

The BCG logo is displayed in a white, serif font against a green background. The letters are bold and well-spaced.

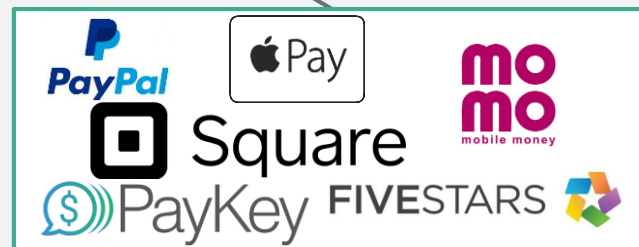
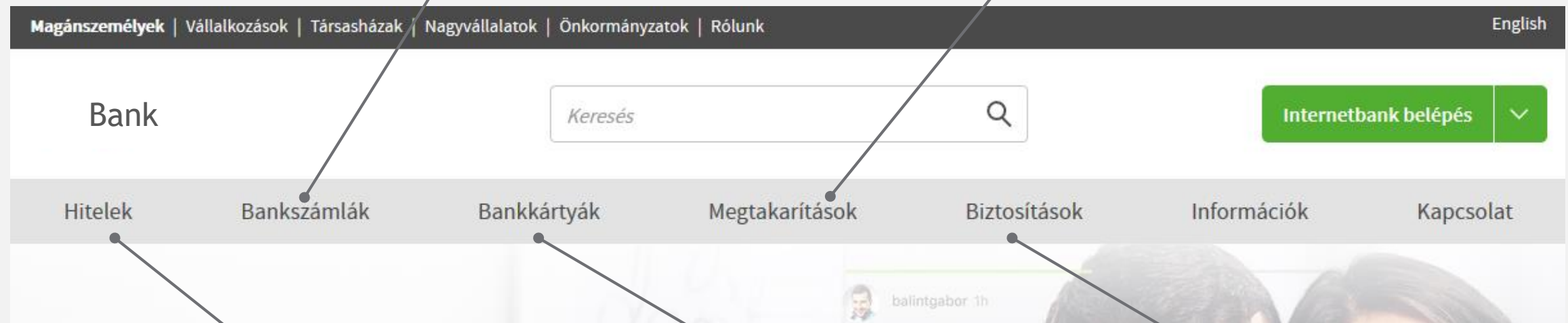
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# A bankok szervezeti evolúciója a FinTech ökoszisztémában

