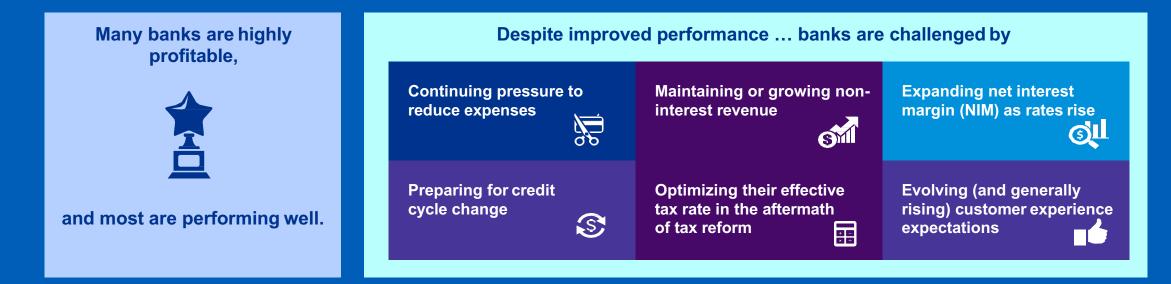


Digital Transformation the Future of IT

Marcus Brakewood Director, KPMG kpmg.com/Future-IT

The industry landscape – and the path ahead



Banking institutions are transforming to meet these challenges and improve their financial performance.

They are urgently investing to improve customer experience and reduce costs.

Success in real transformation hinges on having the right mix of people, talent, and the capacity to accept change.



Digital transformation ambition and ability are not aligned

of U.S. FS CEOs say their organization is actively disrupting the competition¹

67%

of CEOs say that acting with agility is the new currency of business¹

92%

66%

of CIO's believe that organizational agility is critical to business success²

76%

of CIO's think that Agile methodology will prevail over Waterfall methodology by 2020²

82%

CIO's report that proficiency in agility is most important for the implementation of strategic initiatives²

...Yet only **27%**

of CIO's consider themselves highly agile²

1. KPMG CEO Outlook 2019

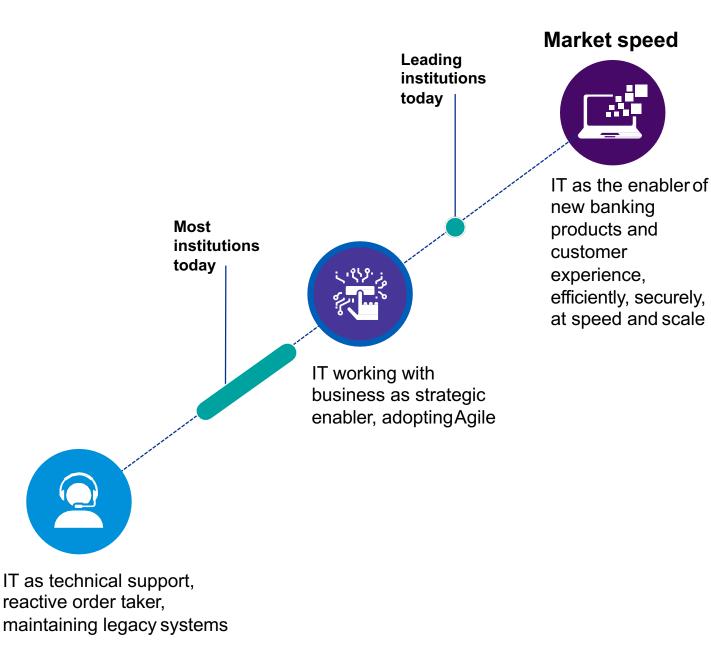
2. Harvey Nash / KPMG CIO Survey 2018



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The IT function must respond to accelerating forces and

evolve the **IT** operating model



Powering up to market speed

Market

speed

ture

Data as asset

Modern delivery Dynamic Investment

Flexible IT workforce

Realign capabilities, people, architectures, and ways of working to enable the delivery of new products and services at variable speeds and scale Evolve foundational data assets to fuel demand for actionable customer insights, transparency to risk and opportunity, and operational efficiency

