**IST 755 SPRING 2023 Assignment 3 (Individual Assignment)**

**Transformation of US Banking**

The US banking industry is buffeted by the winds of digital transformation. New entrants and practices – enabled largely by IT, mobile connectivity, analytics -- have emerged to confront large incumbent banks with urgent questions of how to position themselves for sustained business growth. Newcomers challenge incumbents by providing data aggregation and sharing services wherein consumers grant the aggregator permission to access information from their financial accounts and put it into a standardized summarized format to make it easier for consumers to manage money (e.g., Mint, Yodlee). Others enable application services to connect to consumers’ financial accounts in order to provide new value-added services, such as peer-to-peer money transfers & payment services (e.g., Plaid). DeFi, which is expected to benefit from the Executive Order on regulating ‘Digital Assets’ (issued by the Biden White House last year), promises to be a major source of product and service innovation that could disrupt incumbent banks – and upend the banking industry -- in new and completely unexpected ways. In this climate combining exciting new opportunities and the fear of the unknown…

A large US-based bank (New Bank of New York, NBNY) has approached you to help them navigate the transformation of banking. As a graduate of a leading MS-IS program, you are valued for your expertise in the strategic management of technology. NBNY’s top leaders are looking for actionable guidance from you on what they should do (what strategic actions they should take) to thrive in the emerging landscape of US banking. Specifically, the bank’s leaders are looking for help with the following questions:

1. **Digital First Business Model**: What does this mean? What internal IT, big data, and org. design changes must NBNY make in order to take full advantage of the Digital First Business Model? How will the model change how NBNY makes money?



2. **Options**: As a large incumbent, NBNY needs help picking from four possible options: be a full-service provider (status quo), become a utility, become a services supplier, become a platform. NBNY leaders understand the options are not mutually exclusive. In your opinion, what are the most significant benefits and caveats associated with each of the options? What should NBNY do?

3. **DeFi:** First define DeFi for NBNY’s top leadership. Then answer this: What should NBNY do about DeFi? How can NBNY prepare itself to take full advantage of DeFi?

**Important items to note**:

* I want to see explicit reference to the following cases in your submission (Citibank, Deutsche Telekom, JPMC, Samsung, Kitopi, Boeing 737, Valve) and these readings: Teece, Edmondson et al., psychological safety, inertia and entropy. You will need to do additional research over and above these cases and readings to be successful in this assignment.
* Responses (body of submission) should not exceed 3500-4000 words.
* Organize your report for readability and professional look and feel. Include a Cover Page with your name and ‘IST 755 Assignment 3 Spring 2023’. Include a concise Executive Summary. You must use the APA Style Guide (body & references) for this assignment; it is a requirement. Your report must be thoroughly spell-checked and grammar-checked. List all references in a separate References page.
* This **individual-level assignment** is worth 20% of your grade. All final submissions are due on BB on May 3 by 11:59 p.m. Late submissions will be penalized as follows: 1-2 days late: -4 points; 4-5 days late: -8 points.

\*\*