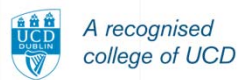




Welcome



The Future of Work in Financial Services



David Smith

Chief Executive

Global Futures and Foresight

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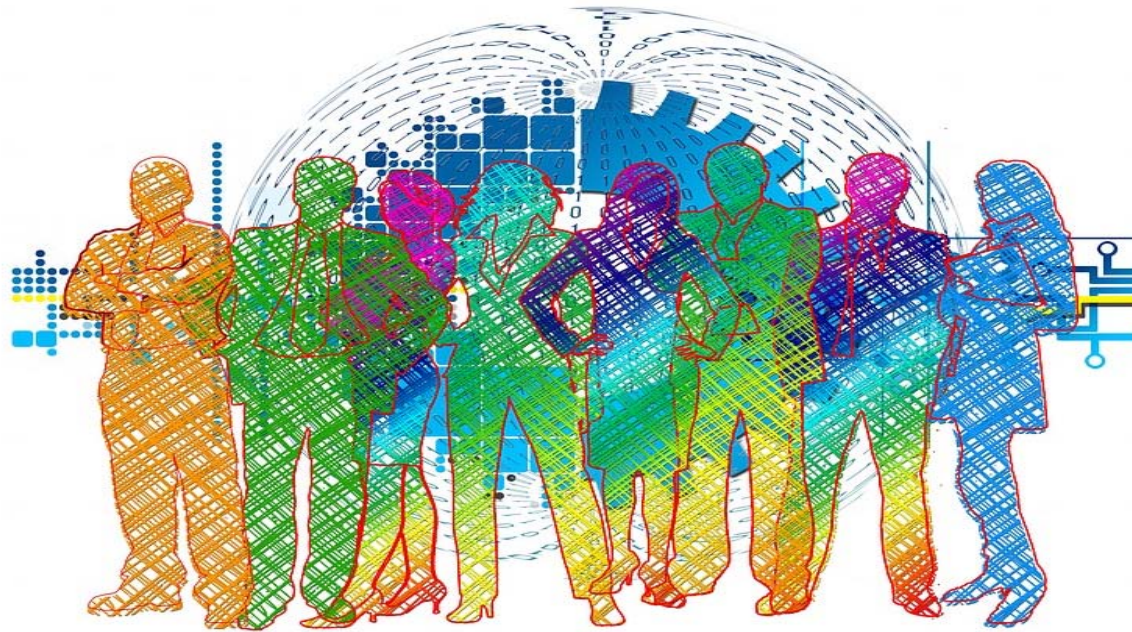
‘Ireland for Finance’ calls for FS employment of 50,000 by 2025.
Beyond 6,000 new jobs to re-imagining what FS does,
how it does it and the talent and skills needed.



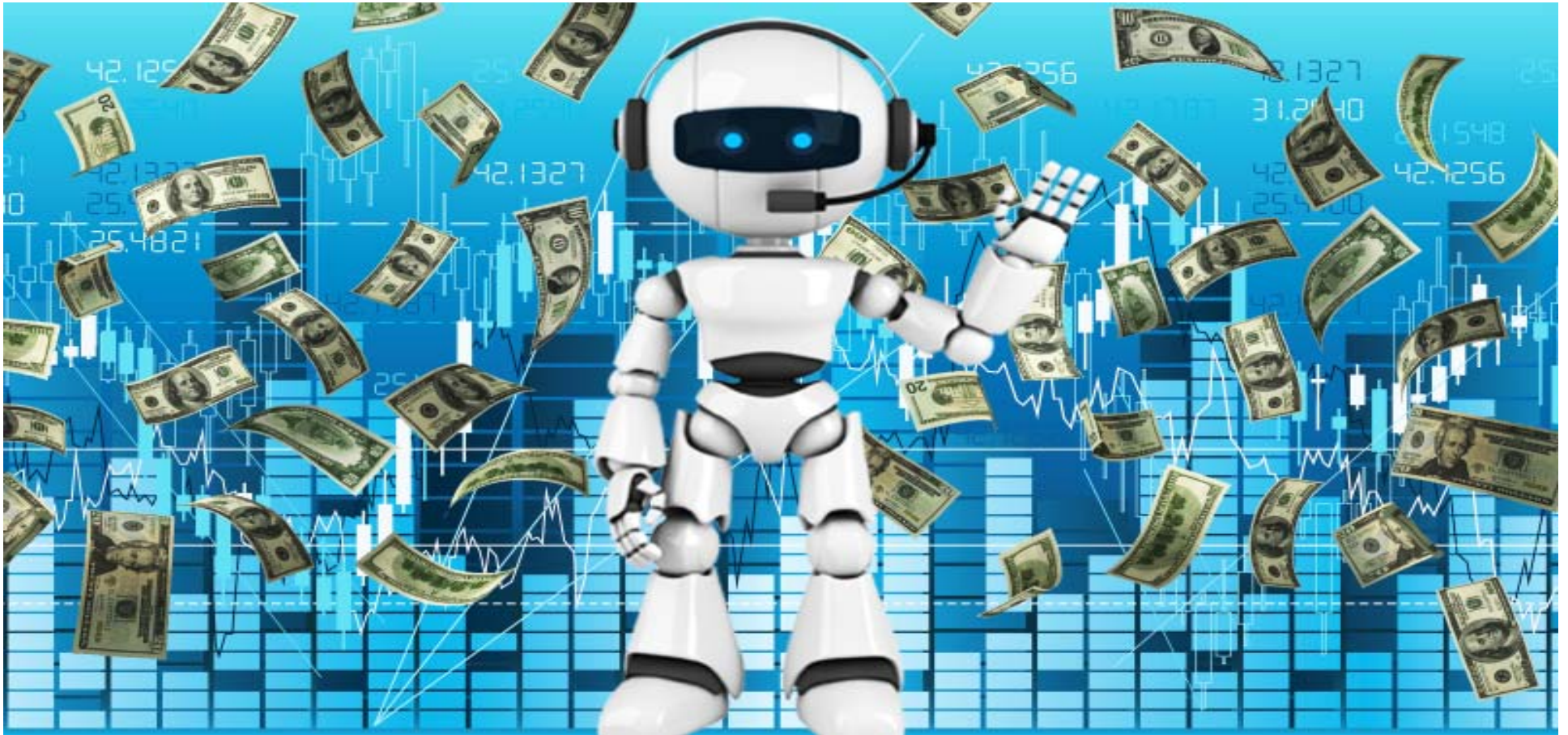
FS becomes ‘...embedded directly into the user activity
itself as a native, not a separate, function.’ PwC



FS more ambient and intelligent service - talent, tech, strategies & structures must change to service new value pools & markets.



Digital transformation cuts across technology, organisational and market change. ‘...a digitally enhanced version of business as usual is unlikely to be a winning strategy for competing in the digital age.’



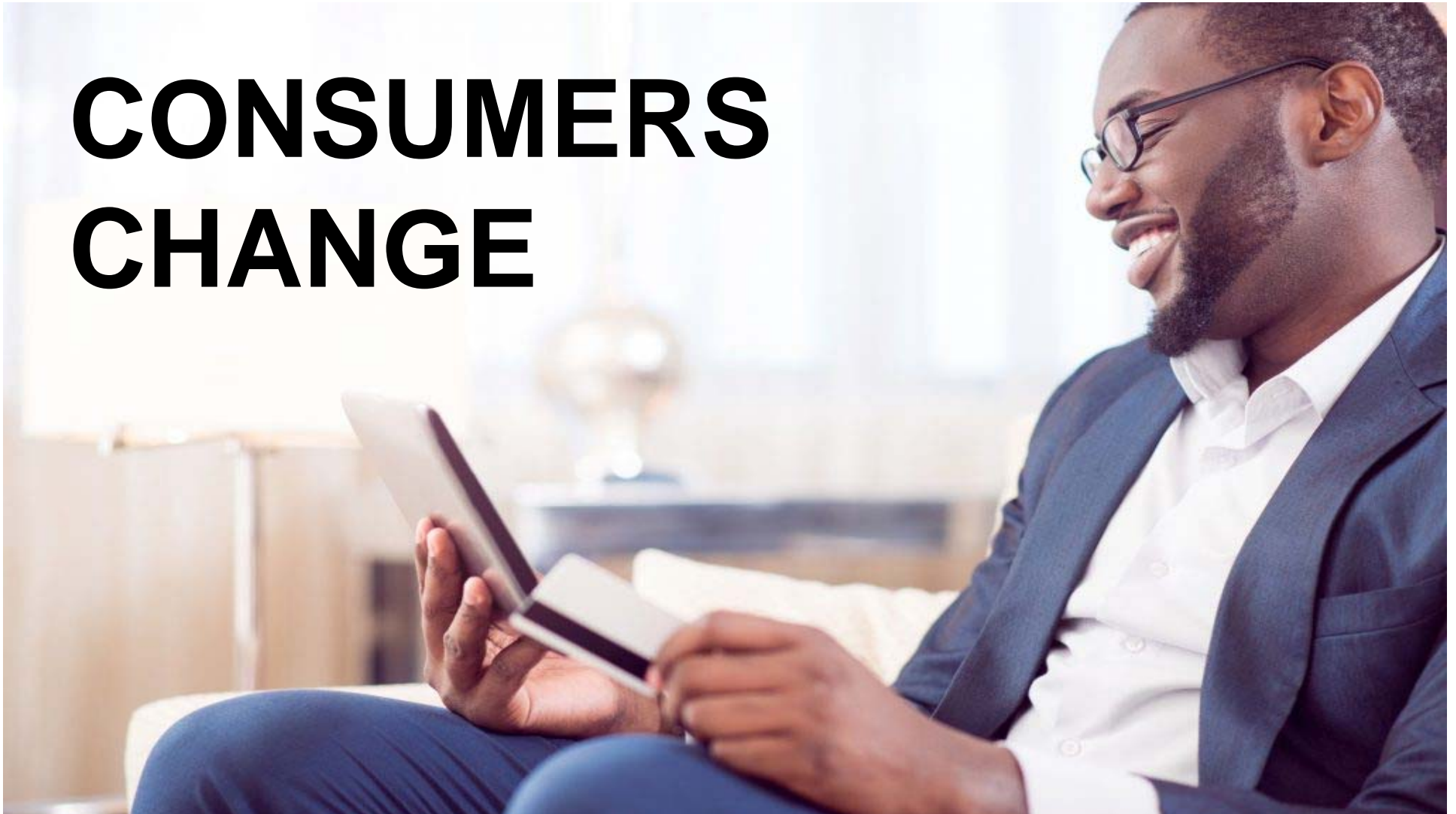
By 2030, 80% of FS orgs go out of business or irrelevant by new competition, customer behaviour and tech advancement. Gartner