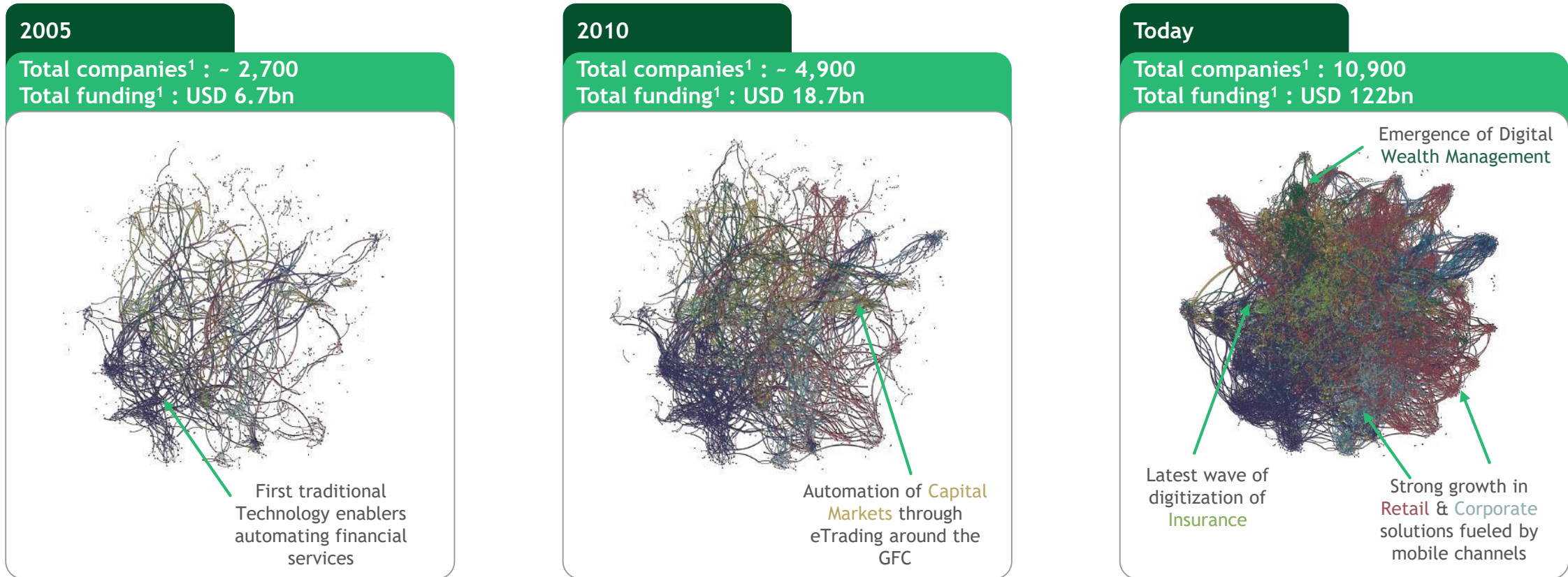
MNB FinTech conference

BUDAPEST, 20 APRIL 2018

# FinTechs are challenging every aspect of traditional banking



# FinTech has grown at an exponential rate over