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## BankThink C-suite executives' tunnel vision is damaging their businesses

By Cheryl Chiodi | May 25, 2022

A recent survey of banking executives showed a huge disconnect between the C-suite and managers on their perceptions of the organization's digital readiness. Indeed, four out of five C-level executives (82%) believe they have a scalable technology foundation, with the capability and vision to thrive in the post-pandemic business environment, while only 58% of managers agree. In addition, managers reported to be struggling 2.5 times more with automation disruptions than the C-suite.

So, what does this tell us? Are managers too scared to speak up? Does the C-suite value technology innovation as important, but not urgent? In my opinion, it's the latter — the C-suite's tunnel vision is damaging their own business. They must act with a sense of urgency, and support mobilizing digital technologies and teams to innovate not in cycles of years, but in months and even weeks. Let me tell you why.

I took a deeper look at the study (carried out by Sapio Research on behalf of ABBYY). It revealed that some of the most sophisticated technologies such as artificial intelligence are being used far more widely by those at the top. For example, the percentage of managers using low-code/no-code applications stand at only 24% compared to 37% of the C-suite, while 45% of C-level executives have access to robotic process automation (RPA), compared with 32% of managers.

Even with these new technologies in place, 16% of the C-suite still face challenges — but that's way less than the 38% of managers reporting problems.

There is also confusion regarding the ownership of automation projects and technology upgrades. This is definitely a cause for concern. More than half (54%) of C-level executives say they are the ones driving digital transformation decision-making, but just 32% of managers agree with that.

This disconnect is causing a growing load of technical debt and lost opportunities, with one in five financial services institutions abandoning their digital transformation projects completely (23%), and two in five discovering the technol-

ogy didn't work as intended (40%). Considering 20% of large financial institutions' IT budget is spent supporting legacy technology, it doesn't take a CFO to work out that a lot of money is going down the drain here.

Simply put, the technology investments that were made by those at the top aren't having the impact they should, despite 55% of U.S. 2021 automation budgets ranging from \$500,000 to \$5 million, and 45% saying they'd increase their budgets in 2022.

You're probably thinking your organization isn't as disconnected as this. But if this is resonating too loud for comfort, then what should you do about it? It's going to take more than better communications.

There are some important steps to take to ensure you can move forward with both urgency and discipline.

As someone who has worked with hundreds of companies globally on intelligent automation projects, I now see the most seamless deployments are those who established a Center of Excellence (CoE), an internal team dedicated to overseeing automation success.

After all, transformation is perpetual. Technology typically moves faster than organizational structure. A Center of Excellence is an integral group responsible for managing automation across the entire organization and assumes a leadership role when it comes to AI strategy and innovation. CoEs are vital for deploying automation programs that are scalable and able to yield the greatest value and continue to accelerate digital transformation initiatives across the business.

It's important to remember that successfully deploying automation initiatives requires more than just technical expertise. Multiple stakeholders and business functions are required to properly implement, and especially scale, a project and its performance. It's down to the CoEs to provide strategies, implementation guidance, leadership and support. They initiate collaboration and open communication among diverse groups and help manage the entire life

cycle of enterprise digital transformation initiatives — from pre-implementation all the way through to deployment, management, optimization and scaling.

Key functional responsibilities include discovering and recommending areas where automation and AI technology can provide the most value; evaluating and improving a business process prior to automation; researching, selecting and managing vendors; and providing subject matter expertise to business stakeholders.

In addition to management and support, one of the key responsibilities of Centers of Excellence is to facilitate buy-in on digital transformation from all relevant stakeholders. As champions of the value of automation, it's their responsibility to share success stories and thwart potential hesitation stemming from fear of change.

A Center of Excellence team must include multiple skill sets and from different business groups such as IT, finance, operations and marketing. One of its core principles is to empower all people and consider the impact to processes, data transformation and how employees will interact and adopt new technology. It's important that the CoE team understands that automating or digitizing manual and paper processes is not enough. They need to consider whether a process should be automated at all, how much it should be transformed, the expected ROI, or if it would be better if it, or some steps, were completely eliminated.

In summary, there are three essential elements that make up a successful CoE and ensure there is no tunnel vision: people, leadership and technology. A well-developed CoE needs to engage interdisciplinary, motivated team members; have a clear vision and actionable strategies; and employ best-in-class technologies that enable efficient, scalable and high-value automation initiatives.

Only when those are in place will you see better alignment between the C-suite and managers who can agree on meaningful and measurable business results instead of discrepancies in opinion and failed projects.