Mega trends

1. Globalisation
2. Technology
3. Consumption
4. Changes in work
5. Demographics & people
6. Energy and Transport
7. Environment



CONSUMERS CHANGE





'...digital inclusion has now outpaced and effectively substituted financial inclusion.'



Consumers are more disruptive than businesses

Consumer expectations

- See their connected devices as a single platform.
- Expect a consistent experience across all devices.



<http://www.intelligenthq.com/wp-content/uploads/2013/11/start-image.png>



The IoT, AR and omnichannel are making today's consumer shopping experience more connected, mobile, and data-driven.



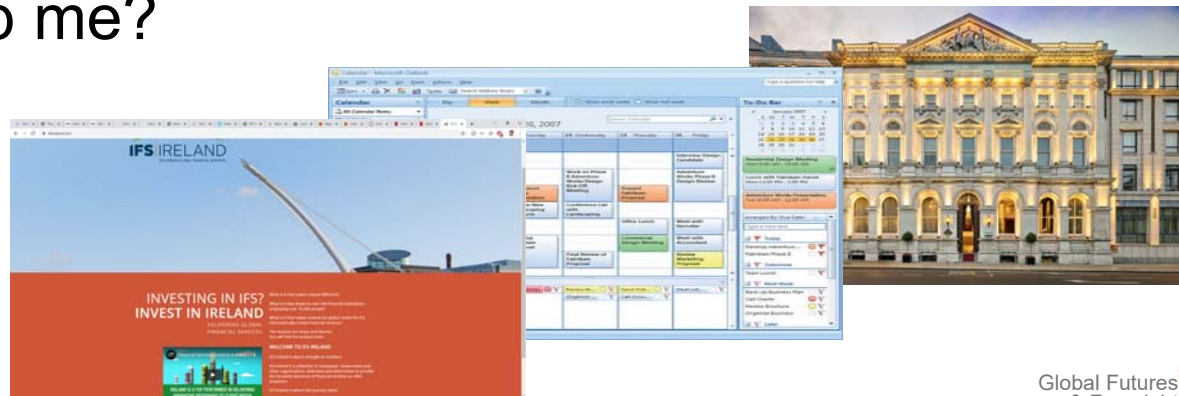
Amazon & Baidu heighten expectations so 76% of consumers now expect org's to understand (& act on) their individual needs.



60% of smartphone users expect
banks to anticipate their needs

The mobile customer in context

- Where am I?
- What do I want?
- Who's around me?
- Where am I going?
- What would help me?
 - Where
 - What
 - Who





Brands need to work out who the consumer is and with which of their identities.



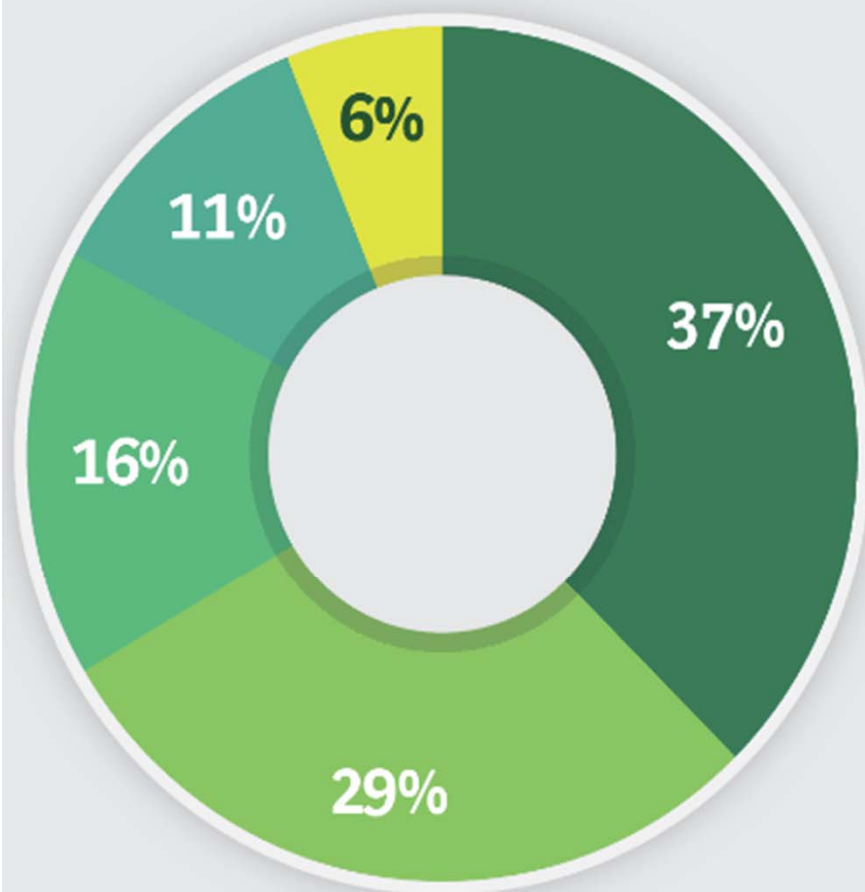
48% of British customers will share more data in return for customization.

80% of consumers want personalisation and 43% personalised pricing.



Of 50 largest global banks, $\frac{3}{4}$ pledged themselves
to customer-experience transformation. McKinsey

I WANT MY BANK TO BE MORE LIKE...



AMAZON

I know what I need, but I'm open to some relevant automated feedback

A PERSONAL SHOPPER

I know I need something, I just don't know where to start

A SUPERMARKET

I know what I need, and I know it will have it

MY DOCTOR OR DENTIST

I don't enjoy going, but I know I need to go regularly for important help

MY GYM

I want it to be an important part of my regular routine




77% of consumers are quicker to retract loyalty than three years ago.

The word "TRUST" is spelled out using five white, rectangular letter tiles. Each tile has a single black letter on it. The tiles are placed on a dark, textured, and cracked surface that resembles a rock or old wood. The lighting is dramatic, coming from the upper left, which casts long, dark shadows to the right of each tile, emphasizing their three-dimensional form and the rough texture of the background.

TRUST

**Takes years to build,
seconds to break and
forever to repair.**

A black and white portrait of Arthur C. Clark, an older man with glasses, looking slightly to the right. The portrait is on the left side of the image, set against a dark background.

*“Any sufficiently
advanced technology is
indistinguishable from
magic.”*

Arthur C. Clark in 1964



The next phase of technological disruption will change banking more than the Great Recession did: HBR

Disruptive Technologies

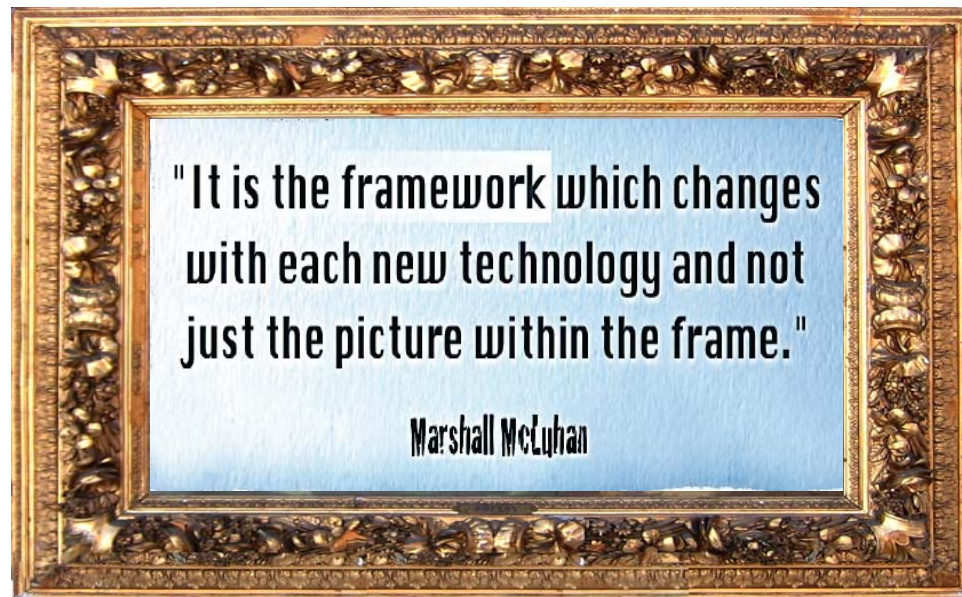
- IoT/IoN/
- Data/Analytics/Edge
- Blockchain
- AI/Automation
- Pulse/Quantum
- 3D/4D
- 5G
- Gene/Health
- New materials





Digital tech - including automation - to render 40% of companies in the world today irrelevant in 10 years.

