

Laura Schield:

Rob, welcome to this Reinventing Banking podcast. We certainly appreciate your time and everything that you have to say. So let's go ahead and get started with the conversation by telling our audience a little bit about yourself, and how you got involved in this job and in banking in particular.

Robert (Rob) Wint:

It's great to be here. Gosh, you know, I guess my career in the world of financial services goes back 35 years ago – a scary number. When I started working in a bank in the UK, I mostly did background tasks and spent just short of 10 years working through a range of different roles in standard banking terms before I jumped ship into the more technical vendor side and spent just over half a dozen years now as a product manager. So that was my first time into the world of products and you know, more the technical space. I did a host of different roles between technical vendors, in different markets to marketing, some technical roles, product management, before going back to working at a major high street bank in the UK. They were always looking after a lot of the digital marketing, digital content within the digital banking team there, which then kind of took me to joining Temenos in 2016. So my role at Temenos is kind of a bit of a jaw roll. I currently head up our business banking segment, across the board, but I also have a kind of a secondary role which focuses on our digital portfolio of solutions. So whether that be secure banking or onboarding origination solutions or the general portfolio solutions that support that capability. My official role as Senior Product Director is looking at those business banking segments and the digital banking world as well.

Laura Schield:

Prior to this conversation you were talking a little bit about your global role. Can you talk a little bit about that?

Rob Wint:

Yeah. So, what I ended up doing is looking after the strategy and direction of the products that we have that serve those particular markets, and a lot of the time is spent talking to and meeting with a whole range of different customers, or sometimes our partners who are delivering solutions into those technical environments. It's kind of one of the great parts of the job is being able to get in and see different banks, different financial service organizations in different geographies, and the challenges and the pains that they have of what they're trying to take to market to digitize what they're trying to deliver effectively. So that's kind of a great opportunity to understand some of the global needs and issues from places throughout Asia Pacific, Middle East and into America's brand across the globe. It's great being able to get an opportunity to meet and understand and help some of those customers in those different geographies.

Laura Schield:

So talk about Temenos and what exactly your role is there. What does Temenos do on a global basis and specifically, what would you do in the United States for banking?

Rob Wint:

So Temenos has been around for 25 years or more now, gosh, coming up to 30, isn't it? Historically, we've focused on core banking and a whole range of different services and products and capabilities that revolve around that particular marketplace. Now, we've added a whole host of functions and features around that capability. But what we really focus across now is three distinct areas of capability.

The big focus for us is providing banking capability in the cloud. So that's kind of one of the big main focuses for us. It links in with our key partnership with Microsoft around that world, but it's about providing through the Temenos banking cloud a host of front office and back office functions across a range of segments – be that retail, business banking, corporate banking, wealth, etc. – to provide the capability in those cloud environments, while also allowing our customers to get the huge benefits they can gain from the rapid deployment, time to market benefits of having that capability in the cloud. That's one key piece that we provide.

The second thing that we're focusing on now is around breaking banking up into what we call composable services. And that is about taking different banking functions into more individual capabilities. I'll explain that in a second with an example of what that kind of really means. But it's taking discrete functions and providing them as standalone pieces of capability – again, delivered to the cloud. A great capability would be buy now pay later. **So again, it's a specific capability, supporting certain segments of the banking world.**

The third piece that I'll just kind of mention is around banking-as-a-service, or BaaS. It's a real driver at the moment for organizations to use from our side – the Temenos banking cloud – to meet the technology base needs of organizations who offer those BaaS-based services, or banks that are licensing themselves to provide that capability, or even brands or fintechs in that space.

So there's kind of three major focuses that we have, which are largely the delivery mechanism of the inherent banking capability that we've got in their front office solutions or back office solutions across a range of different segments.

Laura Schield:

You mentioned composable banking functions. Can you talk a little bit more about what exactly that means? Do you have a case study where you may have done something in that area specifically with U.S. banks?

Rob Wint:

Happy to. So, the premise of composable banking, as I kind of mentioned, is around focusing on an individual element of a banking requirement. That could be a loan capability, it could be a deposit taking capability. But this is providing the discrete functions that enable that deposit capability as an example, and provide that front to back capability. But that's all it does. So, you know, if it doesn't need to have payments, then the payments environment isn't supported, it isn't delivered within that functionality. Even though most of the time payments clearly is a key focus of the banking space.

But I guess the key focus for us there is, as organizations want to address discrete challenges or offer net new functionality that maybe they don't offer today, and it allows them, being a cloud based capability, to spin up an environment very quickly – to have in a hosted environment that discrete functionality as integrated as they need into their other banking functionality. It allows them to very quickly deliver that capability to their particular customers, as they need. So it's using the different elements of the Temenos portfolio to come together into very discrete capabilities.

