

venmo

trigger



Your bank + Fintech innovation



In ecosystems, banks need to fundamentally rethink their business model

Niche player

Banks leverage deep customer relationships to connect customers and others in new types of arrangements



Distributor

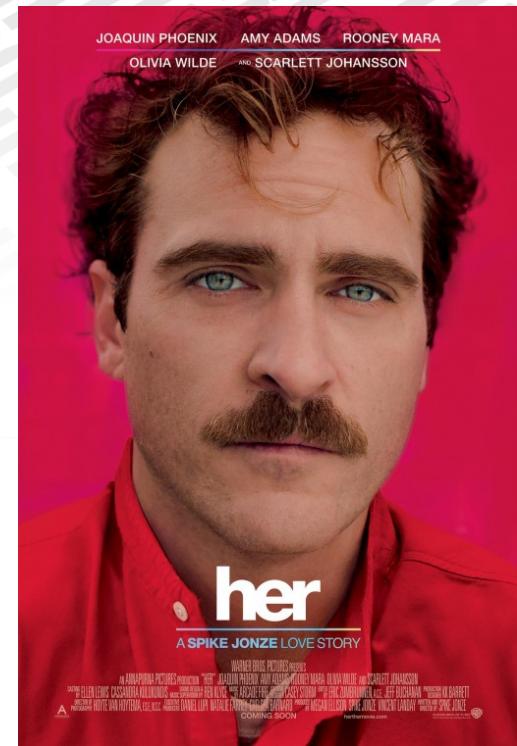
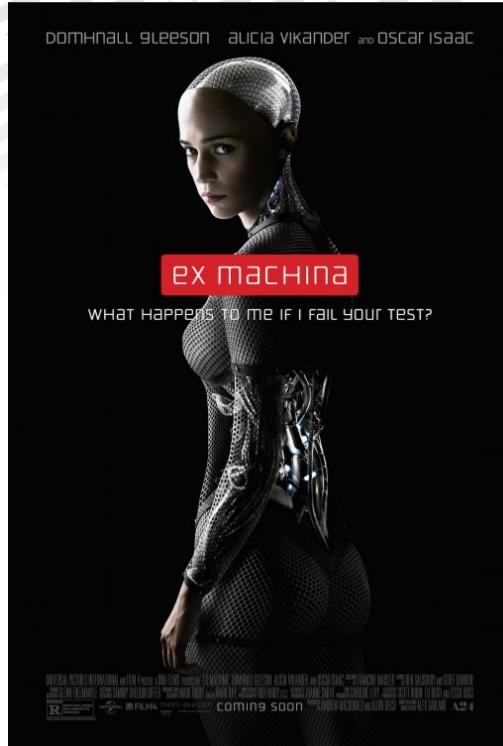
Banks use own channels to distribute innovative products built by ecosystems partners



Factory

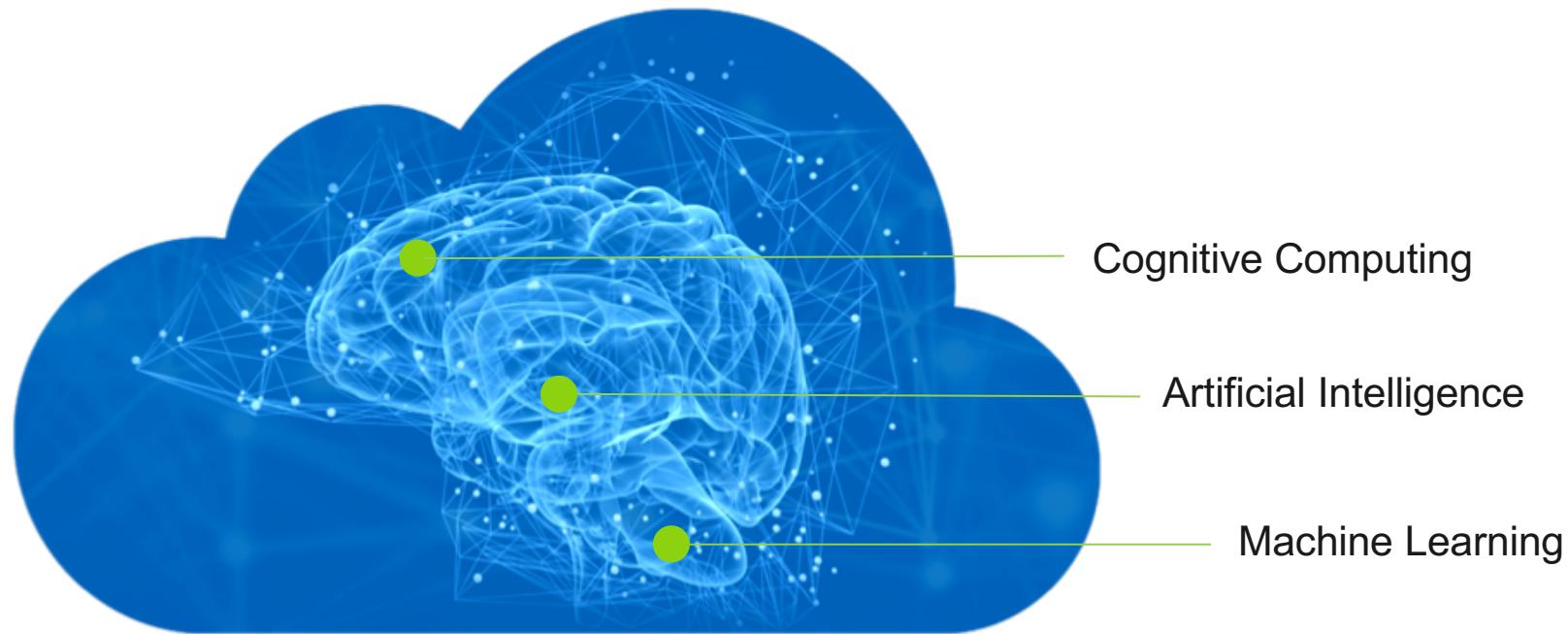
Banks provide innovative financial products to other members of ecosystem who own customer relations



