Time to optimise: Facing down challenges through efficiency

With the financial sector facing a volatile environment, winning deals has never been more important. What can operational leaders do to give their fee earners the time to focus on clients and innovative deal structuring? How are automation, data analytics and generative AI helping to support all aspects of the deal process? This round-table discussion, hosted by *Financial News* Custom Studio, explored the various operational tools and strategies that can optimise the junior and senior delivery team roles, as well as how this can improve overall efficiency

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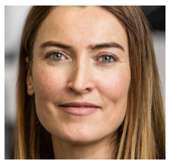
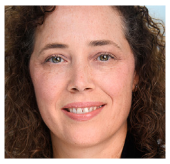
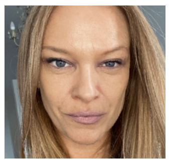
The panel


Clare Hart
Chief executive officer
Williams Lea


Lorraine McHugh
Chief operating officer
Investec Bank


Lola Ninonuevo
International chief operating officer
Wells Fargo & Company


Phillipa Leighton-Jones
Moderator
Senior vice-president and global creative editorial lead
Wall Street Journal & Barron's Group

Fee earners are distracted. How can banks help them focus on clients and deals?

Ever-greater stakeholder demands, remote working and regulation are diverting fee earners away from their core functions. Fortunately, there are way firms can mitigate this

With demands on banks being amplified from multiple angles, fee earners can find themselves distracted from their core role to the potential detriment of their organisations.

Navigating remote and hybrid working patterns, pivoting to meet ballooning client needs, responding to regulation, and working to comprehend how new and emerging technologies fit into their organisations are just some of the pressing issues that those at the investment and client coalface may need to deal with.

This makes it pivotal for operational leaders to ensure fee earners are not frequently diverted from their main function.

Organisations are fast learning that strategic planning and decision-making can be a more collegiate and inclusive process than it might have been previously. But leaders must ensure that any input and work towards existing and future initiatives is not overly duplicated by different departments.

How firms implement operational and financial decisions and proposals could have a significant bearing on how much time fee earners can dedicate to their clients and deal-structuring requirements, with solutions existing internally and externally.

Self-appraisal required

It can be easy for leaders to believe their organisations are already optimised for the business climates in which they are operating. But reassessing how clients are forced to interact with your organisation can be a useful exercise.

Lorraine McHugh, chief operating officer at Investec Bank, said that her analysis of her own firm revealed that client onboarding processes had become decentralised, making them inefficient.

"There were onboarding processes for individual businesses and that worked great," she said. "But as you are growing, that's not sustainable. This is because some of those teams get too big or some clients might deal with multiple business lines, meaning they may have to be onboarded twice, which adds unnecessary friction."

After a review, the firm opted for a centralised process, so that client information only gets taken in once. This makes cross-selling to clients by different businesses within an organisation much easier, with reduced red-tape friction.

Breaking down silos

Lola Ninonuevo, international chief operating officer at Wells Fargo & Company, agreed there are opportunities to be found in breaking down silos. She has led an initiative at the bank to improve the end-to-end client life cycle.

"Often, what you find in banks is a federated model, where there's a lot of handoffs internally. So, to make it more efficient and cost-effective, you can break down silos and organisational boundaries," she said.

"But more importantly, you can improve the service to your clients and try some new technologies as you break down those silos."

Automation or digital applications can also be used for employees who are either joining or leaving an organisation. Having systems that automatically set up required accounts and passwords when people join and close them when they leave can give some vital extra time to line managers – who are also often fee earners.

> "The trend will be for banks asking if there are more things we can do for them"
>
> Clare Hart, Williams Lea

Harnessing external support

Beyond internal reorganisation, firms may also decide to outsource some functions to relieve their staff of the burden of repeat or tangential tasks.

Clare Hart, chief executive officer at Williams Lea, said her firm offers business support services, which range from presentation and creative pitch book production through secretarial and PA support to subscription management and license negotiation services.

"Everything we do is underpinned by workflow technology, so there's a chain of custody along the way for everything we do for clients, which is critical given the regulatory environment," she said.

Hart added that by outsourcing certain functions, firms can reduce the headcount – and thus potentially their real estate footprint – in their most expensive cost centres.