First we do things differently



Digital Platforms

- Music
 - itunes – Spotify
- Hotels
 - AirBnB
- Retail
 - Ebay, Amazon, Bought by many.
- Travel Agency
 - Trip Adviser – book hotels/not packages
- Lending/borrowing money
 - Zopa, Linked, Bridge, Property Bridges
- Insurance
 - Friendsurance & Guevara - P2P insurance
- Real Estate
 - Purplebricks, emoov, Tepilo, Zoopla

... And Uber for taxis of course



BOUGHT BY MANY



U B E R



Lemonade™

Linkedfinance

PROPERTY
BRIDGES

amazon

Global Futures
& Foresight



The graphic above shows only a sampling of companies in each category. Data cumulative through October 2018

The graphic above shows only a sampling of companies in each category. Data cumulative through October 2018



Connectivity and the network now sit
at the centre of digital transformation



A.I is forecast by 64% of Irish CEOs to significantly change the way they do business



A.I to grow bank revenues by 30% and
reduce costs by 25% in 5-7 years..



Hedge-fund Bridgewater Associates say intelligent software will make 75% management decisions.



Fund management workforces set to shrink, and 40% will need fundamental retraining on the use of analytical tools.



42% of insurers view A.I as the technology having the greatest future impact for their organisations.



Insurers use robotic process automation.
AXA has 3 bots saving 18,000 work hours/year



Underwriters to use A.I to monetize data streams to generate \$28bn in 5 years. Through data, algorithms & platforms.

FS in the intelligent era


- A.I to puts 2.5m FS jobs at risk in U.S. & Europe by 2026.
- Insurance may lose 1 in 5 jobs to automation within 5 years.
- By 2025, 20% fewer asset management firms.



Likely that A.I will impact 100% of all FS jobs



There's no manual for how FS should manage the talent transformation that A.I will precipitate.



4,756 IoT connections are made every minute.

Every industry is an internet
of things industry.



50% of sensors by 2020 used by FS
33% in 2015 and 25% in 2013. Deloitte



IoT compels organisations to reinvent offers,
internal operations & business models.

A hand is shown reaching out towards a glowing, wireframe globe. The globe is composed of a network of white dots connected by thin lines, representing a global data network. The background is a dark blue gradient with a blurred city skyline at night.

The global data grows from
33 zettabytes in 2018 to 175 zb by 2025

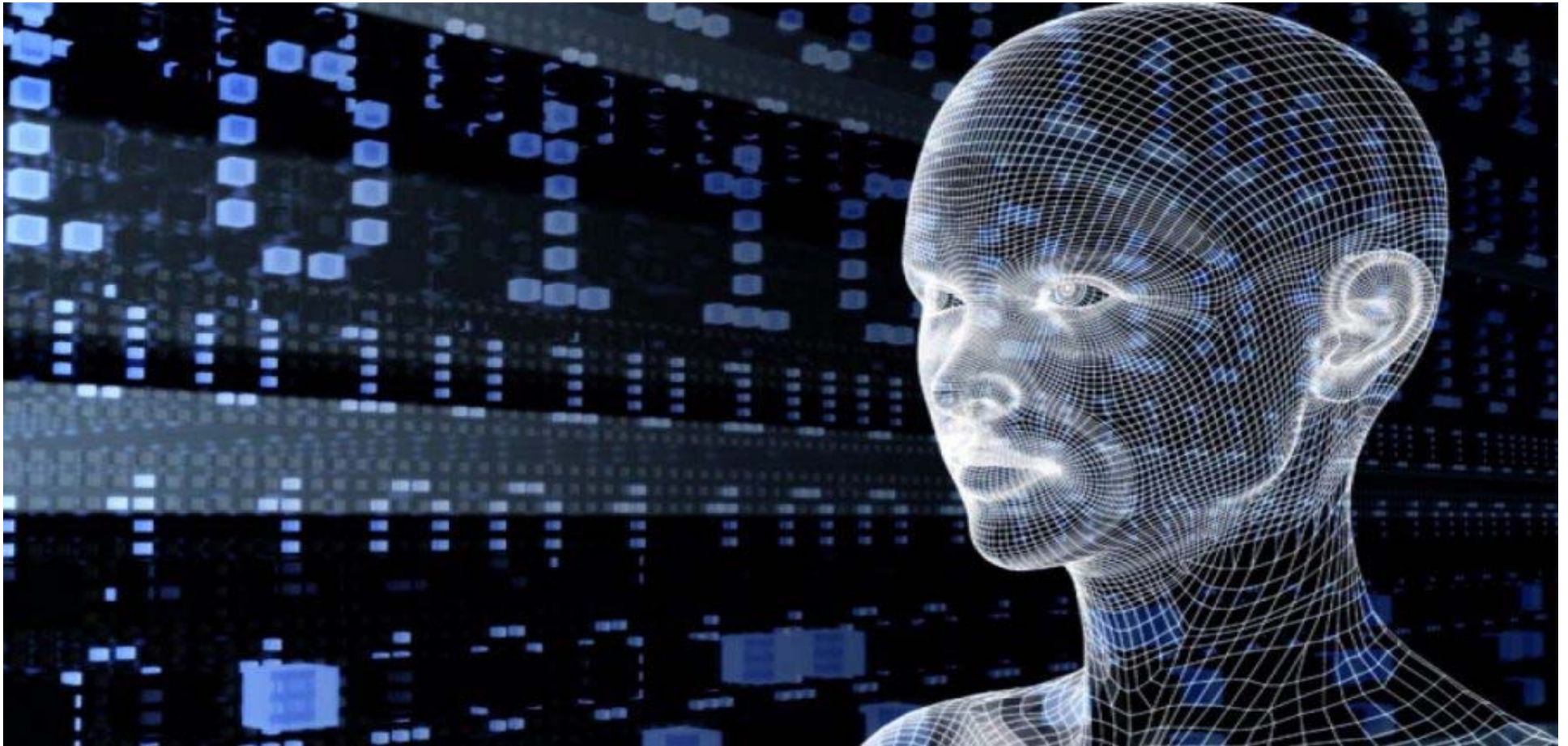
Data stored and analysed up
from 1% today to 37% by 2025.



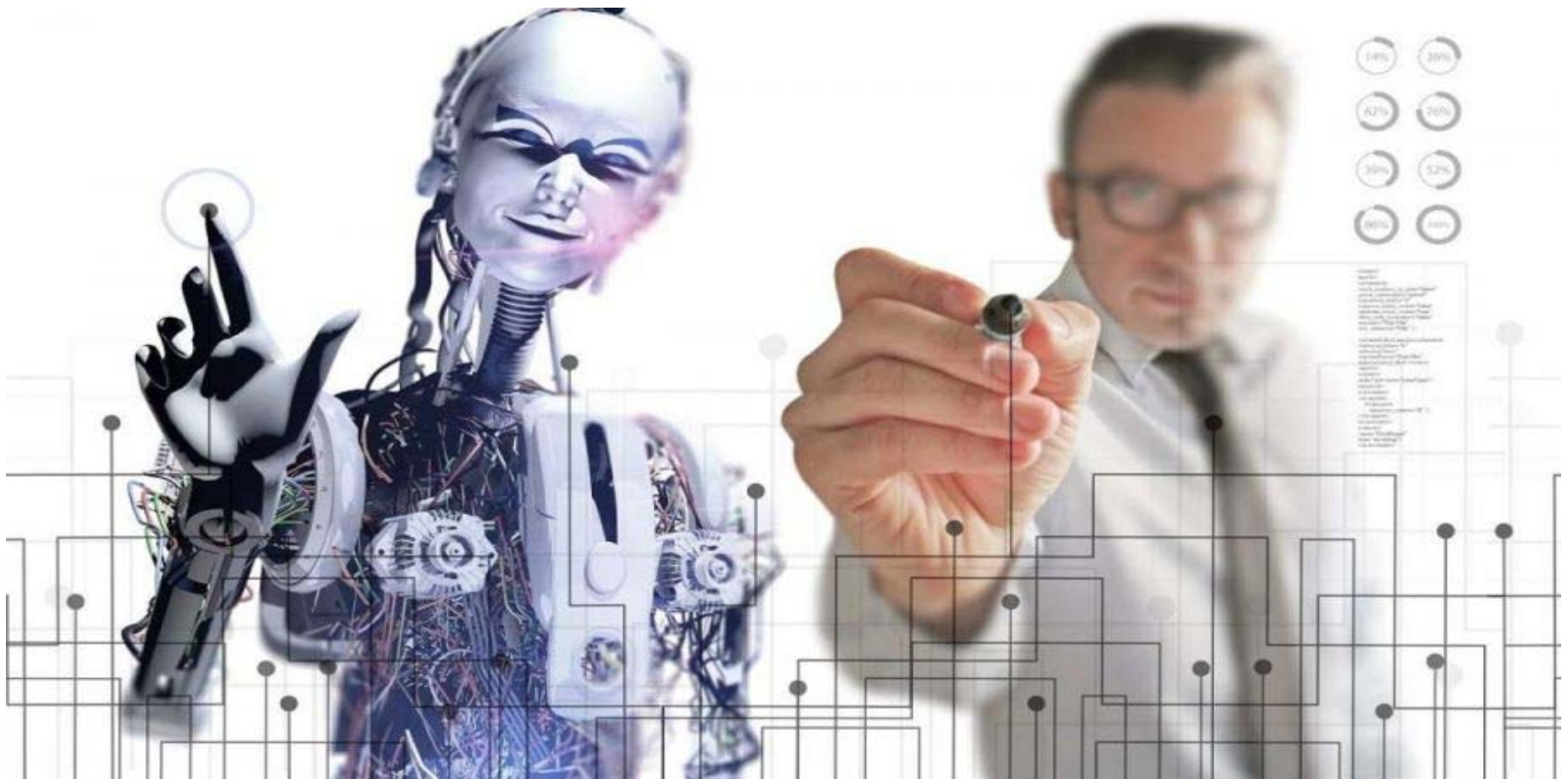
Today any large-scale bank is tech & data-intensive.
50% not doing enough to verify accuracy and validity of their data.