the past 7 years



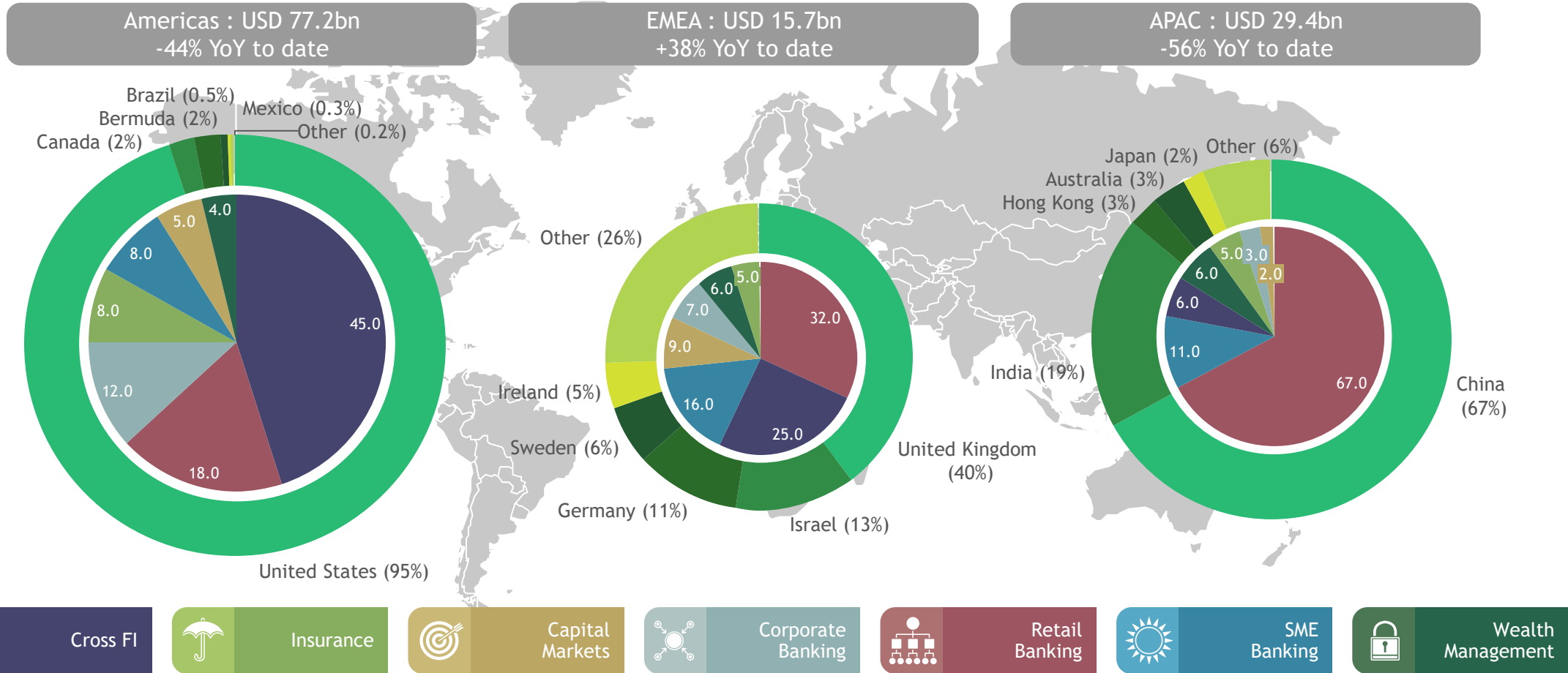
Visualization based on 10,350 FinTechs. Dataset mapped with Quid and allowed to cluster based on similar products, technologies, customers etc.

