
The Ambition for Digitization and Digitalization

CONTEXT

The ambition for Digitization (Digitization is the process of converting information from a physical format into a digital one) and Digitalization (Digitalization is the process of leveraging digitisation to improve business processes).

McKinsey Global Institute podcast 6th April: Michael Chui & Benedict Evans:

MC: You might have just answered it, but just in case you have a different answer, what's the most overlooked technology trend?

BE: "I've been intrigued by this phrase "digital transformation," because it sounds like a slogan you would see on a billboard in an airport for an enterprise software company or an outsourcing company or something.....And I think digital transformation or SaaS [software as a service] or cloud, again, it's really, really boring. But it's kind of a big deal as well."

What we want to focus on is the big deal aspect.

Securities Services is a multi-billion dollar business but faxes and hard copy documents are widely exchanged, and we store physical certificates. Reconciliations of versions of the truth occur not only with our clients but internally within our organisations. Governments and issuers demand paper and (multiple) signatures and physical attendance at meetings. We have armies of people independently "scrubbing" corporate action data which all came from the same source and another army fixing "static data" – sometimes repeatedly.

We agree that there is complexity and regulation but as an industry we must do better. What we would like this group to do is come up with some tangible solutions on how we can collaborate as an industry to shape the future of Securities Services for the better reducing risk and increasing efficiency.

Breakouts

THE AMBITION FOR DIGITISATION AND DIGITALISATION

A SAMPLE OF QUESTIONS FOR DISCUSSION

Where have we seen progress being made?

Where does the group see opportunities to be addressed?

There are many new technology solutions available. Which are useful (and which not) and work and what solutions could they provide?

There has been progress over a number of years across various implementations of digitalization and digitization. What lessons have we learnt and what lessons can we learn from successful implementations?

As the regulatory focus shifts to further proving operational and financial resilience are there areas where D&D can assist?

COVID was a crisis and one that should never be wasted. Can COVID induced D&D be made permanent?

Examples of D&D and areas where advances can be made and are under pressure to reverse?

Are there areas where the customer is not right and D&D would help and as an industry we should insist on standards?

What are the ten biggest pain/risk/cost points which the group thinks can be addressed by collaborative effort on D&D?