Where are we going now?

"It is not the strongest of the species that survive, nor the most intelligent, but ***the one most responsive to change***"

--- Charles Darwin

Brian Butte

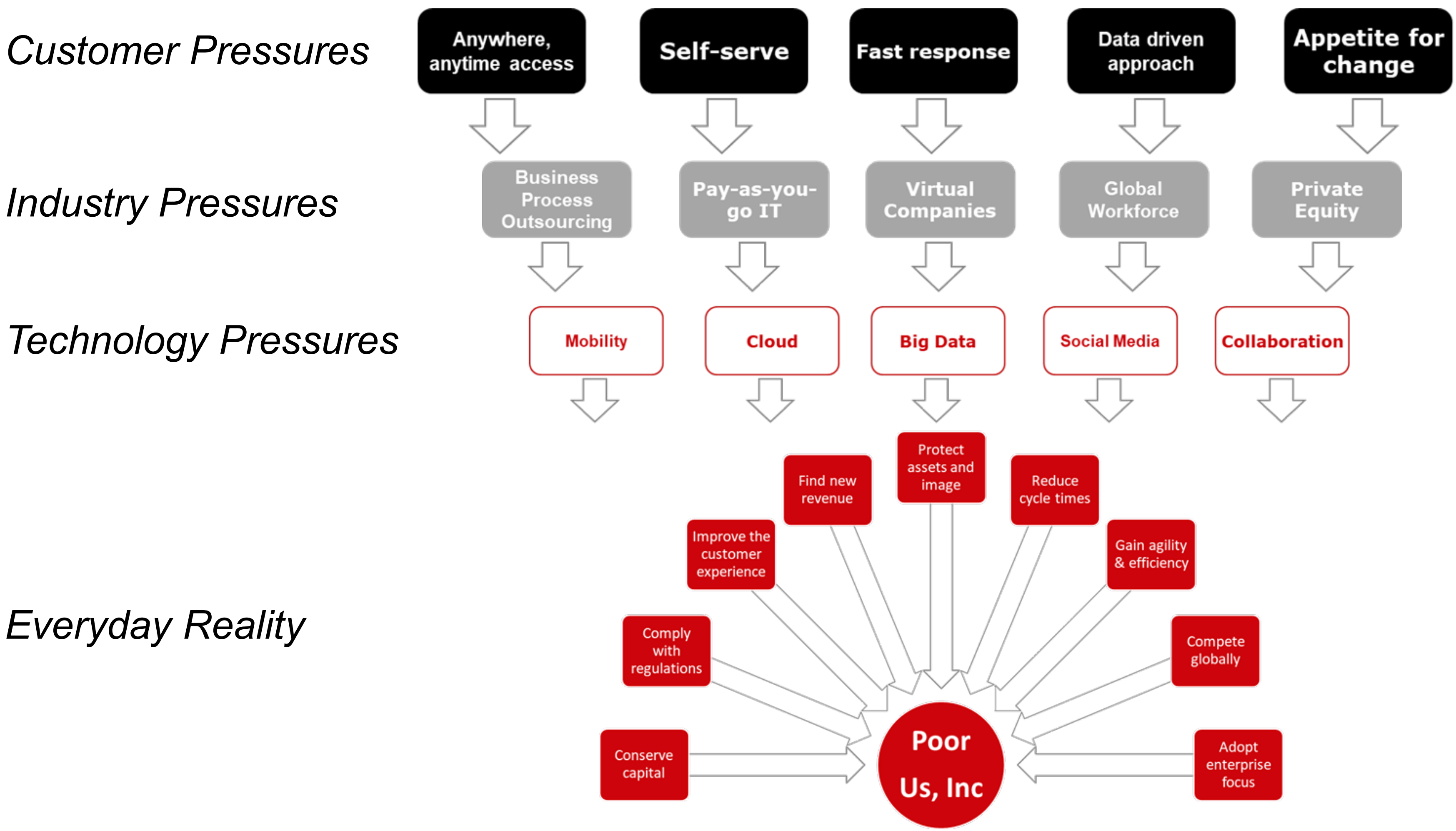
Executive Director, Digital Business Strategy & Innovation

