

FINTECH FIGHT TO THE FINISH

IS YOUR WORKFORCE READY?

THE C-SUITE CHALLENGE:

- CAPITALIZE ON THE PACE OF CHANGE AND VERSATILITY OF NEW TECHNOLOGIES
- OPERATE IN A BIMODAL ENVIRONMENT
- ATTRACT, RETAIN AND CONTINUOUSLY TRAIN
- THINK, ACT AND DELIVER DIFFERENTLY TO OUTPERFORM THE COMPETITION





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INTRODUCTION

Every day, it seems, new startups enter the FinTech marketplace. Some of the more established interlopers – PayPal, Square, Kickstarter, SoFi, Rocket, Venmo and so many others – are expanding their encroachment. And tech behemoths – Apple, Google, and Amazon – are coming for a piece of the banking and financial services business too. If that is not daunting enough, traditional financial services firms are also challenged with:

- **Moving rapidly to embrace disruption and digital transformation** – both to expand services and to attract and retain new generations of talented employees.
- **Determining strategies for adopting, exploiting, and integrating** a complex array of fast-moving technologies – Artificial Intelligence [AI], Internet of Things [IoT], and Blockchain, among others.
- **Identifying operational efficiencies, lowering costs, maintaining legacy environments**, and operating within a regulatory environment that holds high standards for data security, privacy, compliance, and risk management.
- **Meeting and exceeding the expectations of contemporary consumers** who now demand exceptional service, seamless experiences, and greater value from banking partners.

Despite signs of easing of the regulatory landscape for financial services, traditional banking firms are still operating with constraints that have yet to fully catch up with the FinTech start-ups. Market disruption has them distracted and often playing defense, while new market competitors – unencumbered by legacy systems – are on offense. The ability to be nimble is key.

All contemporary FinTech companies need flexible, adaptive, tech-savvy workforces. But competition for talent is intensifying. And there are big gaps. In many emerging technology areas, the talent needed does not even exist yet.

To survive and thrive in this environment of extreme disruption, traditional banks and other financial services firms need tightly coordinated, forward-focused talent strategies tied directly to long-term technology roadmaps. They also need rigorous processes for continually assessing, sourcing, and developing a new hybrid breed of talent. The new breed will combine technology competencies with business acumen, communication, collaboration, and creativity among other capabilities. These talent assessment processes need to be systematic and well-defined, but also flexible enough to adapt as talent market conditions and technology roadmaps continue to shift rapidly over the foreseeable future.

“All contemporary FinTech companies need flexible, adaptive, tech-savvy workforces.”

TECHNOLOGY ROADMAP

Banks and other financial services firms are betting big on emerging technologies to stay relevant and to drive revenue growth and operational efficiencies. The table below represents an effort to document how each of the emerging technologies impact your business. This exercise will highlight the versatility of the technologies and how they might be leveraged before placing big bets. Below is a representative example of starting this exercise.

TECHNOLOGY ROADMAP EXERCISE

	CONSUMER	GLOBAL WHOLESALE	GLOBAL WEALTH MGMT.	GLOBAL MARKET	ENTERPRISE FUNCTIONS	TECH & OPS
ANALYTICS	Prospecting Personalization	Upsell Cross Sell	Cross Sell		Risk Management	
BLOCKCHAIN	Person-to-Person			Clearing & Settlement Digital Assets		
ARTIFICIAL INTELLIGENCE		Fraud Management			Regulatory Reporting Automation	Problem Identification & Resolution
CYBERSECURITY	Security & Fraud Detection					
CLOUD PUBLIC & PRIVATE	Prospect Data		Market Data			IT Modernization
Source: Genesis10 Technology Application Snapshot by Line of Business - Generic View						

Not intended to be a completed roadmap

1

Grasp the versatility of emerging technologies

2

Ascertain the specific skills, competencies, and capabilities that will be required one, three, and five years into the future