Integrate business, engineering, testing and operations into full stack teams, automating large portions of the value chain Deploy a "think like a VC" portfolio investment approach and leverage lean financial processes to drive dynamic and continuous funding of technology and investments Develop a 360 degree view of the IT workforce, including business, technical, and virtual skills, to create a flexible ecosystem of talent Instil technical trust throughout the organization, delivering intrinsically safe products and services, to influence perceived trust for customer value

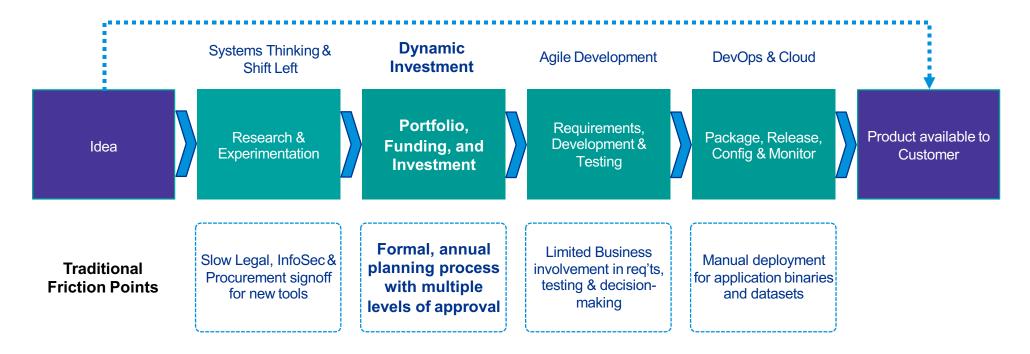
Customer

trust



More change is required then Agile and DevOps alone

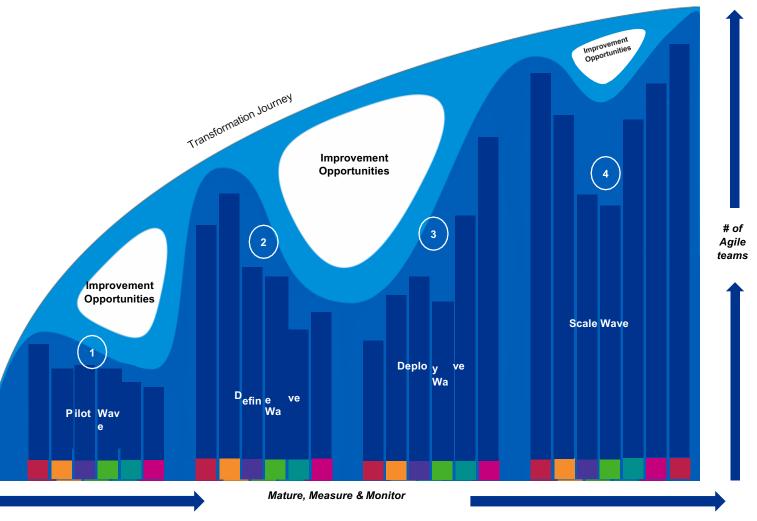
The flow of a good idea can be interrupted months and even years before it reaches a developer or CI/CD tool chain





Dynamic investment is often the final wave of an Agile transformation

- The final wave requires massive change at the portfolio level
- This is often an "all or nothing" event that replaces the people, process, and tooling of how IT and the business interact
- Banking has reached a tipping point due to the large number of teams delivering digital transformation in an Agile way of working





Dynamic investment solves for



The funding of capital with Agile

Capital guidance for IT investments is written for a waterfall governance model



Transition from projects to products

Portfolio's must be restructured around products instead of projects



Making big things small and small things big

Agile teams are often disconnected from market and product strategy



Catching bad ideas faster

Traditional portfolio governance is not prepared to manage real-time analytics of value



KPMG

C-Suite and executive reporting

Agile workflow tools are often configured without consideration to report a consolidated status