1) Data based on over 10,350 companies which were discovered across over multiple data sources. Total funding based on date of funding. Total companies based on founding year.

Data as of November 2017. Does not include M&A activity or IPOs  
Source: BCG / Expand analysis, Dealroom, TechInAsia, Crunchbase

# EMEA still lagging behind

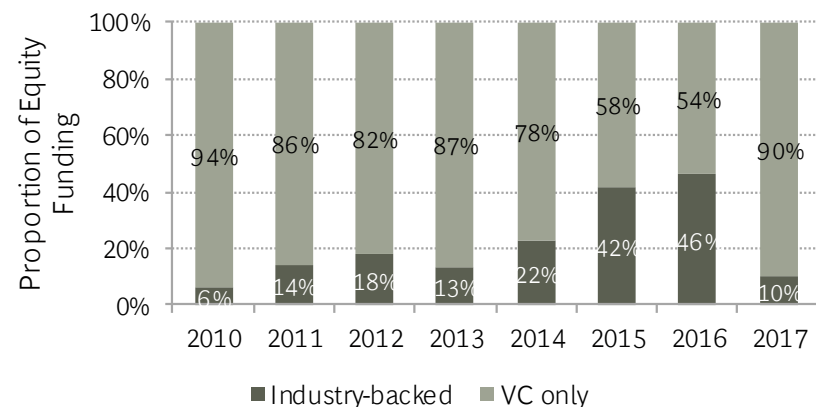
## CUMULATIVE EQUITY FINANCING IN FinTech, 2000-H1 '17



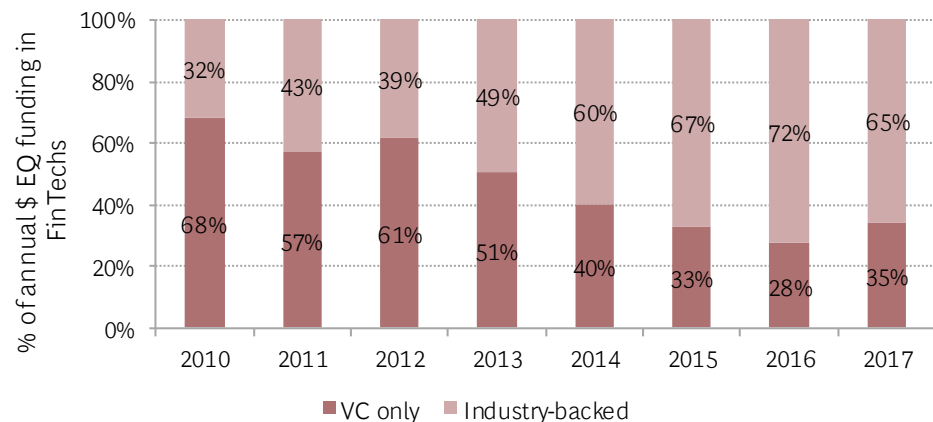
Note: Data shown is cumulative global Equity Financing for all FinTechs  
Source: BCG / Expand analysis, Dealroom, TechnAsia, Crunchbase