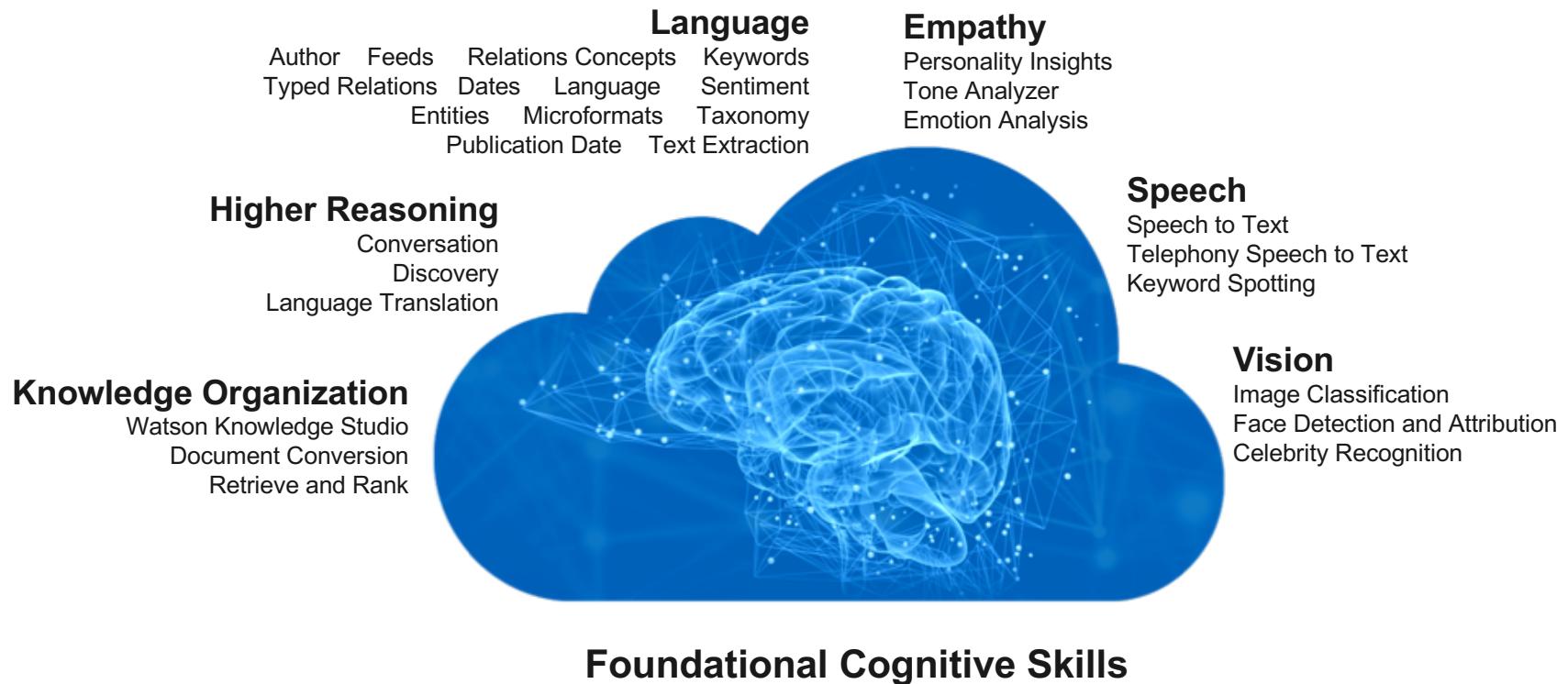


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Artificial Intelligence | The basics