"The trend will be for banks asking if there are more things we can do for them. But they'll also be asking how technology is being enabled to support our work," she added.

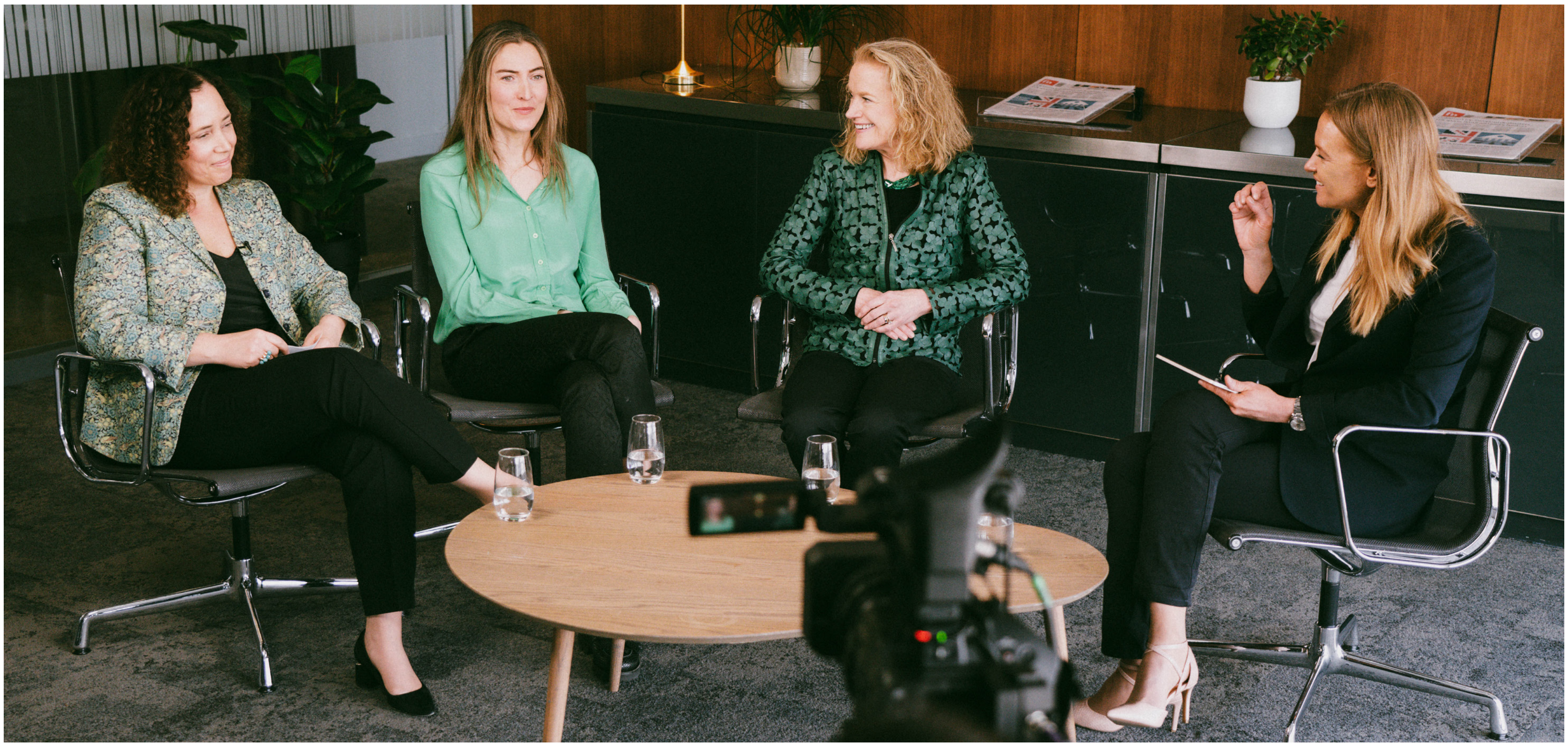
However, business leaders must remember that outsourcing does not absolve an organisation of responsibility.

"Outsourcing is a great lever, but it doesn't take away the responsibility to oversee the work being done externally," said Ninonuevo.