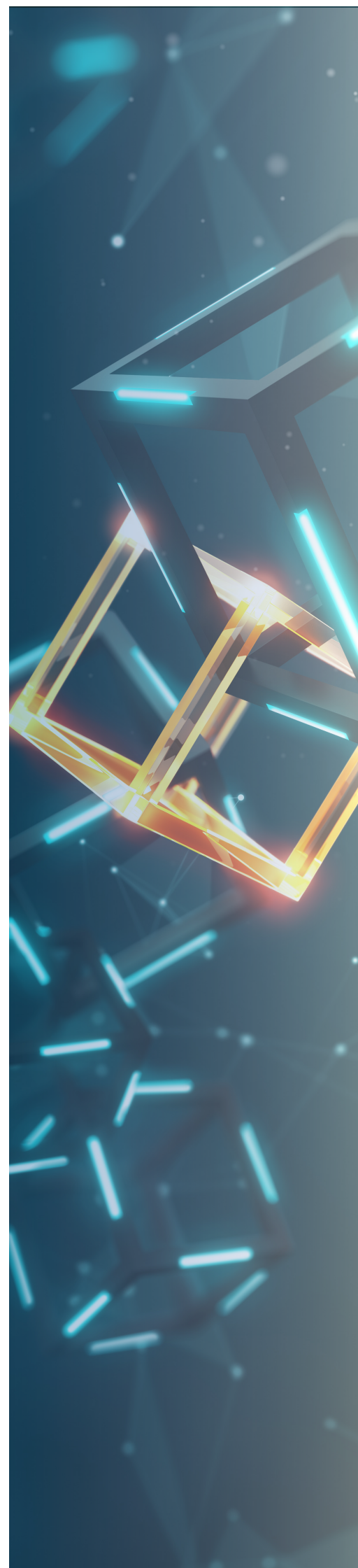
3

Understand how those capabilities might be leveraged across different lines of business

Identifying how emerging technologies can be leveraged, will lead the organization to then evaluate the workforce capabilities. Questions to consider include:



Soft skills - competencies that are difficult to define - are rising in importance while easier-to-define hard skills are becoming commoditized. For example, while the technology certainly exists to enable call-center automation via chat bot, who on the development team brings the business acumen and customer service expertise needed to ensure there is no negative impact on the customer experience? Better yet, who on the team will ensure the new chat bot technology *improves* the customer experience and makes one *better* than the competition?





A WAY FORWARD ON TALENT

The right workforce will be a critical success factor for winning the long race in FinTech. Strategically aligning a company's business strategy, technology roadmap, and workforce capabilities is critical to realizing growth goals, making it a priority for the C-Suite. Talent and skill shortages are top risk factors that are further complicated both by the speed of technological advancement and the rising specter of *immigration reform*, which is leaving financial services business leaders feeling unprepared to address escalating short- and long-term risks.

Some CEOs are working to better insulate their companies through strategic workforce planning. The right IT talent might be scarce at the moment, but it can certainly be developed through a multi-pronged workforce and talent acquisition strategy that starts with developing a comprehensive understanding of both known and latent potential within the company's current workforce.

Genesis10 has developed a Technology Capabilities Framework, depicted in Figure 1, to aid in rapidly developing and visualizing such a comprehensive understanding. **The first step in completing the framework is to identify all the technologies that support (or will support) the business over the coming one-, three-, and five-year periods and to segment them into one of three levels:**

01

Commodity – foundational, basic technology needed to support day-to-day delivery and operations.

02

Technical and Emerging – technology focus areas that are reshaping the business.

03

Core – the segment encompassing both industry domain and technical expertise.

The Growing Tech Talent Gap and Immigration Reform

As companies struggle to find the technology resources they need to support revenue, growth, and IT modernization initiatives, the tech talent gap continues to widen and has become a C-suite focal point.

The Bureau of Labor Statistics projects the number of computer and IT jobs to grow 13% annually through 2026, adding more than 500,000 new roles to the economy in the next 10 years. That is faster than for other occupations.