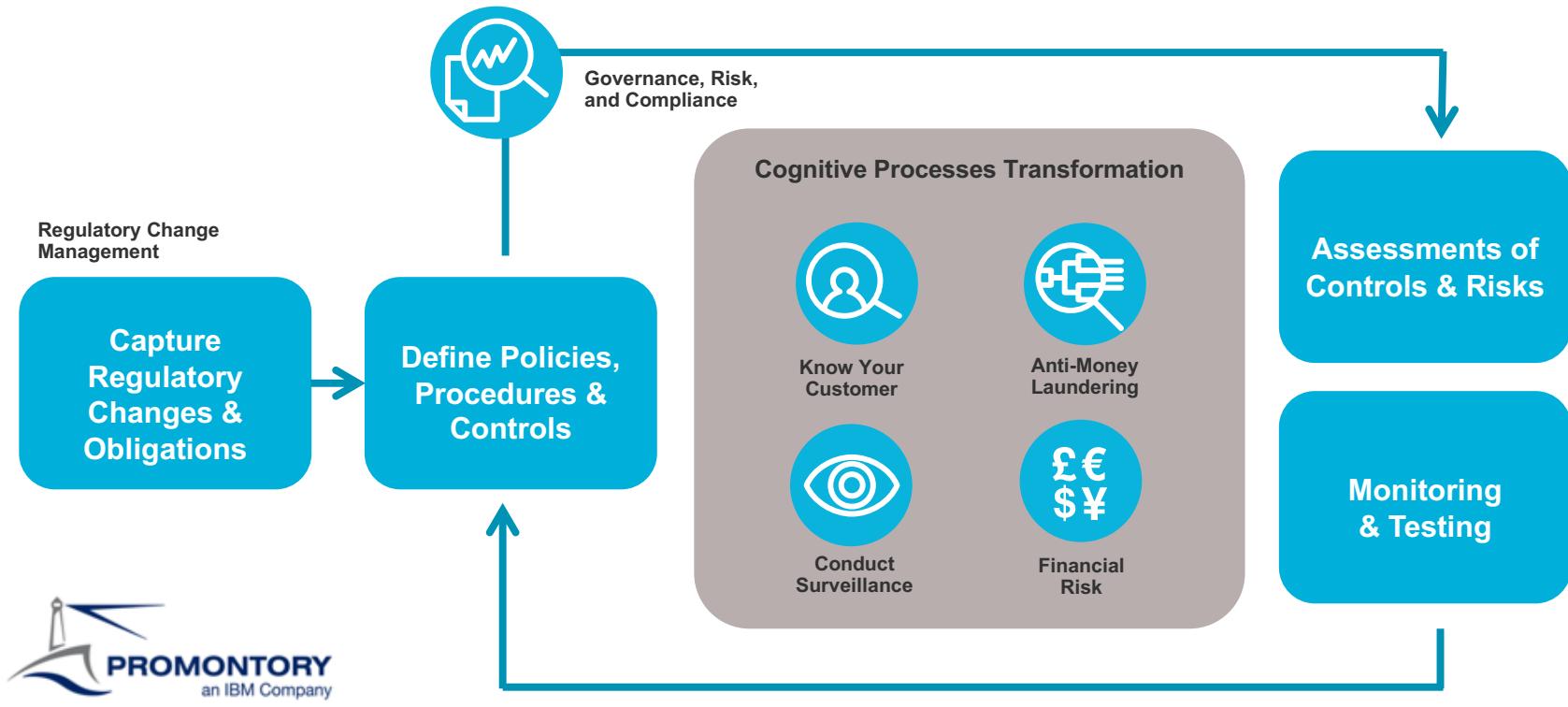
Artificial Intelligence | The AI foundation for business



Artificial Intelligence | The fuel is data



Artificial Intelligence | Address risk, compliance, and fraud



**Blockchain
will do for
transactions what
the internet did
for information.**

ENABLING TRUST

New technology is creating radical transparency – and uprooting how we interact, transact, and grow

NEW REVENUE STREAMS

More than a new technology, blockchain is rewriting how we do business

REMOVING BARRIERS

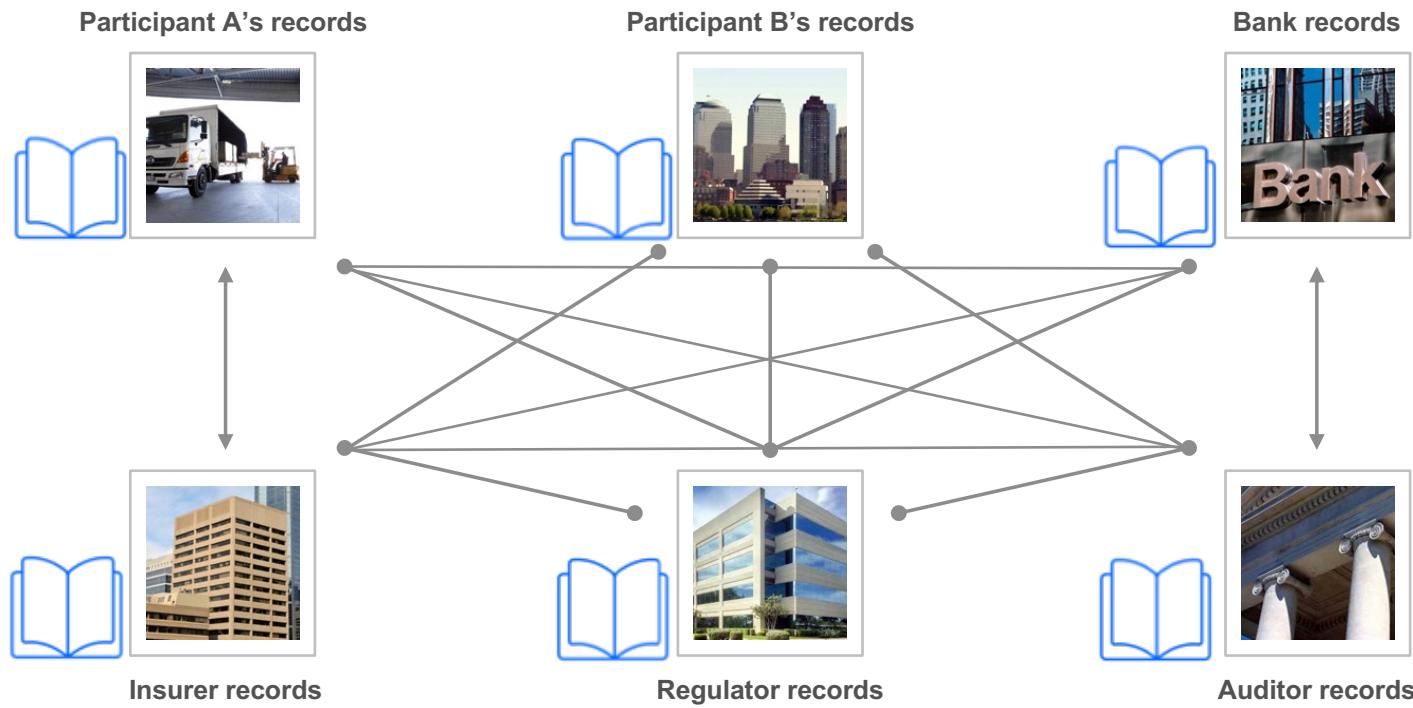
IBM Blockchain creates certainty, advances knowledge, brings together industries, and improves business process