80% of insurers use data for critical and automated decisions.
Yet, 97% of business decisions use data they consider unreliable.



Only 19% of Irish FS leaders get adequate information for key decision. Lack of analytical talent the most common cause.



20% of FS decision-makers have limited trust or distrust their analytics. Only 33% have high level trust in their firms use.



98% are developing a data driven organisation.
But just 1/3 have a data driven business culture.



2025 – 20% critical and
10% hyper-critical to daily life.

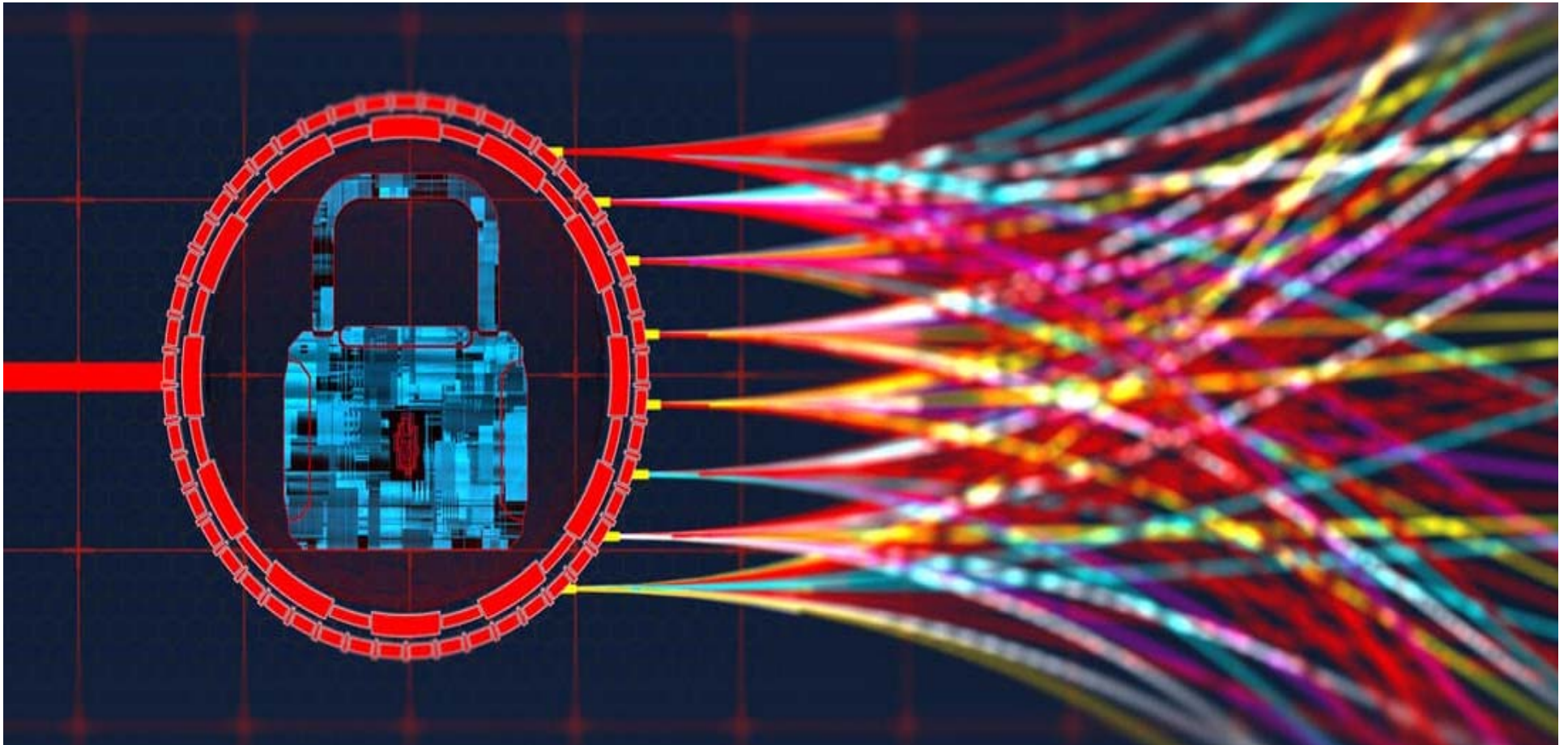




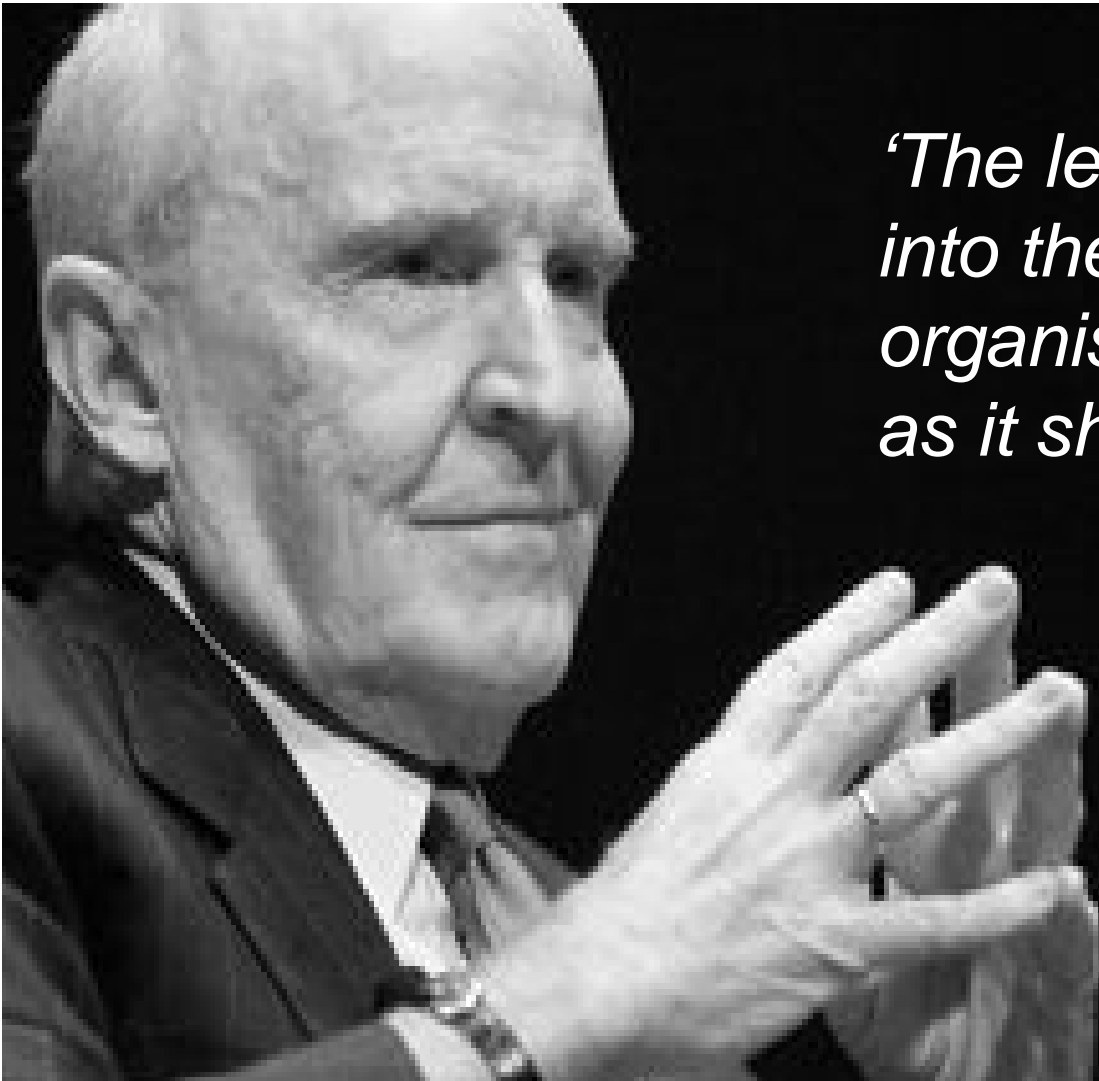
Banks will need to move from a 'moments in life' to a 'day-to-day' mindset and coach..



4/10 'at risk' capabilities in FS organisations
focus on data and analytics. PwC



Cybersecurity is viewed as the top threat to business growth for 88% of FS leaders in Ireland.

A black and white photograph of Jack Welch, an elderly man with white hair, wearing a dark suit, white shirt, and patterned tie. He is shown from the chest up, looking slightly to his right with a thoughtful expression. His hands are clasped together in front of him, with fingers interlaced. The background is dark and out of focus.