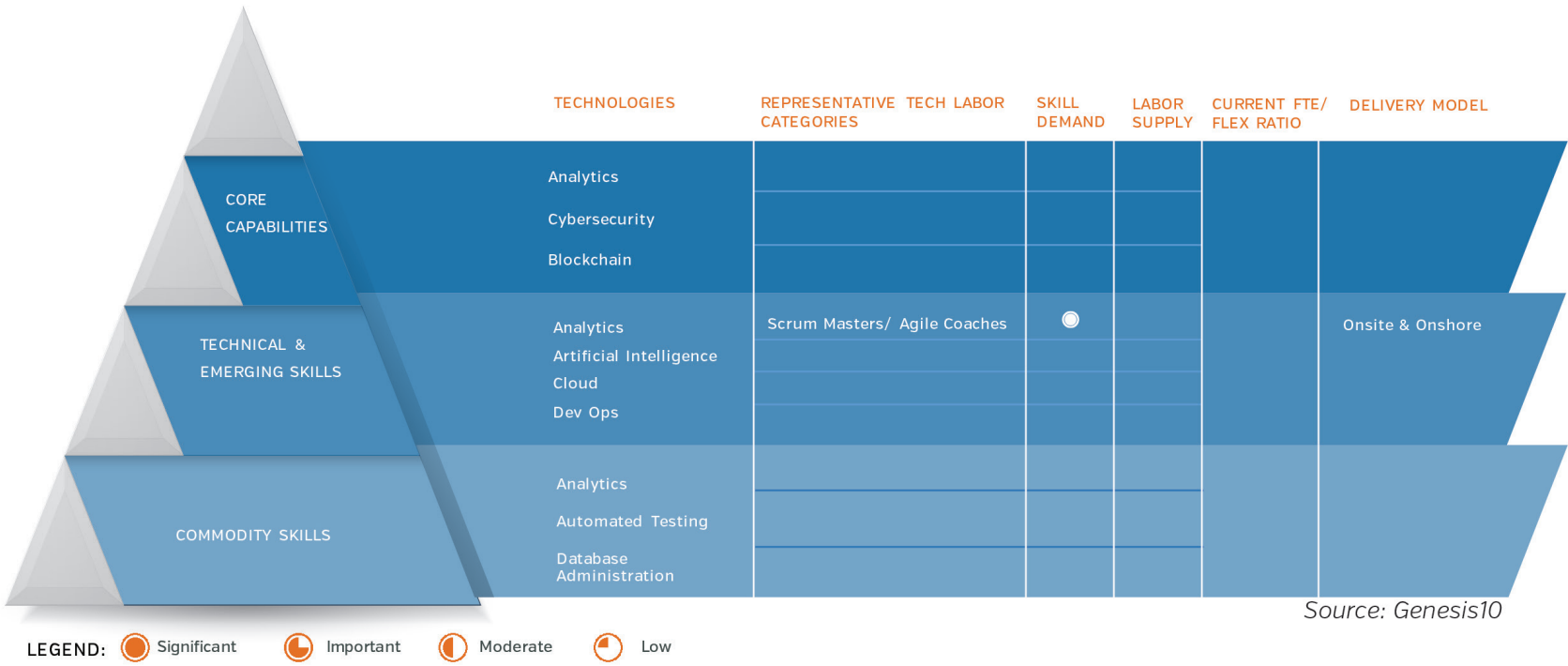
Meanwhile, President Trump's plan to reform immigration by preventing fraud and abuse in the H-1B visa program is affecting the tech talent pool and may eventually raise wages. Through the H-1B visa program, the government admits 85,000 foreign workers each year into the U.S. to work primarily in technology-related positions. Today, there are some 600,000 to 900,000 immigrants – also referred to as global landed resources – in the U.S. on such visas. But applications are declining due to concerns of workforce risks associated with contractors on work visas, also referred to as global landed resources. There were 199,999 new applications in FY2018 compared to 236,000 in FY2017.

With the administration's focus on immigration reform, companies' risk lens on global landed resources has changed. As CIOs proactively manage both reputational and project-delivery risks against this backdrop of shifting immigration policy, the result has been a decline in use of foreign workers and use of global offshore services. Another factor for the decline is the need for more business and contextual knowledge. To fill gaps, CIOs are leveraging several talent acquisition tactics:

- Increase visibility of the recognized shortage of skilled technology professionals in the U.S.
- Reduce use of H1-B visas
- Analyze current contingent workforce to understand degree of global landed risk
- Adjust workforce mix and flex/staff ratios
- Re-evaluate talent acquisition strategy to identify alternatives to gain access to requisite skills, including training and professional development

TECHNOLOGY CAPABILITIES FRAMEWORK

Figure 1



Next, relevant specific IT skills (labor categories) can be mapped along with specific assessments of talent demand and supply conditions for each one. From there, map current FTE/flex mix and delivery models to deliver services. **Gaining a current state understanding will aid in developing a line of sight toward identifying gaps and answering questions such as:**

- How delivery models and talent sourcing need to evolve over specific future timeframes.
- Where location strategy needs to change in order to access talent not available in current operating markets.
- Where investment in professional training and development is most likely to succeed in transforming existing employees from commodity players into core-level contributors possessing the right combinations of technical, business, and institutional acumen.
- Where the partner ecosystem needs to evolve to fill current and future gaps.