REINVENTING BUSINESS

Blockchain is shifting from one way of doing business to *the way* – creating new business solutions where there were none



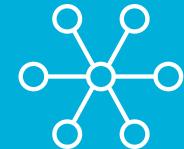
Problem - inefficient, expensive, vulnerable business networks



Solution - shared, replicated, permissioned ledger...
...with consensus, provenance, immutability and finality



Capabilities of blockchain for business



SHARED LEDGER

Distributed system of record shared across business network

PERMISSIONING

Ensuring appropriate visibility; transactions are secure & authenticated

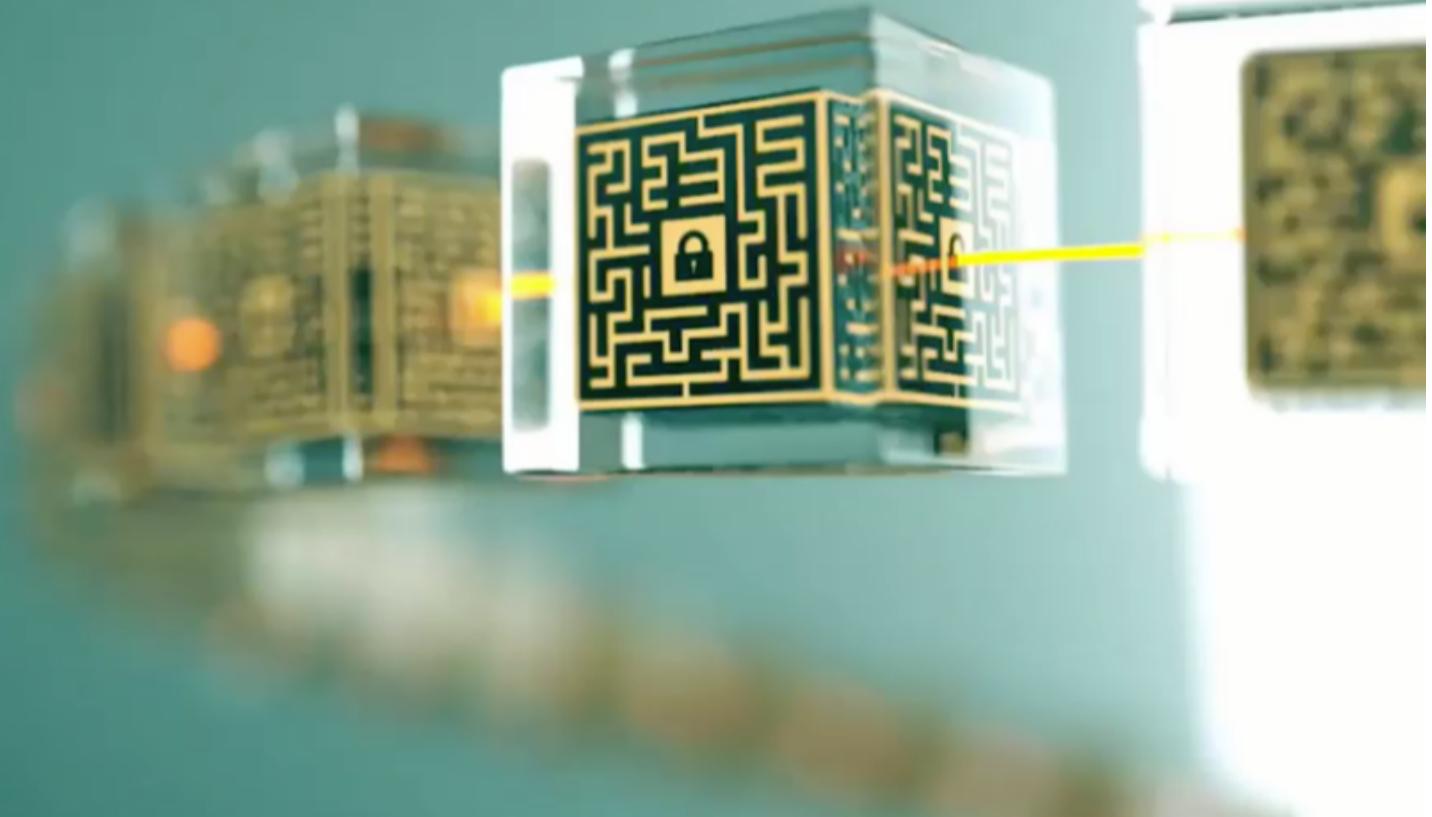
SMART CONTRACT

Business terms embedded in database & executed with transactions

CONSENSUS

Transactions are endorsed by relevant participants





Use cases are diverse and are within and across industries

UNIVERSAL PAYMENTS

A universal rail for real-time atomic clearing and settlement supporting the exchange of digital monetary assets