And this is an example I kind of alluded to a little earlier, but buy now pay later: it's a discrete need, clearly built on the premise of lending, but you have some organizations that can't offer that through their back office environments. So, we provide in a cloud based environment, the buy now pay later functionality that allows you to quickly enable that capability, integrated as you need into your overall banking environment. You talked about an example of that. Well, I guess that for us, the flagship example of that, which most people will be aware of is PayPal.

Through the launch of their Pay In Three, as they call it, or the buy now pay later functionality, they saw huge growth within that. I know in their first year of operations they're quoted as saying it's their fastest start to any product being launched in their portfolio, and I guess that's matured in their portfolio. Clearly it's a big driver for them to scale up for real peak throughput. Something like Black Friday, which comes around every year, and has unprecedented levels of demand clearly over a very, very short period of time. And having that cloud based scaling capability, utilizing the underlying functions, is a great example of how providing discrete functionality in a composable way allows people to build up the functionality they need to deliver what they need for their customer base or their market effectively.

Laura Schield:

Right. So you're really just dealing with a slice of the business as opposed to coming over and doing everything that a bank might need. So how do you work with other cores?

Rob Wint:

Organizations either have a homegrown or other third party back office environment. For us, this is all about what we call the world of progressive renovation. Different back offices have different life cycles and different stages of their evolution, some very old, some a bit more modern. And for us, being able to enable a rapid deployment for something like buy now pay later, that could sit alongside the other general banking world and provide some elements of data connectivity – at the lowest level – but it could be independent. So from that side, they can sit side by side and link together and work very much in harmony together. But I guess, where I'm focused and took the focus on progressive innovation, which is where we really see organizations wanting to evolve, but evolve at their own pace. So we see this across many layers. Where maybe the pace of change, something in their digital world tends to be a bit more frequent, that the pace of change there than it does maybe in the back office space. So we see some people might look to update channel functionality, origination functionality at a more regular pace. And then in due course, look to progressively renovate to different elements with a back office functionality. The

repair and replace of the core banking system, I heard someone say, is a little bit like open heart surgery. It can't always be a straightforward thing to do. But clearly moving to a more modern based core does give you the ability to scale and grow and provide better capability and be more resilient than potentially having to take your core down to do your end of end of day cycles. It stops you and brings you a lot of challenges, especially when you look into 24 hour digital banking. So yeah, that progressive renovation, allowing maybe different slices of this to start to be moved in evolved into a different environment, and then ultimately you could then start to phase your process to different back office organizations. So pretty much working in harmony to different environments, but allowing the banks as they need to look to overhaul the broader technology that they might want to do in the longer period.

Laura Schield:

So are there other banks? I believe I read about Atlantic Union, where you've done some work with them regarding PPP.

Rob Wint:

Yeah, correct. So that was a good example of a particular need that they had to support PPP. So it was the start of the pandemic, and they wanted to get up and running as quickly as they could to start to provide and service the small businesses that needed these COVID loan reliefs, effectively. And within using the cloud capability that we provided, **within four days they were able to get up and running and be able to provide that support for the PPP. And then ultimately, they saw an excess of 10,000 loans through that capability, which sort of took them into an excess of just over one and a half billion dollars worth of lending effectively.** So again, all cloud based, all created and spun up in a rapid environment, but allowing them to build and deliver the processing that they needed within that timeline was a phenomenal success.

Laura Schield:

Absolutely, and a success for you all as well. That's extremely impressive numbers. So you mentioned the cloud and earlier you mentioned that is where you work with Microsoft. So can you talk a little bit about your partnership?

Rob Wint:

Yeah, sure. So we've been a long standing partner with Microsoft now. And for us, being able to scale and grow our cloud based operations with the world leading infrastructure and technology is really, really key. If your bank goes down, every customer gets very unhappy. So we really have to build the market leading capability. And that's what Microsoft gives us with the Azure platform. So, you know, from that side, we do a lot of co-creation, we focus to look to deliver what we call **cloud native capability**, as well. So we're utilizing the inherent capabilities that Microsoft delivers to provide far more integrated capability with overall platforms and solutions. So really, you know, they enable you as a market leading provider, they enable us to scale and deliver with confidence to our customers, as they need to have within their banking environments.

Laura Schield:

So how do you believe that Temenos is reinventing banking? That is the core focus of this particular podcast series.