A few traditional banks and financial services firms are well on their way to embracing the challenges that lie ahead and building out their FinTech talent ecosystems accordingly. Many more, however, are falling increasingly behind. Now is the time to start developing deliberate plans for attracting, retaining, and developing a new breed of talent that can design for the future in ways that balance real and perceived risks while maximizing growth.



Business is a game of chess, think carefully before each move and make every move count.



- Author Unknown

ACCELERATE INNOVATION WITH TALENT



ABOUT THE AUTHOR

Ami Sarnowski is Chief Innovation Officer at Genesis10. In her role, she provides consultative advisory support services in talent acquisition, workforce and location strategies to Global Fortune 25 to Fortune 250 financial services firms. Responsible for Genesis10's Go To Market Strategy and Services, as well as Strategic Account Planning, Ami serves as the Service Line Leader of the Domestic Outsourcing practice where she manages a \$60 million plus division with responsibilities spanning business development, client delivery, operations and workforce strategy and outsourcing thought leadership.

With more than 25 years of management consulting experience in Enterprise Business Transformation, Organizational Change Management and Supply Chain Management, Ami previously was a leader of the Ernst & Young and Capgemini's Supply Chain Management team. She has substantial experience consulting in the private sector as well as public sector and has provided secretariat-level consulting and advisory services for the U.S. Army for the largest business transformation efforts in management science history.

ABOUT GENESIS10

Genesis10 has been responding to clients' unique needs for two decades and has experience with providing skilled consultants that accelerate business value realization. Our clients tell us they select Genesis10 because we are an adaptive partner that provides the services they need in a cost-competitive, flexible delivery model. We began our journey in 1999 as a technology staffing firm and have evolved into a professional technology services firm with an onsite/onshore delivery capability.

Leading industry analysts confirm that Genesis10 remains a true market disruptor, creating competitive pressure for traditional consulting, global outsourcing and technology staffing firms alike. We are a single-service provider focused on reducing complexity in a scalable, and cost-effective model. Today, we continue to offer a breadth of services to aid clients in evolving their business and technology workforce needs to meet contemporary demands for digital innovation, delivery and market competitiveness.

GENESIS10 FINTECH TRACK RECORD

Genesis10 has been providing IT Services for Financial Services companies for nearly 20 years. Services include: staffing, workforce strategy assessments, training solutions, domestic outsourcing managed services and project-based consulting services. Genesis10 is a flexible partner who will engage with clients to complete a rapid assessment, define a roadmap to shore up workforce gaps and risks to operating as a long-term FinTech Ecosystem Partner.

As a talent and workforce partner, Genesis10 has had the opportunity to develop and delivery successful solutions such as:

- ▶ Complete a **workforce assessment** which resulted in identifying hidden global landed risk as well as opportunities to rebalance their talent acquisition strategy, adjust their flex/staff ratio and optimize the cost of labor
- ▶ Provide **traditional staffing** services to shore up immediate resourcing gaps both transactional or in large volumes to support strategic initiatives
- ▶ Design **resource transition programs** underpinned with knowledge transfer to mitigate program delivery and risk
- ▶ Support **direct hire requirements** to evolve their flex/staff ratio and strategically partner with the internal HR and recruiting teams
- ▶ Develop an **enterprise data management** training solution to build workforce capabilities in highly sought after technologies such as: Teradata, Informatica, Datastage and Hadoop
- ▶ Capitalize on location strategy and diversify access to talent by shifting work efforts leveraging a **domestic outsourcing managed services** to increase infrastructure modernization and application development capabilities and delivery capacity, while optimizing the cost of labor, delivering hundreds of millions of dollars in labor, real estate and infrastructure savings