TRUSTED IDENTITY

A trusted network empowering consumer to effortlessly and privately control their identity attributes

FOOD SAFETY

A solution to instantly trace food items from “farm to fork” providing transparency across the ecosystem

IBM is investing in and building blockchain solutions with clients and their networks



Blockchain and IoT will embed financial services interactions

“Banking is Necessary. Banks are not.”

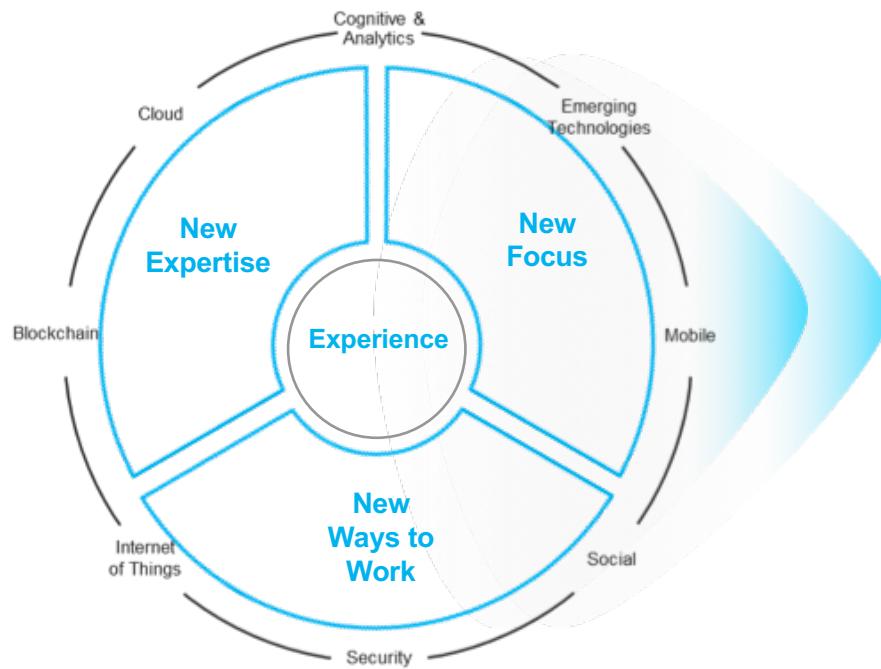
– Bill Gates





How

Digitally reinvented enterprises are more than the sum of their parts

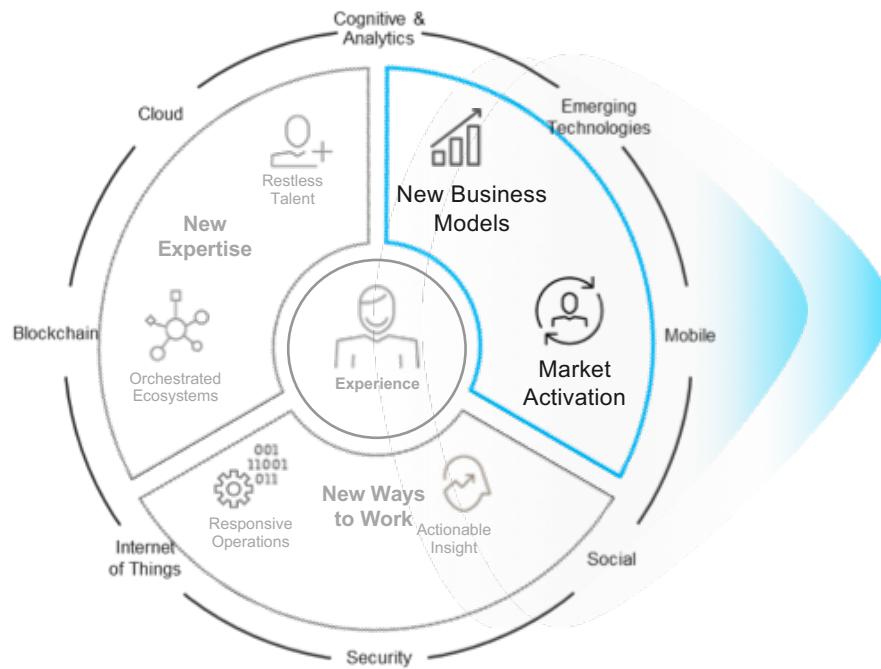


Digital Reinvention enables deeper, more compelling experiences

Organizations embrace new a focus, founded on new expertise and new ways of working