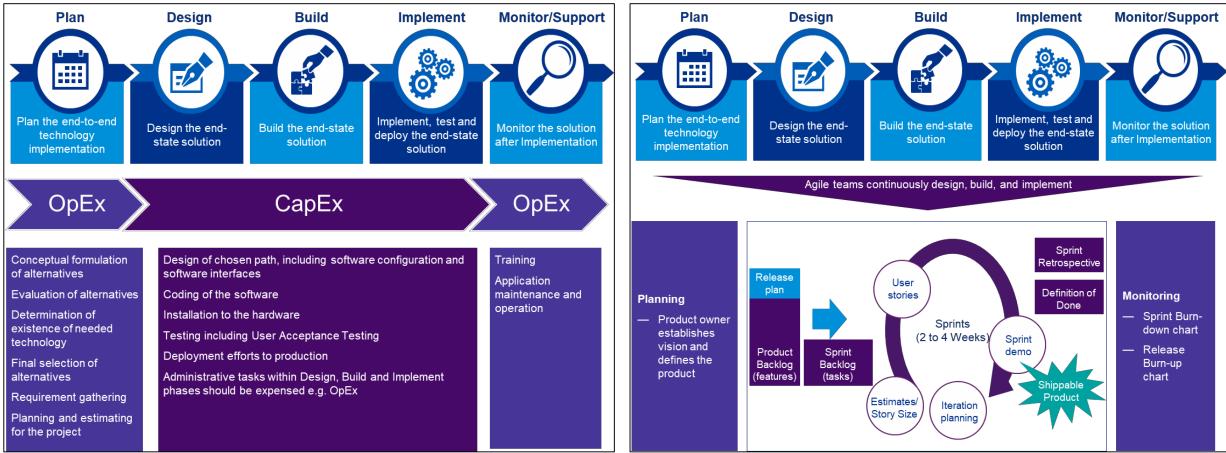


The funding of capital with Agile

Capital guidance for IT investments is written for a waterfall governance model

CapEx with Waterfall

CapEx with Agile and DevOps



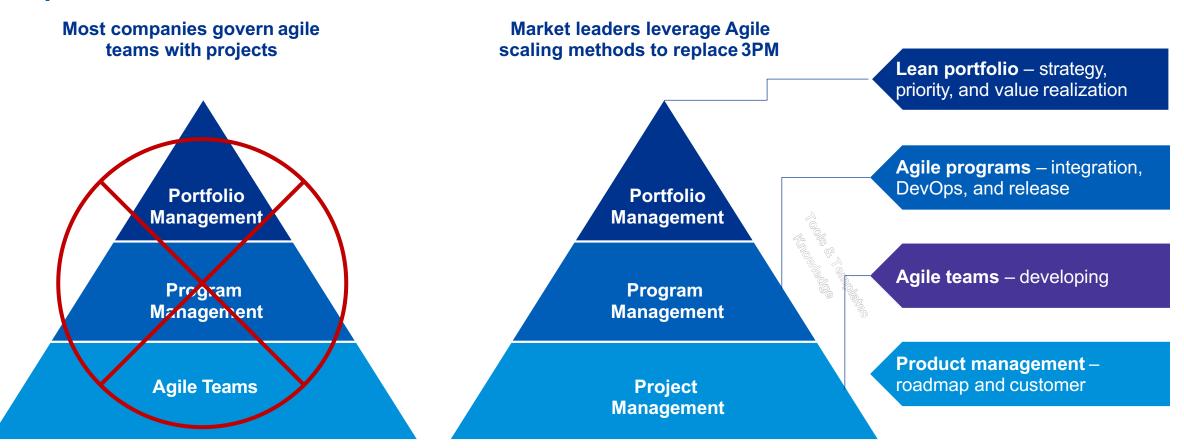
Calculate CapEx by replacing timecards in traditional PPM tools with story points in Agile work management tools