Every industry is being reinvented along five dimensions

CUSTOMER CENTRIC	CUSTOMER EXPERIENCE	ARTIFICIAL INTELLIGENCE	IT as a SERVICE	ASSET MINIMIZATION
Our customer is our business	*Where you need it, when you need it, how you need it*	*Time is money, error is risk, automation minimizes both*	*Delivering the power of technology thru the simplicity of a light switch*	*Freeing our future from the limitations of our past*

"Your margin is my opportunity" --- Jeff Bezos

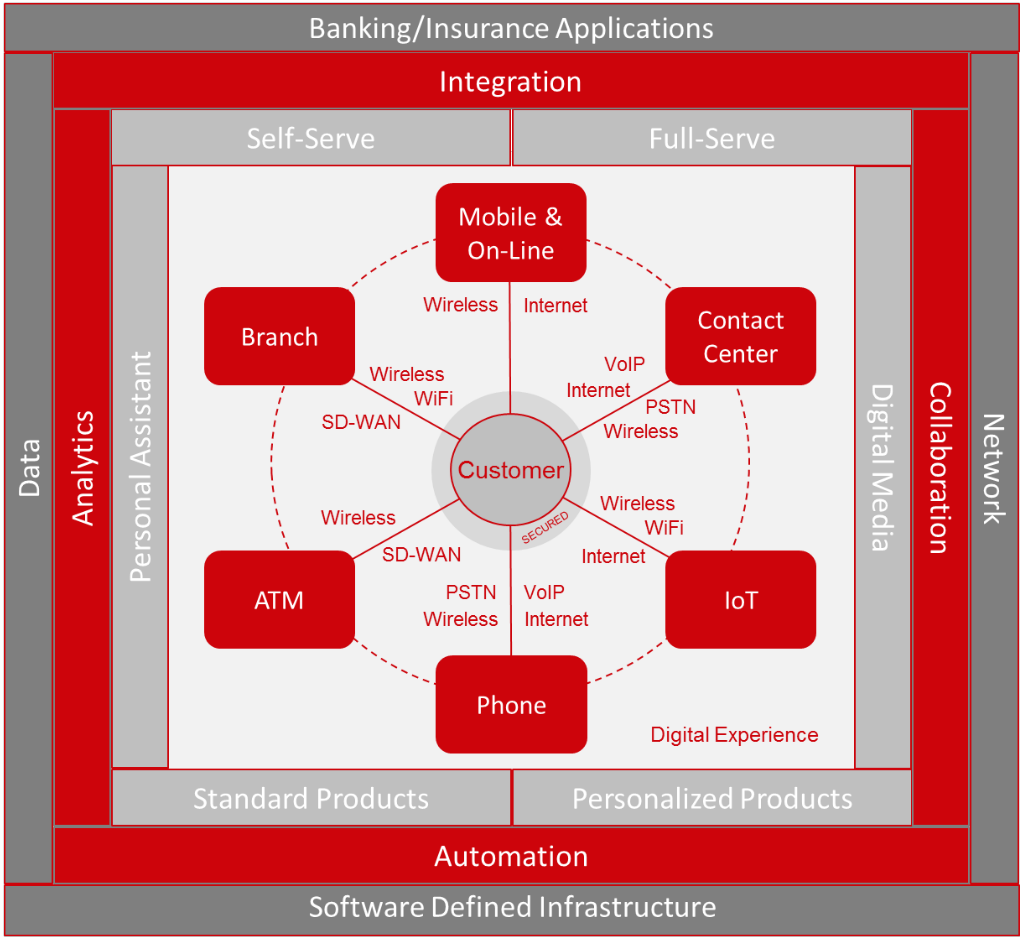
CUSTOMER CENTRIC: Customers no longer accept being viewed as a burden



verizon

CUSTOMER EXPERIENCE: Customers want it simple, easy, and fast

- Customers interact via any channel they choose
- Customers interact with a mix of automated and human services, driven by sensing the customer's progress toward their objective
- Back-end solutions are delivered by the Bank and third parties through API enabled services
- Infrastructure is orchestrated and brokered based on the need of back-end solutions



Verizon's Customer Centric Banking Framework

ARTIFICIAL INTELLIGENCE: AI is the biggest threat today, and the leaders, Google, Facebook & Amazon, have deep pockets

- **The focus is shifting from interaction to advocacy; helping people make better decisions in every day life**
- **Solutions leverage strong cloud and data analytic capabilities front-ended by natural language processing and neural networks**
- **The leaders in this space are in the best position to disintermediate businesses with the advent of Personal Assistants**
  - Do the analysis
  - Present the results
  - Let the user make the decision
  - Engage the asset holder to execute behind the scenes