*'The leaders job is to look
into the future and see the
organisation, not as it is but
as it should be.'*

Jack Welch



Legacy systems won't cut it - 50 years of digital transformation in 5 years, whether technical, cultural, organisational or managerial.

Change in the wider environment

- 92% of CEOs say their organisational structure must change.
- 85% say internal obstacles impede company growth.
 - Complexity and culture.



<http://www.cpbiz.com.au/mg/Organisation/200development/20a.jpg>

Digital business models



- Shift from product-centric to service-centric business models.
- Customer charged based on use or outcomes.



The mental models that underpin banking models to change through technology, shifting human behaviour and their interaction.



USER AUTHENTICATION TRENDS: **BLURRED BOUNDARIES AND NEW METHODS**

Banks could be trusted financial advisers
from car purchases to health advice.



Ping An - Chinese A.I-first, FS provider, Good Doctor AI service.
300,000 to 400,000 daily consultations.
1,000 medical professionals providing continuous feedback.



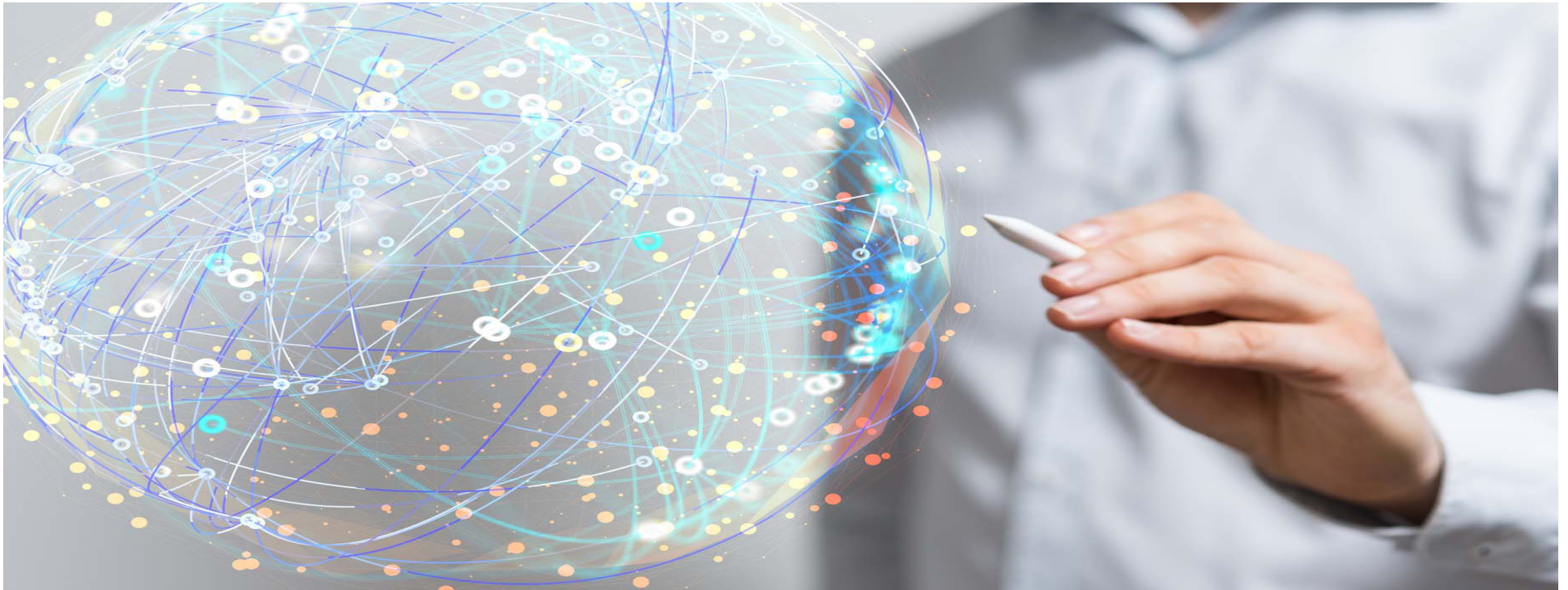
Platforms and ecosystems will emerge, needing new frameworks to enable shared accountability, cybersecurity, access etc.



Ecosystems replace value chains in this decade,
accounting for \$60tn (over 30%) in global GDP.

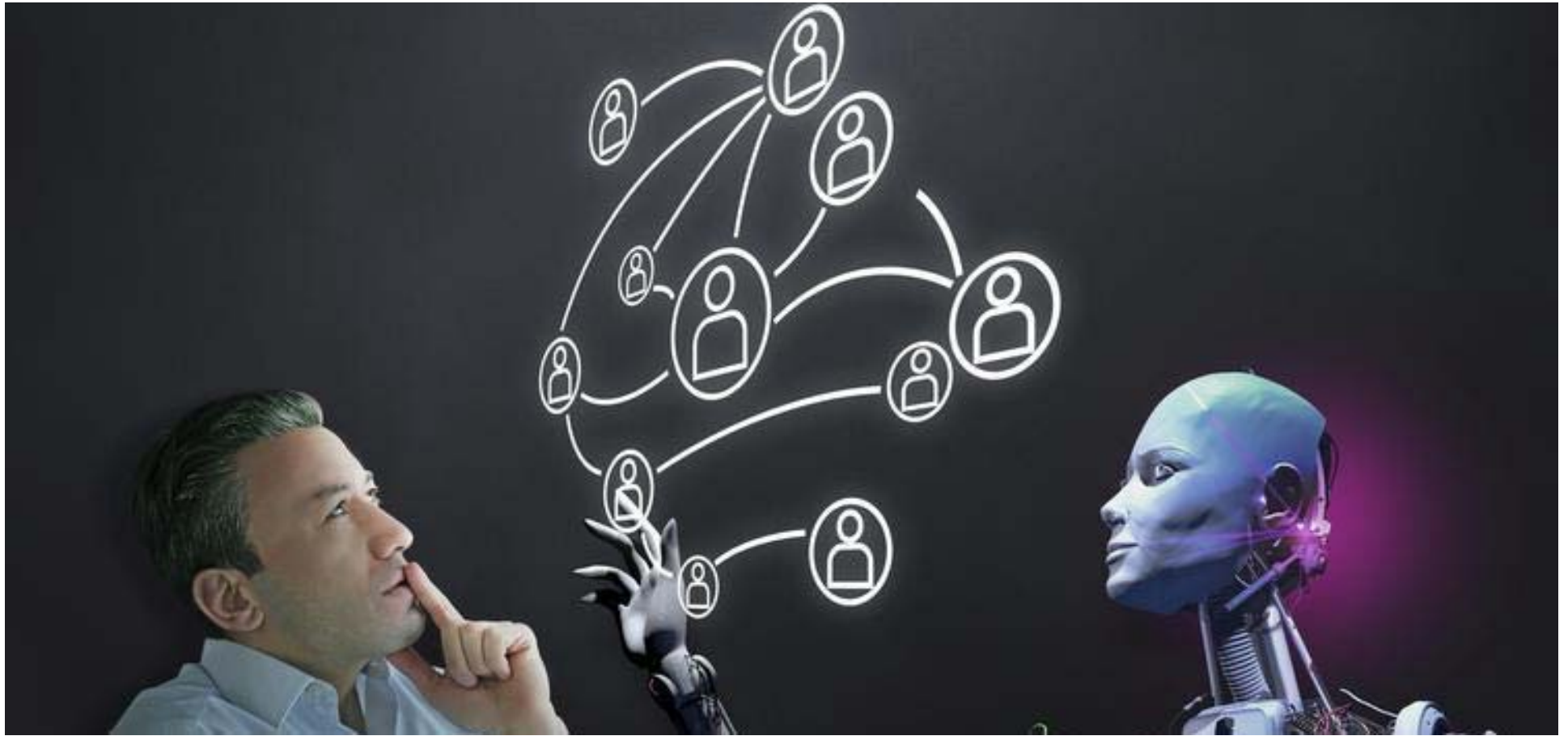


No FS firm can have all the skills and talent it needs,
so must implement more flexible talent models.




Only 25% of Irish FS orgs planning innovative collaborative partnerships (30% globally).

At 22%, Irish FS orgs are less likely than average (37%) to embark on new strategic alliances.



The right talent in the wrong structure results in engagement and retention issues.

A black and white portrait of Pierre Nanterme, a middle-aged man with glasses, wearing a dark suit, white shirt, and dark tie. He is smiling slightly and looking towards the right. The background is dark.

*Increasingly, the work
we do is enabled more
and more by new IT,
including automation,
robotics, and intelligent
platforms.*

Pierre Nanterme

Chairman at Accenture

2013-2019



44% of orgs not yet determined how their automation strategies will affect their workforce.

NEW SKILLS



Loading...



79% of Irish businesses cite difficulty in finding appropriately skilled talent.



2020 need for analytics roles 49,000 - 62,000 positions. Skills Ireland.
44,000 currently in the IFS sector in Ireland in 430 firms



Advanced analytics and data skills are greatest threat
to Irish firms growth. (84% vs 79% globally)



The principle role of tech from a workers' perspective is to shift the nature of their tasks.



Roles morph - focus on independent thinking, values, and teamwork. Repetitive and routine is replaced by automation.



Focus on learning tech related skills - 79% of insurance brokers say tech places a premium on personal relationships for clients.