"Whether you give it to another team internally or to a third party, our regulators and stakeholders want us to oversee it from a commercial and risk perspective."


Paul Fuller

Clare Hart: 'Everything we do is underpinned by workflow technology'



Paul Fuller

From left to right: Wells Fargo's Lola Ninonuevo, Investec's Lorraine McHugh, Williams Lea's Clare Hart and moderator Phillipa Leighton-Jones at the round-table discussion

Nurture dealmaking with tech and people skills

New technologies could be vital to the future success of your business. But how you deal with the human element is just as important

Public awareness of ChatGPT has thrust AI and machine learning to the fore, propelling the technologies from the domains of tech specialists into the mass market.

Now, every bank stakeholder will be asking every banking department how they plan to integrate new tech into existing processes.

The appeal of these new technologies is to help fee earners identify, manage and close deals more efficiently, as well as help clients navigate the process in the most seamless way.

But banks will need clear and effective planning to get there, ensuring that the technology used is a genuine help not a hindrance.

Data opportunities

AI and machine learning are capable of analysing huge data sets vastly quicker than humans. Banks can link this power to their Know Your Client regulations or anti-money laundering and fraud-detection efforts.

But computer-powered data analysis can also identify trends in client transactions. This can create opportunities to sell goods and services that customers really need, as well as lead to conversion rates that are better than those of broad-based marketing campaigns.

Lorraine McHugh, chief operating officer at Investec Bank, said her company is trying to use AI to "get some beneficial data".

"We're looking for commercial opportunities out of client data that might be in CRM [customer relationship management] – leveraging that but not replacing the client face-to-face interaction, as that's something we're very protective about and it's key to our whole business."

Human element

Using AI to model risk can also support and expedite dealmaking. But organisations cannot entirely abdicate responsibility to digital tools.

"We use financial models in banking, but the extension of models using AI that support decision-making or getting information to decision-makers introduces new risks that information could get filtered and it's important to know whether there is an unconscious bias in that filtering," said Lola Ninonuevo, Wells Fargo & Company's international chief operating officer.

> **"Judgement is key – we will never replace judgement and knowledge is vital in our business"**
>
> Lola Ninonuevo, Wells Fargo & Company

"We are also in a highly regulated business and judgement is key – we will never replace judgement and knowledge is vital in our business," she added.

Other efficiency gains can support more functional aspects of dealmaking – for example, repetitive tasks such as reconciling payments. Outsourcers can use this to their advantage.

Clare Hart, chief executive at Williams Lea, said her firm's been using AI capabilities and developing new tools to expedite seemingly simple, but time-consuming tasks.

"We are launching LogoCloud software, which will enable us to quickly and easily retrieve logos used in pitchbooks and presentations. At the moment, when either our people or our clients have to find logos, they often just search, then copy and paste them from the web. But if the quality is poor – which it often is – then it has to be cleaned up by our team in India. That's an unnecessary use of time that can now be avoided."

Williams Lea is using tech internally to automate the creation or cancellation of accounts and passwords that staff members might need if they are joining or leaving the organisation. This helps the firm overcome "one of the biggest pain points".

However, firms must also address their employees' perceptions of AI and machine learning's impact on their employment.

Open conversation

Investec's McHugh says being honest about automation plans and how they might affect different people could help all staff, including fee earners, focus on their primary roles rather than being constantly fearful for their livelihoods.

"People aren't stupid. They will probably put two and two together and ask themselves: 'What does [automation] mean for my job?' By being honest about what the plans are, that automation needs their help in terms of design – that's being authentic and open, which opens up opportunities and builds trust."

This feeds into a broader culture, with younger workers now focusing on the need for work to have purpose. "Junior talent is focused on purpose and important social issues such as DE&I, so we have to shift our mindset," Wells Fargo's Ninonuevo said. "Years ago that wasn't always the case. They are holding us more accountable now than they ever were."

Having a galvanised workforce that aligns with its employer's outlook can only be positive for a business. And automation, data analytics and AI can help firms be the businesses that today's young talent wants to work for and, critically, the key to longevity and outperforming competitors.

Watch the stream

What is the key role of the chief operating officer and how does it shift during a period of economic uncertainty?

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