Personal Assistants will provide the front-end for all interactions, disintermediating the ENTIRE customer relationship

IT as a SERVICE: Changing how IT operates to simplify consumption, which drives adoption and creates advantage

Agility

- Adopt a "Software Defined" strategy to simplify & automate tasks
- Mix and match among resources to find the best solution
- Enable the adoption of 3rd party services

Efficiency

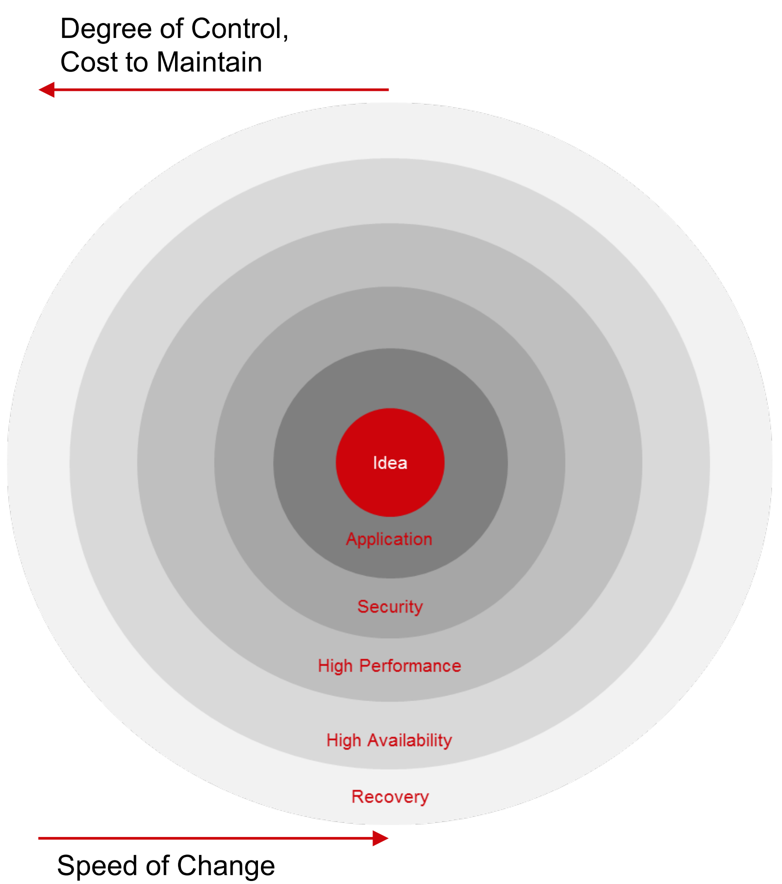
- Reduce Opex and Capex through virtualization and automation
- Improve time to market through agile approaches
- Move costs closer in time to revenue realization

Elasticity

- Align technology resources to demand
- Scale costs with resource volume
- Minimize unused resources

ASSET MANAGEMENT: Capital assets act as a braking force on innovation, often stopping it entirely

- Innovation comes from the combination of analytics and rapid, low risk experimentation
- As a result innovation requires a low cost platform which can be reconfigured rapidly
- However Speed of Change has never been an architectural goal in FS
- As a result today's FS systems are largely incompatible with digital Innovation approaches
- Capital Assets must generate a return which ends up the focus of efforts rather than improving upon the original idea



Capital Asset ownership anchors Banks and Insurers in their past and prevents adoption of a highly successful "fail fast" approach to Innovation

THIS is digital transformation, and making it real requires a collaborative effort between two parallel work streams

Experience Transformation | Ubiquitous Banking | Digitizing the Enterprise | Securing the Assets

Reinvigorate the Experience

Be Relevant
Understand the motivations and context of the customer

Remove the Friction
Break down borders to enable simple, seamless interactions

Deliver Value
Find ways to help the customers achieve their goals

Overhaul the Technology Platform

Build the Software Defined Enterprise
Build an agile, elastic, efficient foundation to give the business a license for disruptive innovation

De-Risk IT
Protect assets and shift ownership & management burden to external providers

Accelerate Speed to Value
Accelerate transformation by leveraging external solutions and expertise

We understand the challenge because we've been on our own digital transformation journey for the past five years

verizon

Thank you.