# Incumbents growing share in investments into Fintechs - in 2016 50% of all equity financing dollars were backed by at least one industry incumbent

All FinTech eq. Funding deals, 2010-Q3 '17

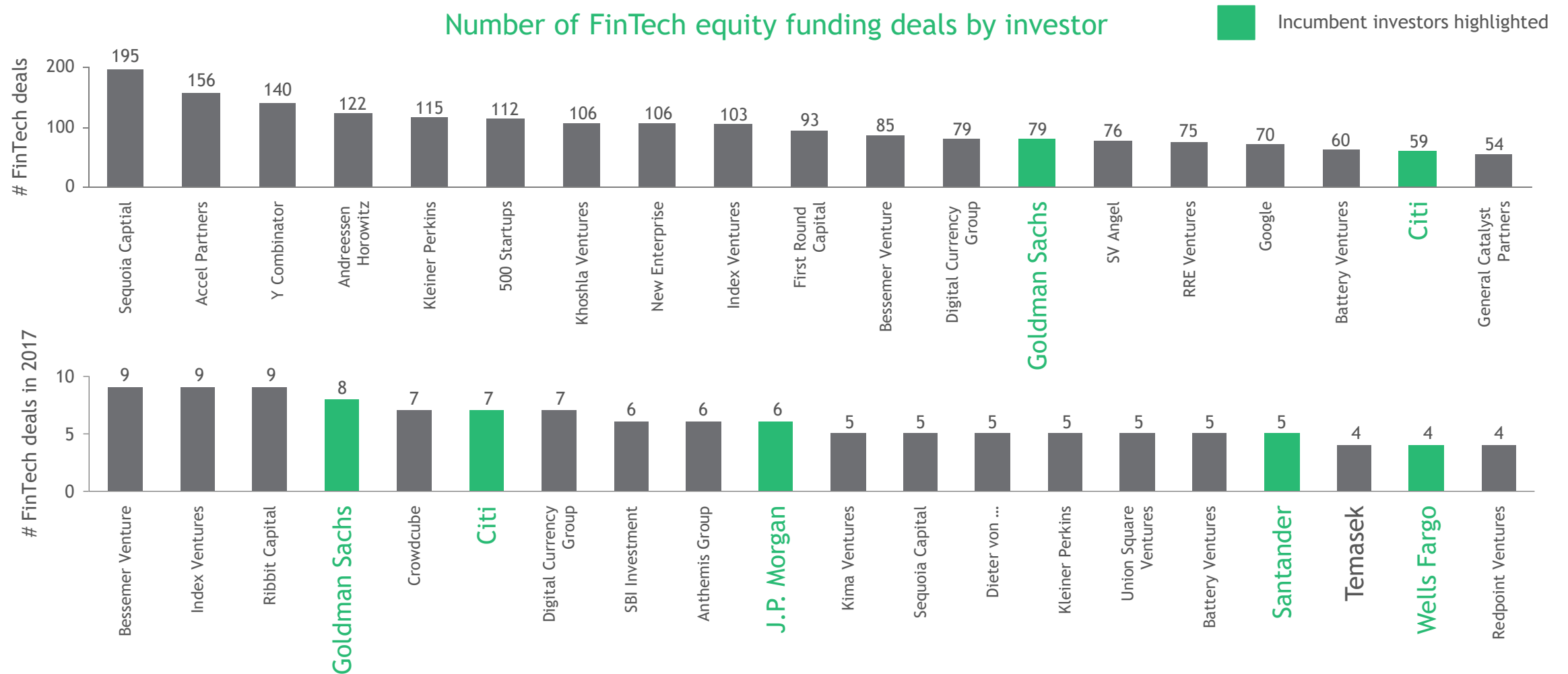


Retail banking only FinTech deals, 2010-Q3 '17



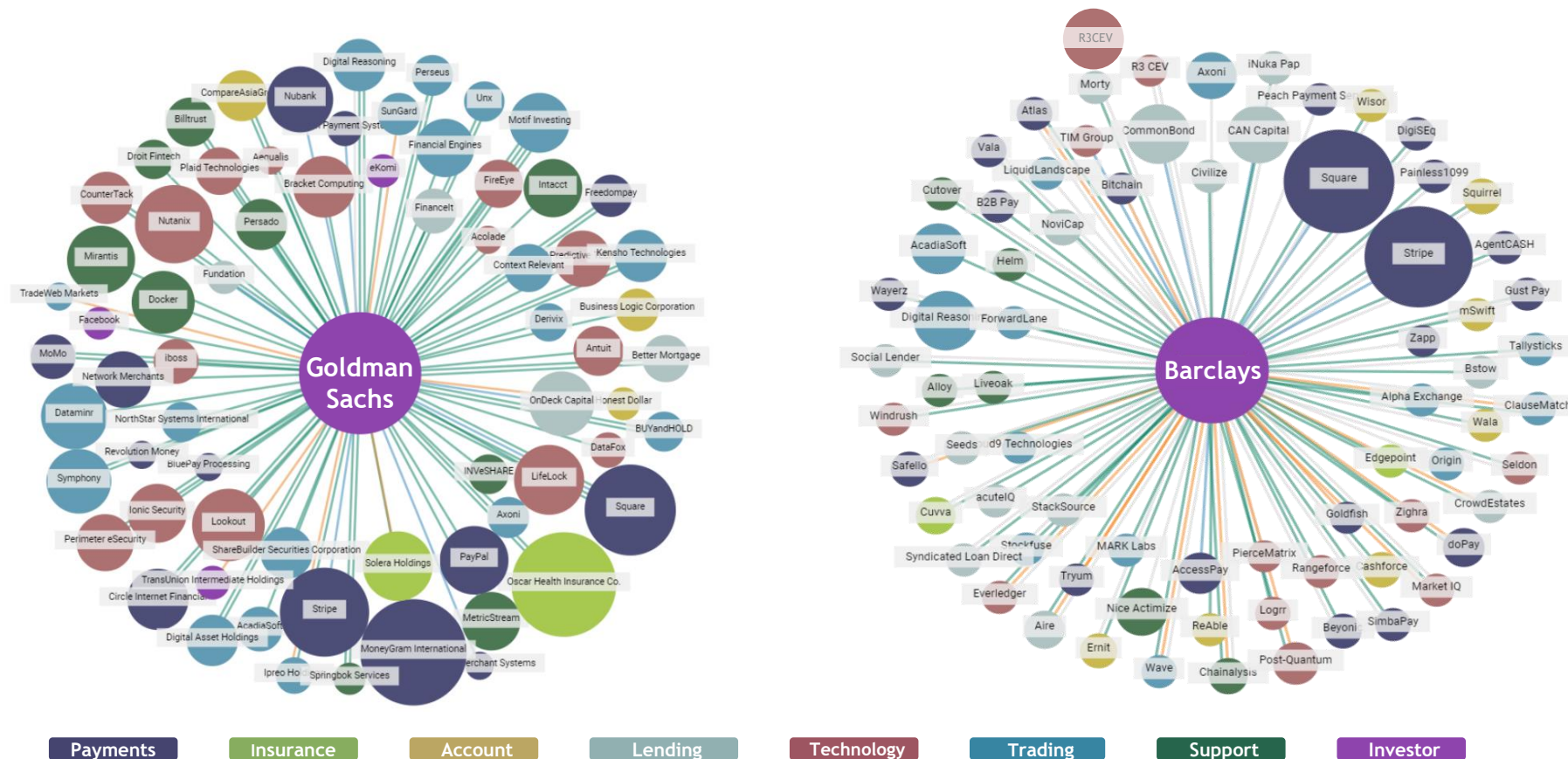
- Typically ~25-30% of all FinTech rounds have at least one industry incumbent backer (a trend that has remained stable over the last 5-10 years)
- However, the share of total funding \$ having industry backing has increased from 6% to 49% in the last 7 years (excluding 2017, which has seen few industry firms participating in large rounds)
- This is driven by incumbent participations in Retail Banking-focused FinTech funding, with over 72% of all funding \$ having at least one industry incumbent backer in 2016

# Amidst slowing investments, banks were significantly more represented in 2017 than overall, with 5 incumbents ranking in the top 20 investors