Acquire new focus through business models and insights



New business models

Develop new ways of realizing and monetizing value

Spawn new business models, financing and risk assessment

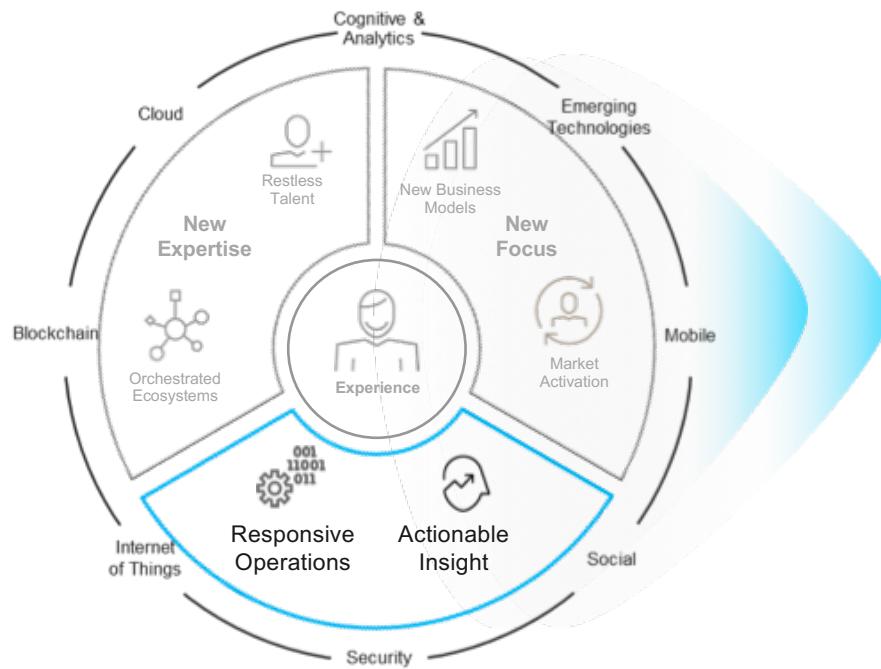
Market activation

Create the strategy and execution plan for delivering experiences to the market

Engage and monetize customer relationships



Develop new ways of working through innovation



Responsive operations

Digitize products, services and processes to redefine experiences with customers

Leverage predictive analytics, cognitive computing, Internet of Things and automation

Actionable insights

Employ predictive and advanced analytics to optimize both experience and operations

Leverage cognitive analytics to create deep and advanced competitive differentiation