Deutsche Bank's ex-head of equities says banking careers are over. Most to have four or five 'careers' within a bank. E&Y

Jobs of the future

- Financial Services Partner
- Universal Service Advisor
- Fintech Liaison
- iFinance Engineer
- Sustainable Wealth Manager
- Digital Currency Advisor
- Personal Risk Manager
- Digital leaders



Jobs of the future



- Emerging Tech Specialist
- Real-time underwriting
- Data Scientist
- Digital Process Engineer
- Ecosystem Cybersecurity Manager
- Algorithm Mechanic
- Data Banker
- Knowledge Broker

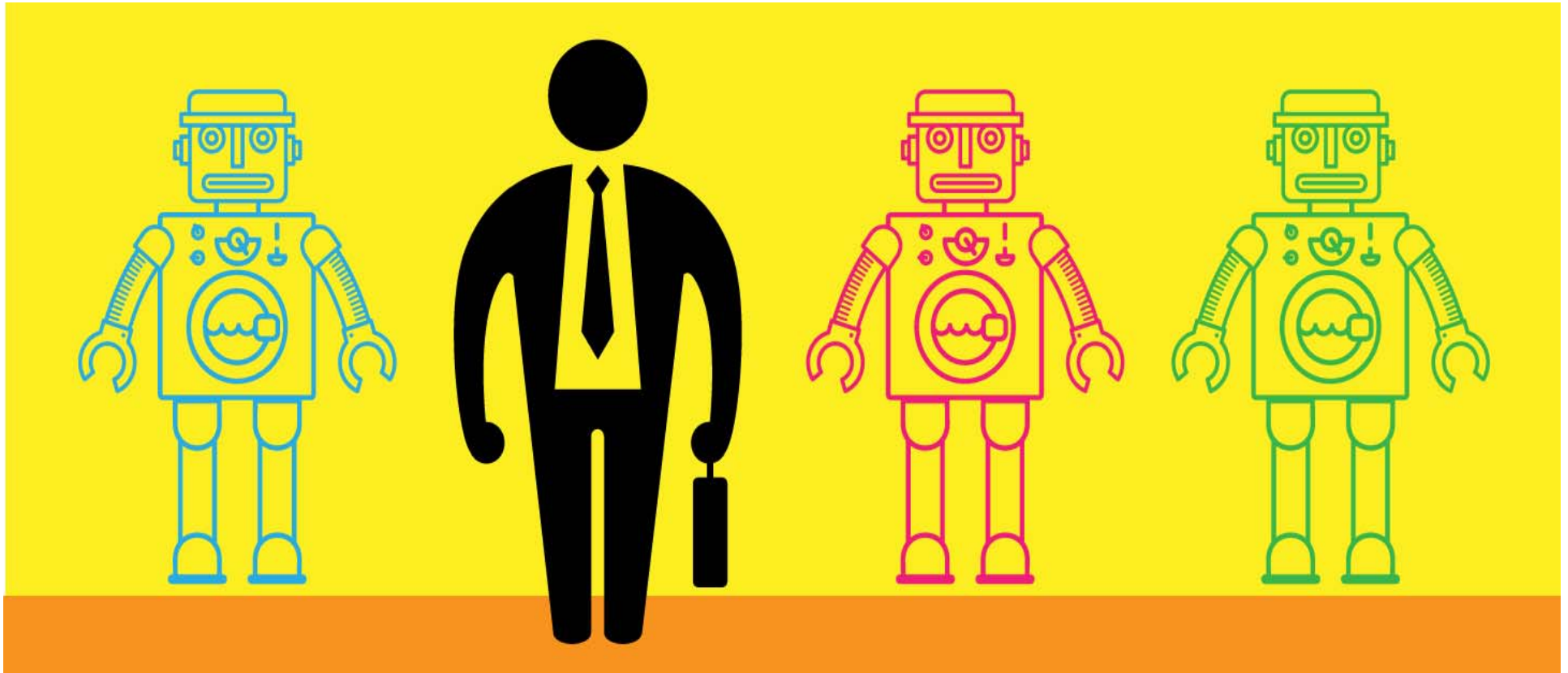
Jobs of the future

- Chief Trust Officer
- Extended Reality Designer
- Conversational Interface Designer
- Behavioural Psychologist
- System Designer
- P2P Guide
- Human-Machine Manager
- Foresight Executive





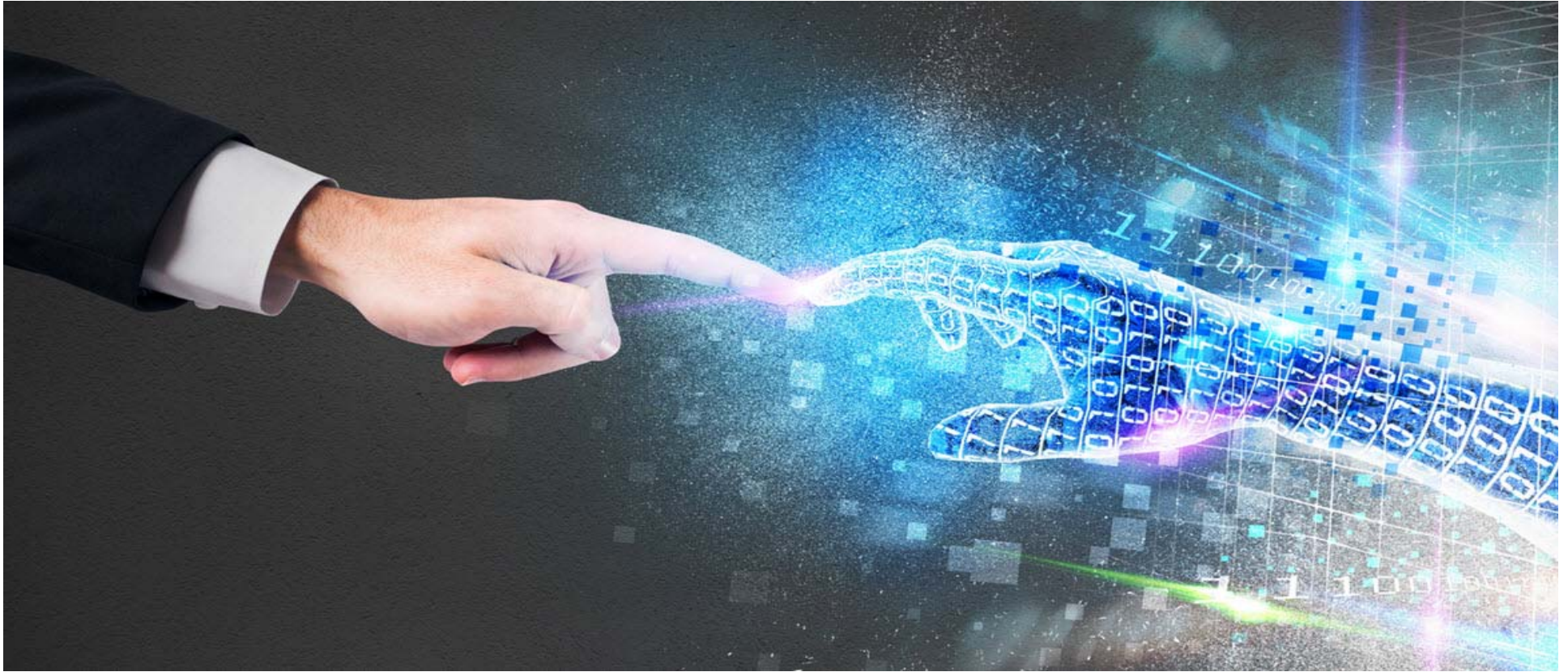
Flexibility, adaptability, innovation & soft skills are difficult to capture. Micro-learning to be established in the 2020's to capture skills/competences not implicit in traditional qualifications.



FS professionals should enhance what A.I is unlikely to master in 5 yrs. - creativity, originality, initiative, critical thinking, and leadership.



76% say internal talent mobility is important.
only 6% say they are excellent at moving people.



Using A.I at scale requires ‘multidisciplinary talent that can bridge infrastructure, development tools, programming languages, A.I and ML.’