# FinTech engagement strategies of leading incumbents have diversified, with Barclays starting to invest in much younger FinTechs

COMPARATIVE FINTECH NETWORKS OF GOLDMAN SACHS AND BARCLAYS, ALL ENGAGEMENT TYPES, 2000- Q3 '17



Note: Size of bubbles represents the relative total amount of Equity Funding received by the firm from all its investors, connectors represent the type of engagement: (Green = EQ Funding, Orange = M&A)

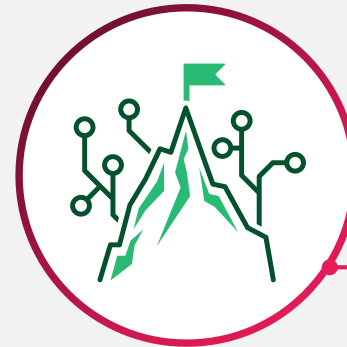
Source: BCG / Expand analysis, Dealroom, TechInAsia, Crunchbase

# Incumbents's dilemma: how to keep-up with innovation



Bank

- Slow
- Robust
- Bureaucratic
- Siloed
- Rigid



Other industries driving **customer expectations** to new heights




**Disruptor FinTech innovators** attacking the whole value chain



Traditional ecosystem

New ecosystem





To successfully partner with the ecosystem, first banks need to set strategic objectives that determine operational design

## 1 What are the strategic innovation objectives?

Derive external search fields to identify relevant solutions

## 2 What is the most effective engagement model?

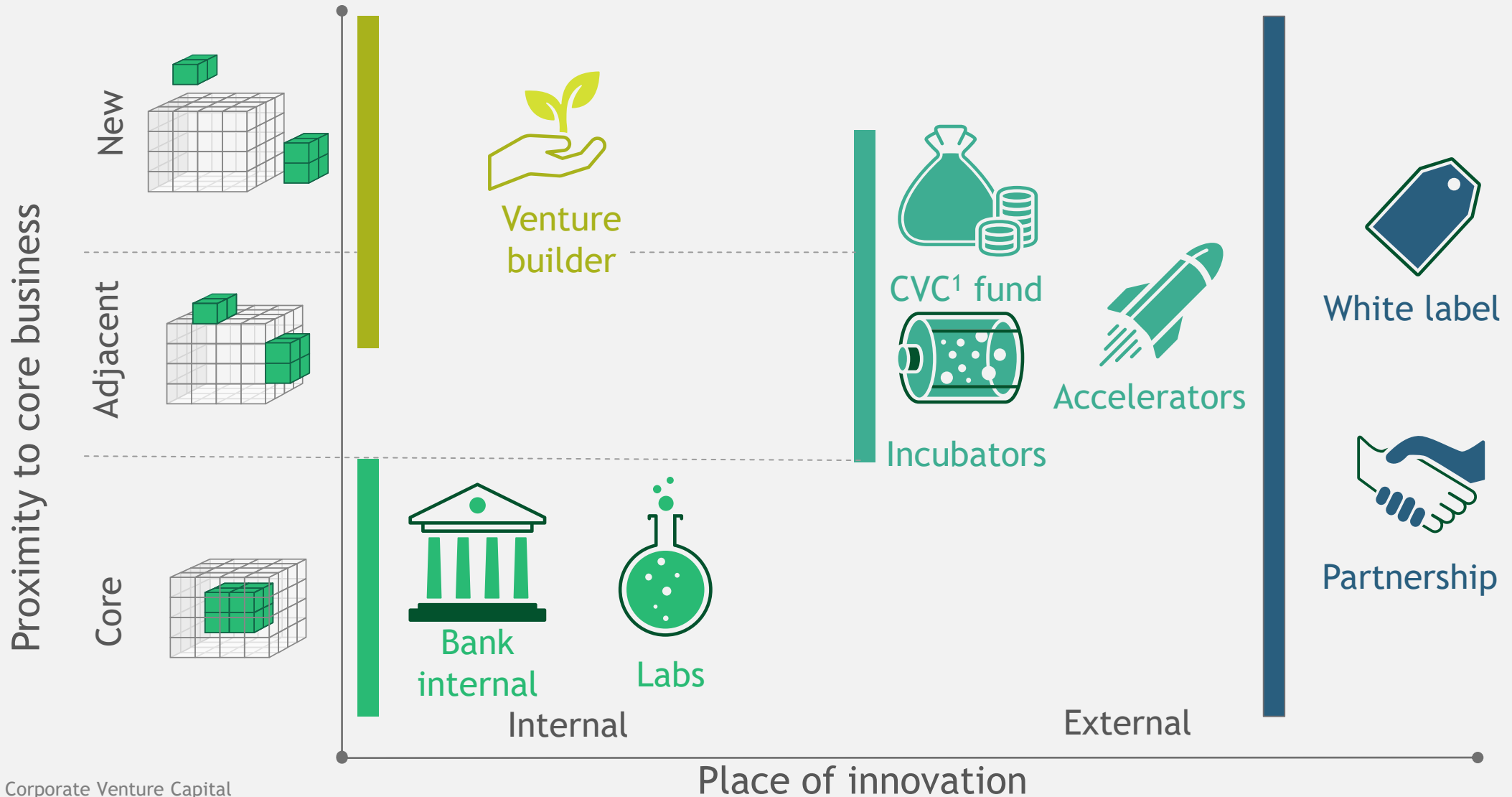
Decide what type of engagement vehicles are best suited for you