Build new expertise directly or through business ecosystems



Restless talent

Identify, retain and build the right talent for a digital organization

Create a culture of design thinking, agile working and experimentation

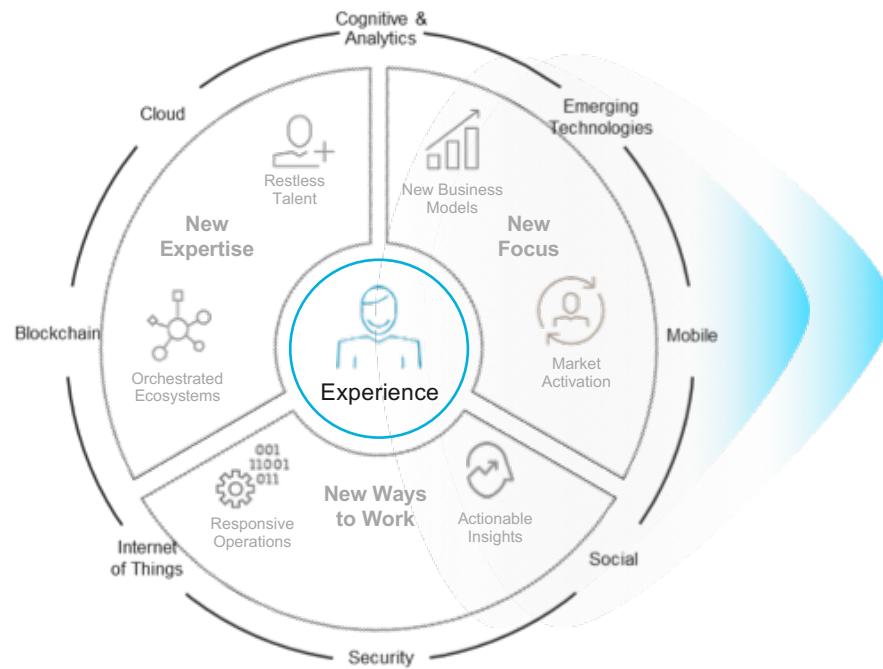
Orchestrated ecosystems

Decapitalize infrastructure and leverage partnering and full network strengths

Develop novel relationships that unleash new sources of value



Design differentiated experiences



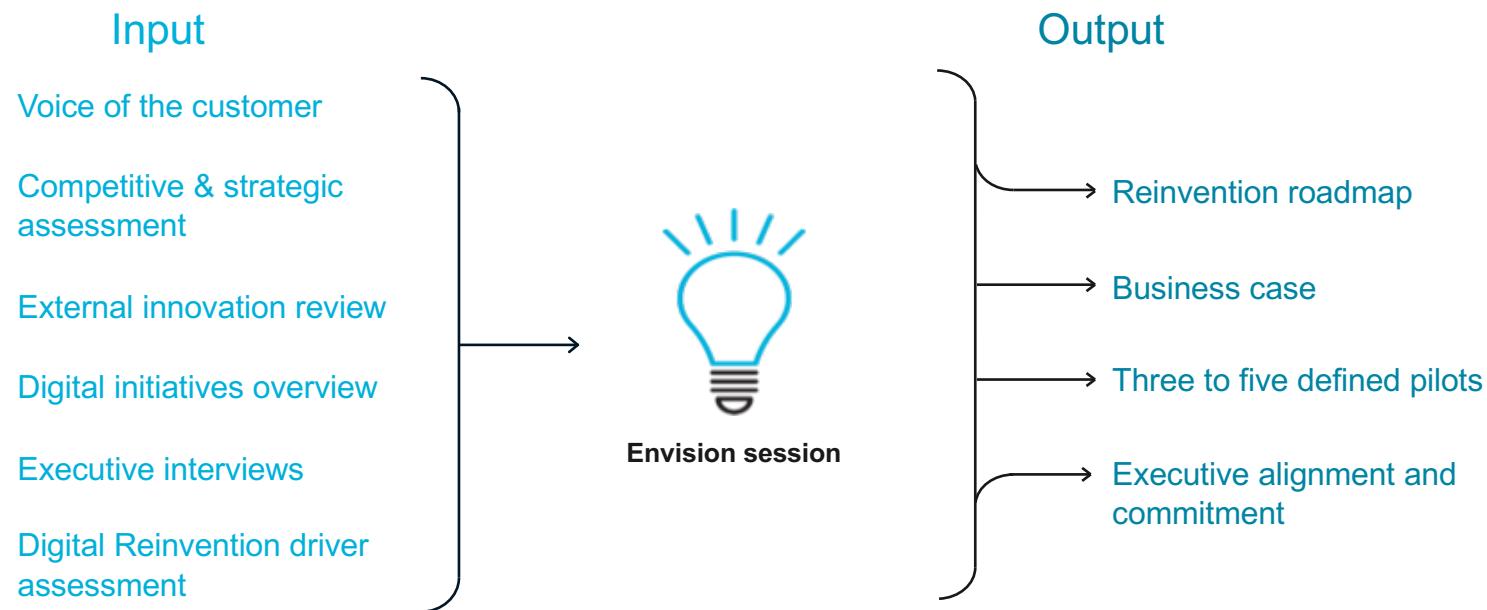
Experience

Create differentiated experience for customers, employees and others

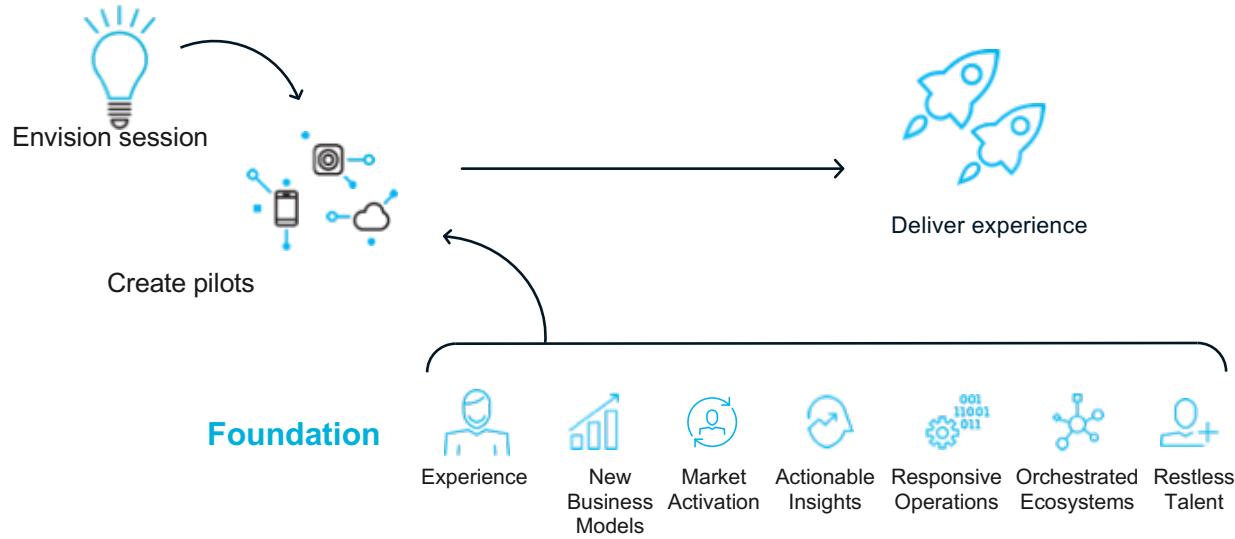
Use differentiated experiences to drive the way the organization works (people, process and technology)