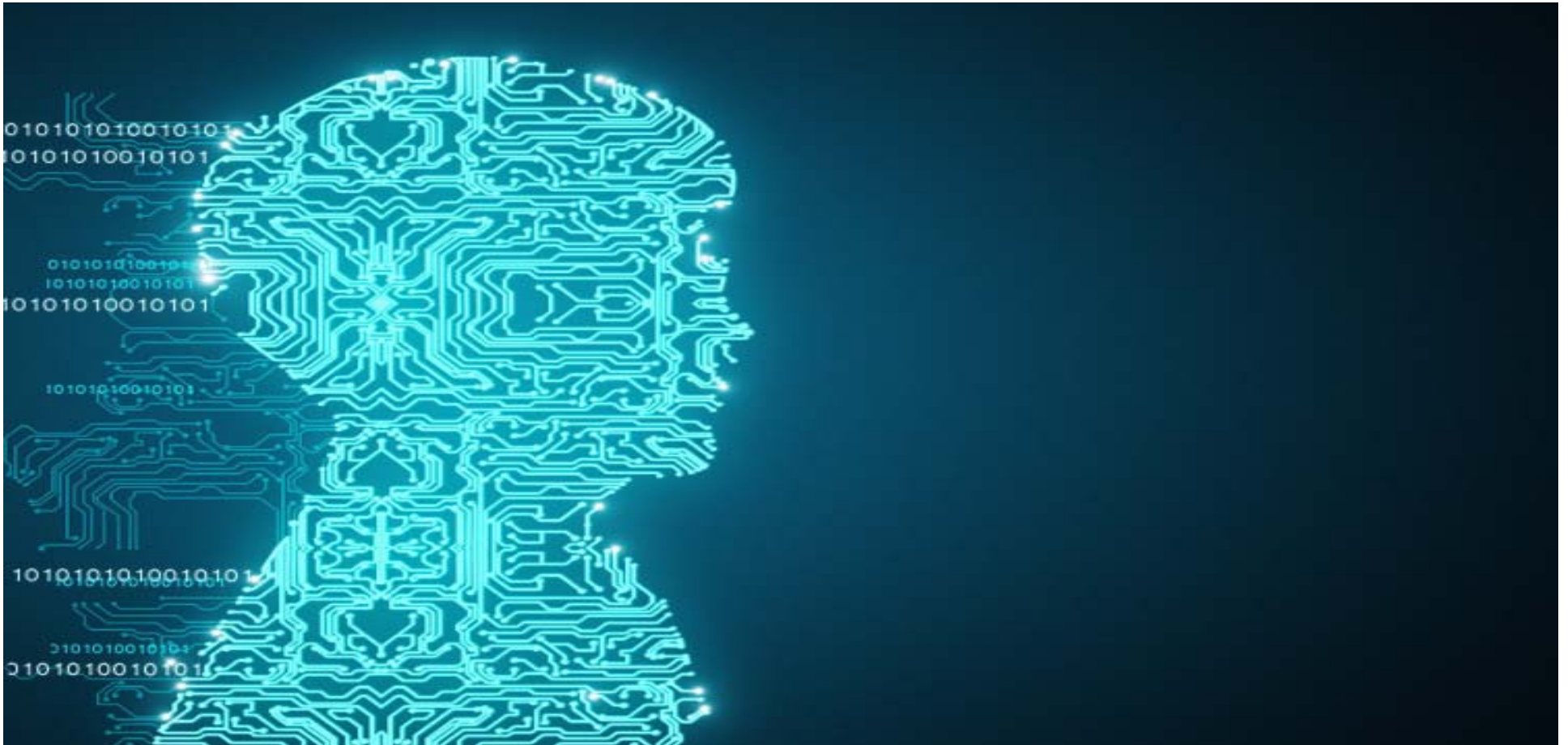


*It is not necessary to
change. Survival isn't
mandatory.*

Dr. W. Edwards Deming



Imbalance of critical talent to see
approaches not often seen in FS



54% say a corporate culture unable to embrace digital is biggest barrier. 68% say they need new leadership to compete in digital age.



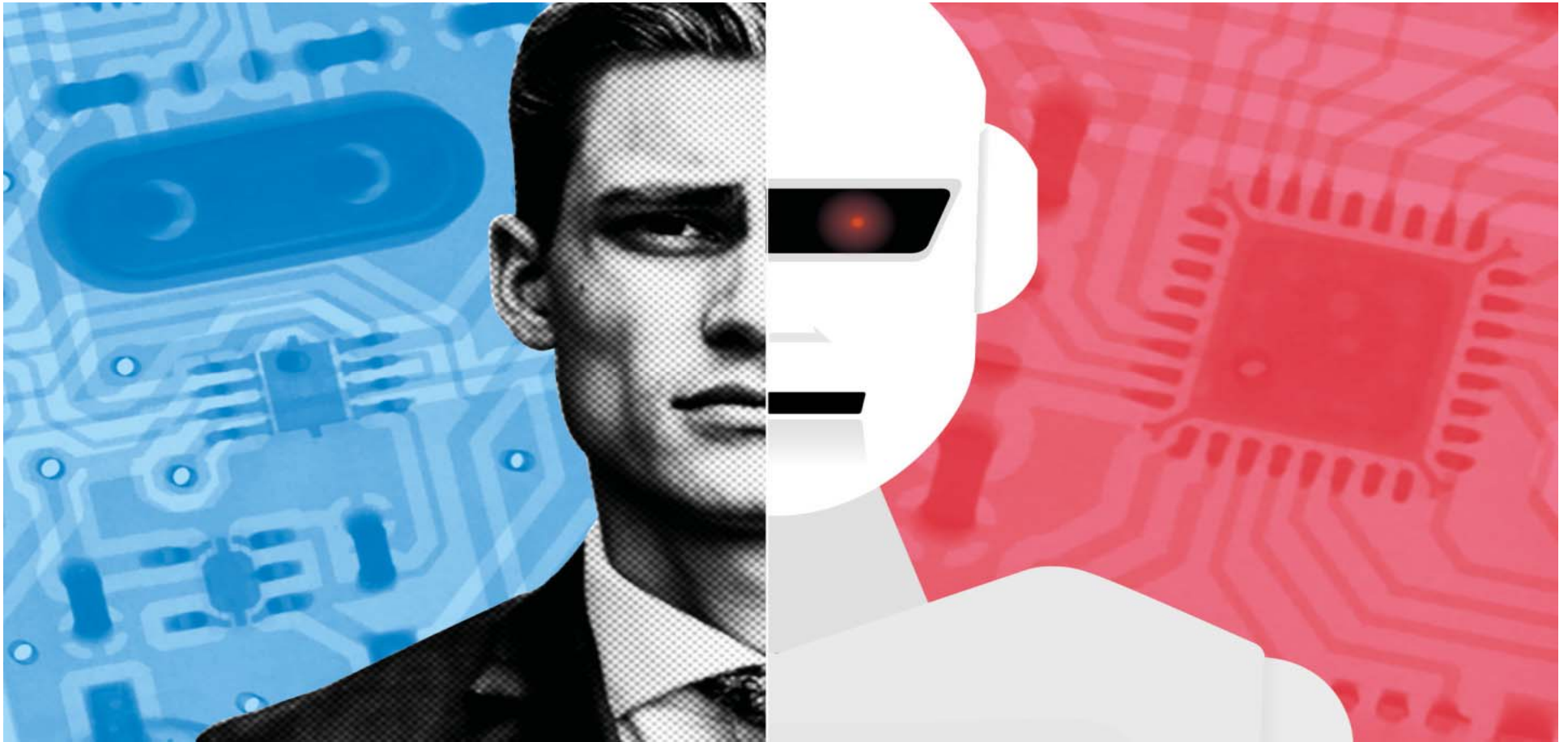
FS ‘... must be proactive in shaping and measuring culture, approaching it as they tackle operational transformations.’



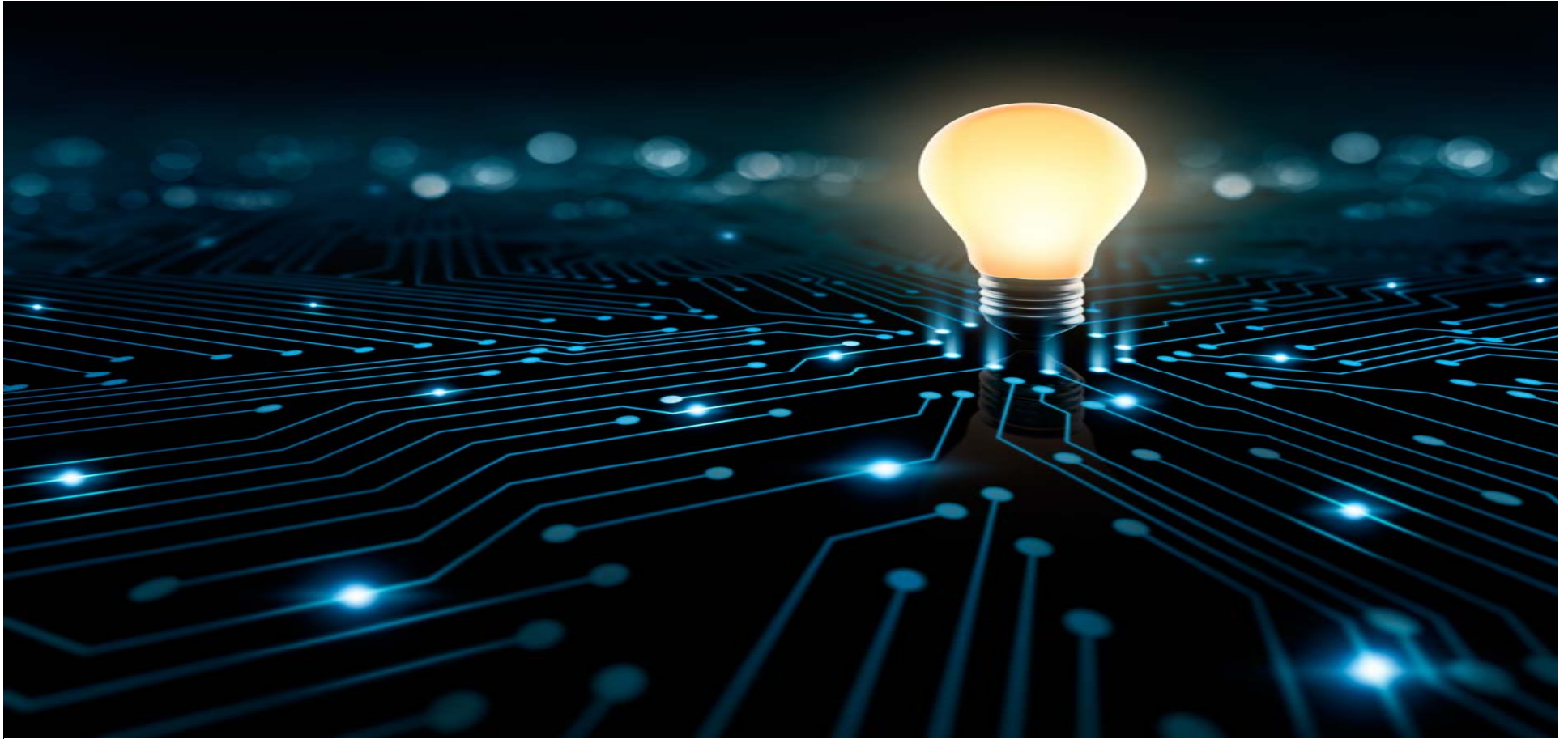
FS orgs must become a place to learn yet 54% across all industries have no programs to build the skills of the future.