The transition from projects to products

KPMG

Portfolio's must be restructured around products instead of projects



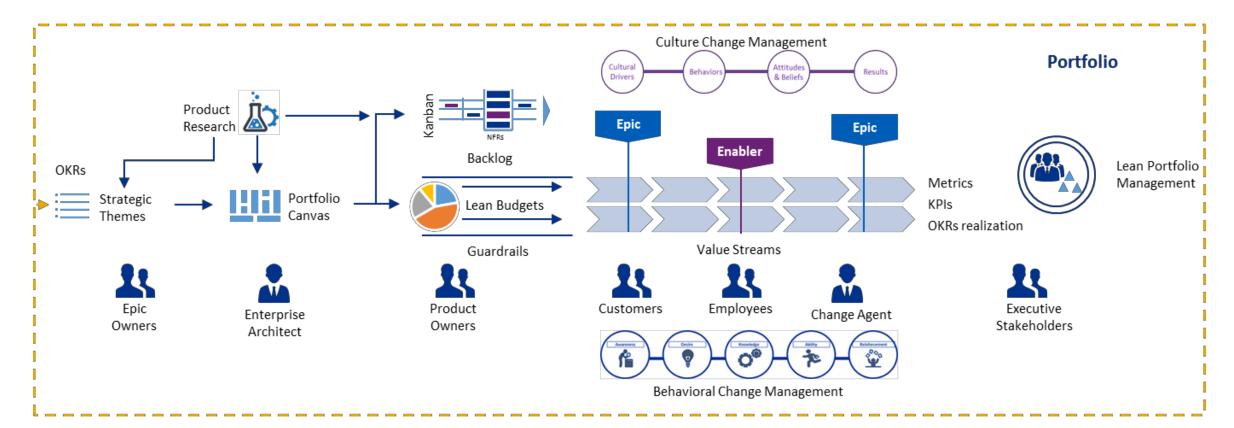
Enable a continuous prioritization process that can react to market feedback with Agile scaling methods such as the Scaled Agile Framework

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Making big things small and small things big

KPMG

Agile teams are often disconnected from market and product strategy



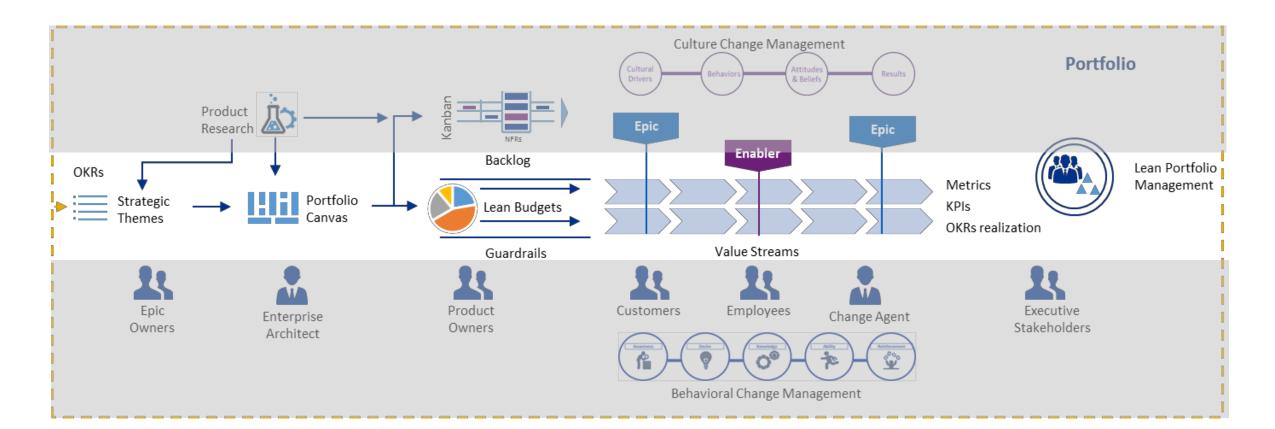
Establish trust and delegate responsibility to Agile teams by setting strategy and goals by portfolio

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Catching bad ideas faster

KPMG

Traditional portfolio governance is not prepared to manage real-time analytics of value



Improve value realization through OKR's, lean business cases, and quarterly reviews

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C-Suite and executive reporting

Agile workflow tools are often configured without consideration to report a consolidated status

Figure 1. Magic Quadrant for Enterprise Agile Planning Tools



Investigate Gartner's new magic quadrant for "Enterprise Agile Planning Tools" which connect Agile work management systems to strategy and reporting

Source: Gartner (April 2019)



Summary of recommendations



The funding of capital with Agile

Replace time cards with story points to calculate CapEx



Transition from projects to products

Enable continuous prioritization that can react to market feedback with Agile scaling methods



Making big things small and small things big

Establish trust and delegate responsibility to Agile teams by setting strategy and goals by portfolio



Catching bad ideas faster

Improve value realization through OKR's, lean business cases, and quarterly reviews



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C-Suite and executive reporting

Investigate Gartner's new Agile magic quadrant to connect strategy and reporting to Agile teams







Thank you





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