## 3 What should be the operational design for engaging with startups?

Engagement strategy and vehicles determine op. design

There is not just one successful model, success depends on your objective!

# Engagement strategies depend on the type of innovation



# Key organizational challenges of cooperation



Speed of processes



Way of working

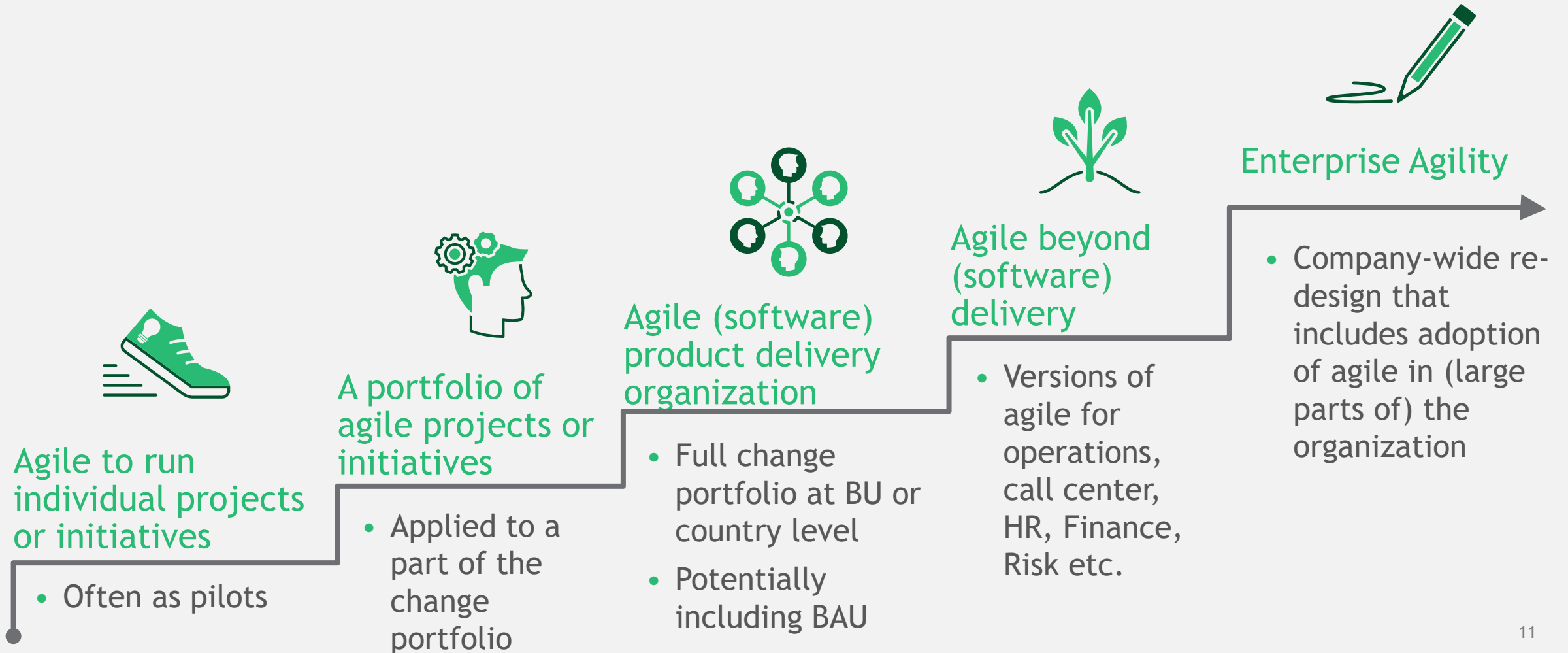


Culture

# Agile

...can be the common language

# Leading organizations taking "Agile" well beyond individual project/activities

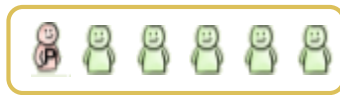


# Essence of Agile@Scale: breaking silos AND redistributing the cards of power

## Structures

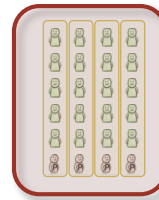
### Squad

- Your home
- Self organizing
- Autonomy, mini start-up
- Long term mission



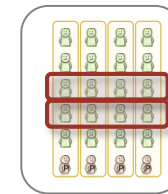
### Tribe

- Collection of squads that work on related areas
- To solve a specific business problem



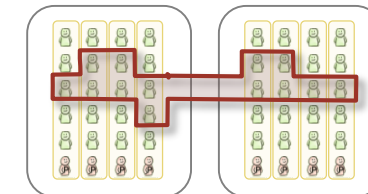
### Chapter

- Group of people with same competencies
- Personal development



### Guild

- Interest group
- Everybody can join
- No formal role



## Roles



### Squad member

- 100% in a squad
- Specific background
- Part of 1 chapter



### Product Owner

- Squad member responsible for 'what'
- Sets squad priorities in backlog



### Chapter Lead

- Squad member for 50%
- Lead chapter of ~8 people
- Responsible for how: expertise development



### Agile Coach

- Dedicated team coach
- Coaches set of team to achieve high performance

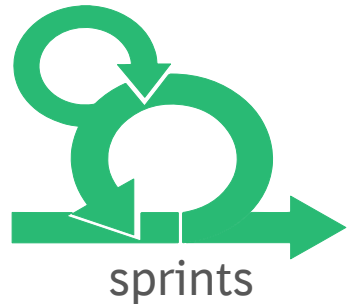


### Tribe Lead

- Leader of tribe
- Sets priorities and allocates resources
- Aligns with other Tribes

# Foundations of an Agile organization

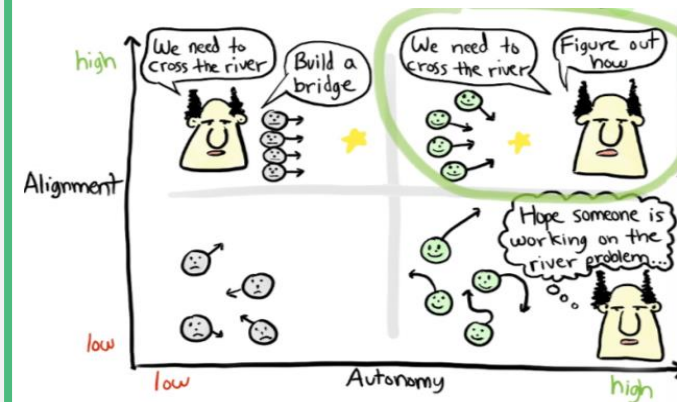
## Iterative Way of Working



## Multidisciplinary, Empowered Teams



## Alignment Enables Autonomy



Turning agile and  
maintaining  
robustness - the  
rise of the  
**Cheetaphant?**



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