Turn A.I operations and back offices into external services.
BlackRock & Ping have world-class services for new revenue.



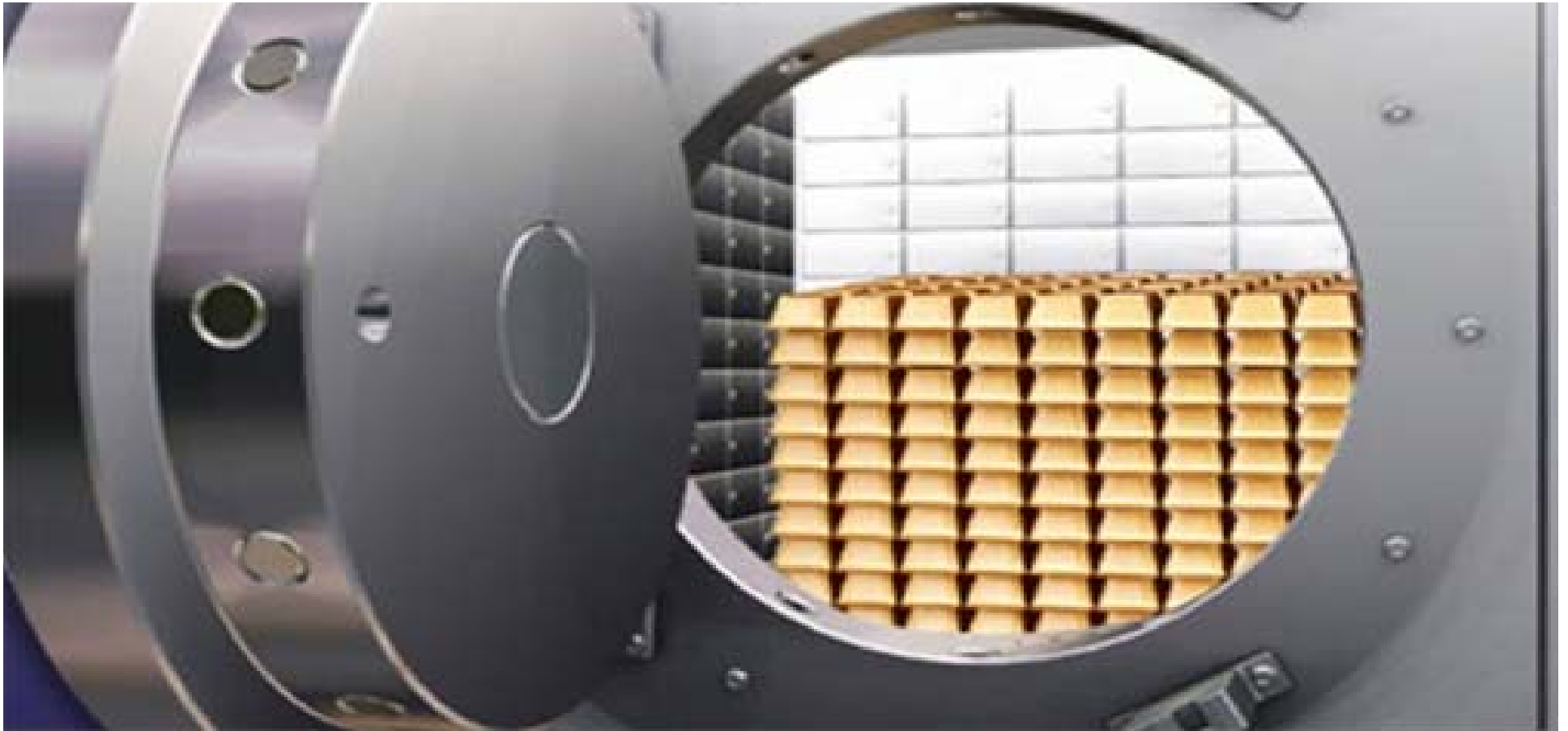
Only 15% of global execs ready to manage workforce
of people, robots, and A.I working side by side.



Mastering digital tech won't determine who are corporate winners.
Making the right organisation and leadership changes will.



Irish FS need an innovative approach to this change.
Via strategic partnerships to compete with other FS hubs and
attract the talent needed.



A future for established banks may be as a regulated money vaults to connect to fintech services.

Next steps

- Develop talent magnetism. 'Developing talent is business's most important task – the sine qua non of competition in a knowledge economy.' Peter Drucker
- Most FS orgs are on the road to becoming digital, tech or even IoT companies. Talent strategies need to reflect that.



Next steps

- Create learning pathways to become a learning organisation.
- Talent pathways, employer value propositions and way in work is shaped by tech must be carefully assessed.
- Adopt advanced tech at scale.
- Maximise the use of data and digital models in processes.



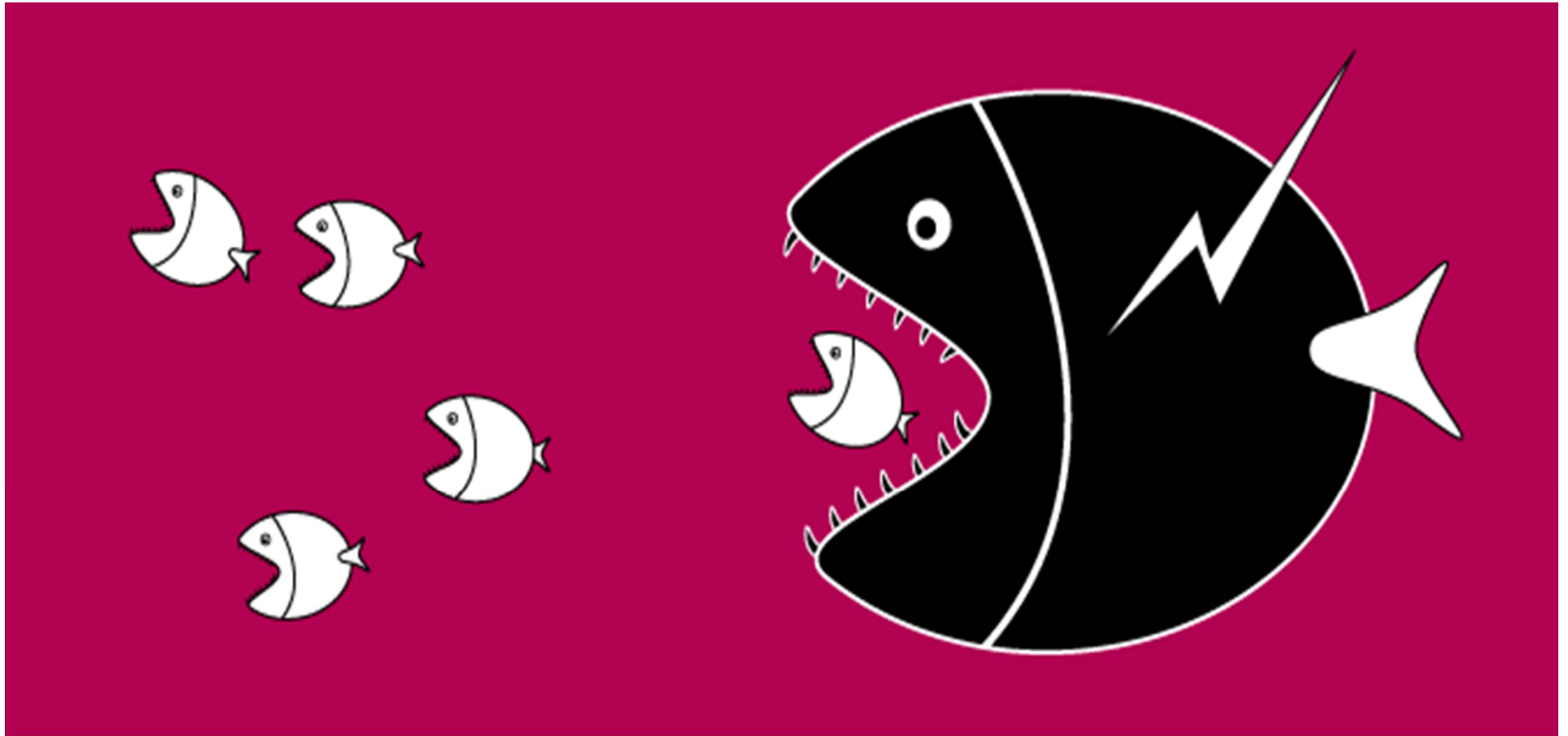
Next steps



- Review product portfolio and assess opportunities for new business.
- Map out where A.I and other tech can be used tactically & strategically.
- Create leadership cadre – and level of board involvement - capable of revamping technical, cultural and skills.



The gap between 'what's possible' and business as usual
is widening, rendering the latter unsustainable



‘Future winners will actively disrupt current business models, including their own.’ WEF

Innovation happens

Risk of doing nothing
greater than the risk of
doing something.



Imagine it

If you want to get ahead – you need to look ahead

Thank you



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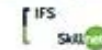
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<http://elm.newworldiq.com>



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