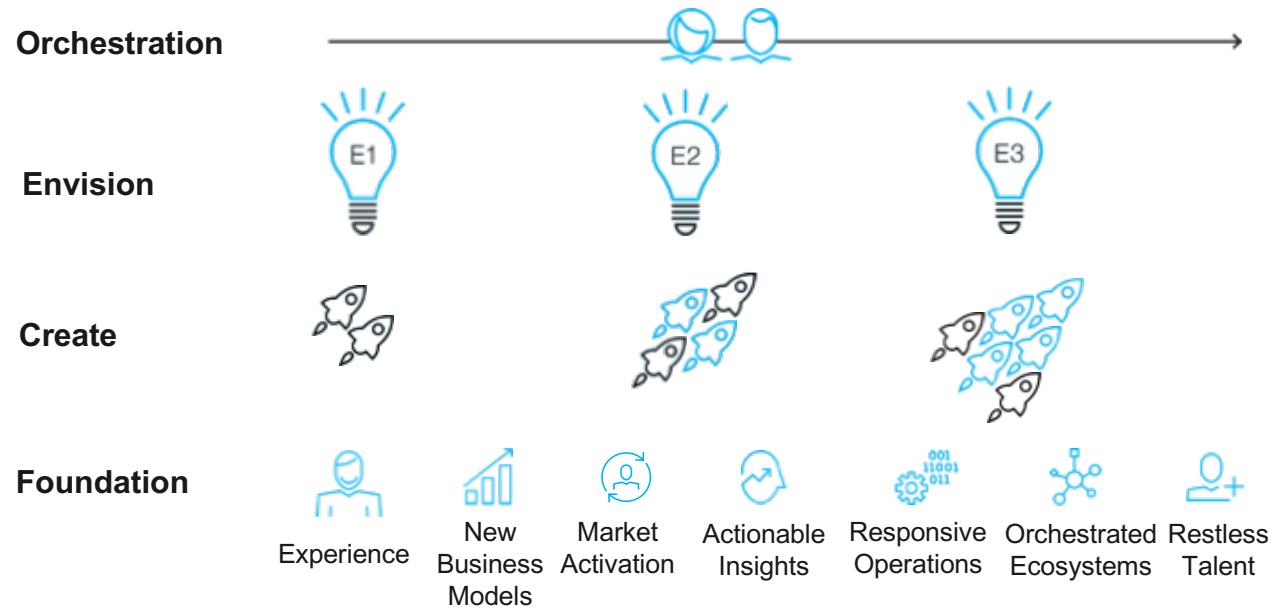
Use envisioning sessions for reinvention blueprint



Create pilots and build a foundation of capabilities

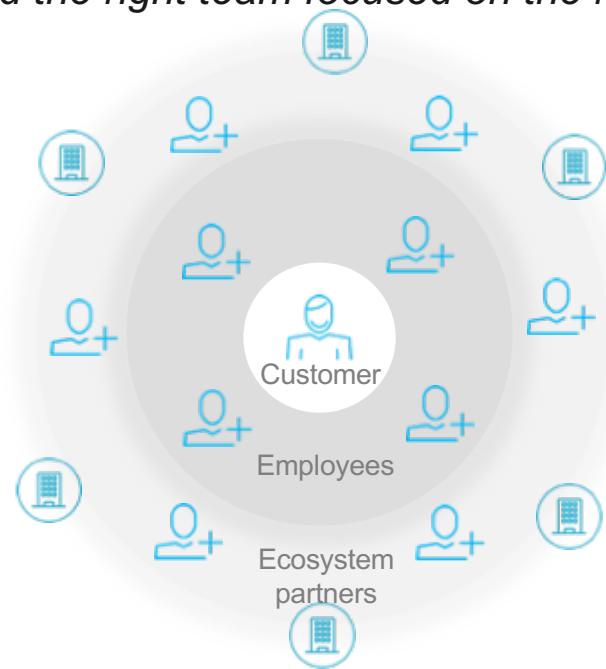


Digital Reinvention needs a long-term program



Build the right team with the right skills

Build the right team focused on the right things





The Future of Finance:
A digitally reinvented enterprise

Such a bank provides great experiences, operates with lower cost, has higher quality operations and improved security

Digital front office

Digitalized processes to drive agility, faster execution / customer onboarding and world class omni-channel experience

Ecosystem strategy

New Fintech partnerships to deliver exceptional customer experiences and non differentiated core processes delivered through external utilities to increase efficiency

Flexible portfolio

More flexible, on-demand offerings with rapidly updating value propositions, incorporating best of breed from ecosystem partners



Radically transformed back office

Combination of cloud, automation, cognitive and blockchain to radically simplify processes, increase agility, drive substantial structural cost reduction

Secure operations

More secure operations, reduced risk and dramatically enhanced regulatory compliance enabled through blockchain and cognitive



Leaders are already reinventing their enterprise and ecosystem



BBVA is combining digital technologies, open innovation concepts and an in-depth cultural makeover to become a digital first bank



Capital One is staying ahead of competition by offering superior customer experiences by becoming an early adopter of digital technologies



Macquarie bank is reinventing itself into an open banking platform that offers desired customer experiences through fintechs and other technology players



Are you ready?

Key questions...

How is your organization identifying possible disruption?

How can you make your workforce *open* enough to embrace new ways of working and new strategic priorities and new forces of change?

In what ways can leadership become more visionary – to conceive what customers want even before they know it themselves?

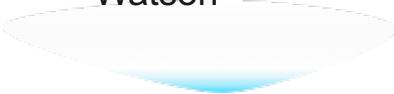


Some ways to get started

Fintech Innovation



Build the future of financial services with help from Watson



<https://developer.ibm.com/finance/>

Artificial Intelligence



Build on the AI platform for business



<https://www.ibm.com/watson/developer/>

Blockchain

Free tools, tutorials, and community collaboration for blockchain



<https://developer.ibm.com/blockchain/>

<https://www.ibm.com/industries/banking-financial-markets>



“ The greater danger for most of us lies **not in setting our aim too high and falling short; but in **setting our aim too low, and achieving our mark.****

- Michelangelo

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