Rob Wint:

So I think it kind of goes back to those three elements I mentioned at the start. Cloud is one thing, but I think as we're trying to break the delivery mechanism up of that banking functionality into very different environments. So say, the composability of our services and solutions, allowing a bank, you know, who may be wanting to take some discrete capability, but couldn't in their current infrastructure, didn't have the ability to maybe go off and do a major change of their whole infrastructure. So providing point solutions for specific problems and needs is a real key driver for us. **I'll say that composability of the banking services into bite sized point solutions, little thin slivers**, which is where you want to go call it of the banking capability is for us, kind of game changing to allow organizations to get quicker benefits of net new functionality that they might have had to do if they were waiting for other routes.

And that just extends out into, as I mentioned earlier, with the banking-as-a-service functionality. Which again, is just enabling the rapid growth through open finance, that's really kind of driving some of the embedded finance into some of the forward looking strategies that organizations are thinking about, that they want to deliver, as they go on to for their customers and open into new markets. So for us, it is very much that thinking around the needs and wants of the banks differently, which is where the composability really comes in and gives us that unique edge to be able to start to deploy independent capability.

Laura Schield:

When you think of other success stories that you've recently had, obviously we talked about PayPal and the buy now pay later space, we talked about Atlantic Union with regard to the PPP loans, are there other examples? And it doesn't necessarily have to be in the U.S., although that is our core audience, that you might point to and cite as true successes for Temenos and the bank itself.

Rob Wint:

Oh gosh, yes. We are a global business, so there is a raft of different organizations dotted around the globe that take different benefits. So there's some work we did with a bank just above the border of Canada with you, who we did a load of co-creation with to build a very innovative proposition for their business customers. **They called it the virtual COO**, effectively. And this was around building and using AI. So now starting to use insight to help a business run its operations better. I remember listening to one customer who had done some work with it, and it was just interesting listening to her talk about her saying, "Just don't ever take this away from me. It allows me to now have so much more control and understanding of what's going on in my business." Business people aren't finance people typically, or small business people. They want to go off and give their capabilities. So providing that innovative insight into what's going on in their business was a real key benefit for that organization and for the users of that capability as well.

That's still in the North American space, or within the border environments. And then we've seen different customers through Europe and the Middle East really look, in some shape or form, start to improve just in a basic level in their digital experience. So you know, being able to scale and grow the App Store rating, which means that customers are just far more happier with the capability that they've got. And we've seen a huge growth in the number in the usage and the number of transactions that are going through that digital experience.

That was specifically a customer in Italy, who saw huge adoption, following their previous way of serving those customers, to allow them to scale and grow and provide more digital functionality just in a more cost effective way. So yeah, there's a wealth of different clients and customers. There's another organization based over in the U.S. with Battle Bank, who were kind of in that new brand coming on board, but you're going to be using our banking cloud to kind of underpin their market's technology that they take to market as well. So that's just another example where, you know, a new startup effectively, you're looking to go to market, it doesn't have to be an incumbent bank, are really looking to strive to provide the vision that they want, utilizing the capability they can get from Temenos delivered in the cloud, to really get that fast open, scalable requirement that they need to take the market.

Laura Schield:

Right, not just reinventing banking, but reinventing the bank in some cases. Inventing the bank in other cases. And reinventing the business, as the one you talked about in Canada. So fascinating work that you all are doing, and certainly impressive. So as we close today's conversation, obviously, it's CEOs, boards of directors, executives of banks in the U.S., what advice would you offer them? What recommendations would you have for them as they move forward in say, the next year, year and a half?

Rob Wint:

I think you could spend another half an hour just talking through this, which I know we don't have time for. But I think my number one piece to think through would be, don't be constrained by technology. You know, if you see a need, a gap in your particular operational needs, organizational requirements, whatever they may be, but you feel that the current technology can't provide what you need to do, don't be constrained with that. I think with what we've seen and what we've talked about so far with those examples of the composable capability of discrete banking functions, delivered through the cloud, do allow you to extend your capability that you might have today and take benefit of different platforms, different technologies, but they do allow you to scale and grow and deliver what you need to take to market rather than sometimes you see technology teams struggling to keep up with the bank's particular appetite, to grow and scale our business, find new markets, etc. So I say don't be constrained by current technology – think through the other ways that you can start to achieve that and just hopefully some of the examples that I gave will give you some food for thought in the way that you can start to say progressively renovate your technology platform so you can start to take benefit of some of the key features that we talked about.

Laura Schield:

Absolutely. Well, Rob, thank you so much for your time with us today. We certainly appreciate it and appreciate the examples that you shared and the outstanding results that you all have provided several of the banks that you've been working with. So thank you again for your conversation.