



**Deloitte.**

# **Jersey Funds Association Building Exceptional Digital Capability:**

Organising, Operating & Behaving for the Digital Age

July 2021

# Your speaker today



**Simeon Moss**

**Deloitte Jersey Advisory & Consulting Lead**

**Contact:** [stmoss@deloitte.co.uk](mailto:stmoss@deloitte.co.uk)



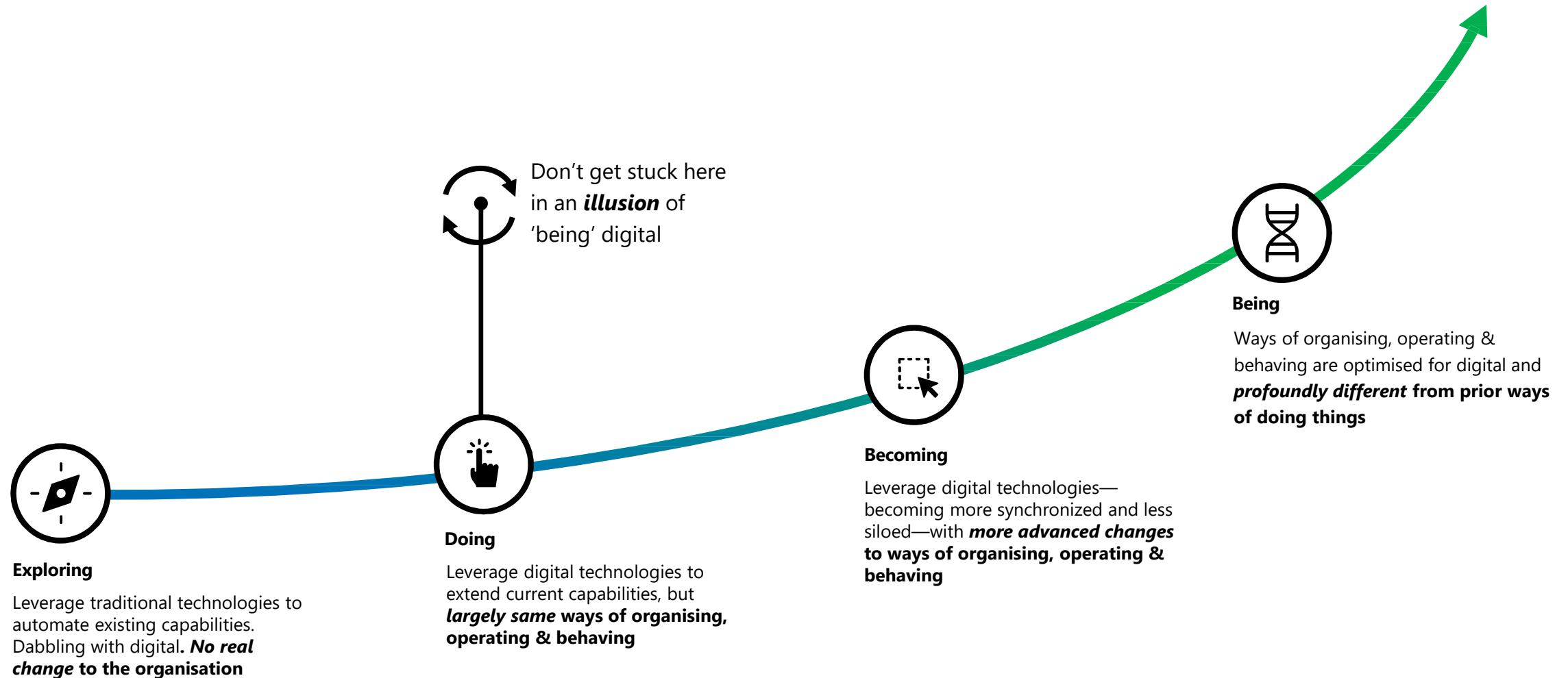
We are in the  
digital age,

where engagement is expected, relationships are in real-time, choice is infinite, access and delivery is on demand, change is constant, the pace is accelerating, and technology enables everything we do.

In simple terms, **DIGITAL TRANSFORMATION** is how you

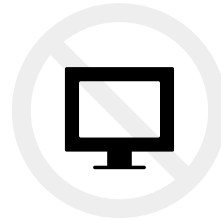
**future-proof a business.**

# Digitally-capable enterprises **organise, operate** and **behave** in very specific ways – much different than traditional businesses

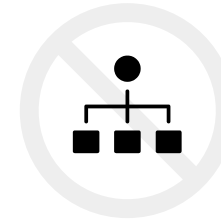


# Unsuccessful transformations are piling up because these approaches don't work

## WHAT NOT TO DO



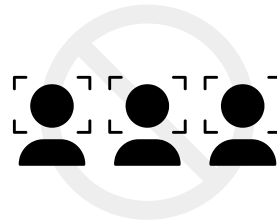
Focus only on implementing new digital technologies



Try to 'org design' the way to digital



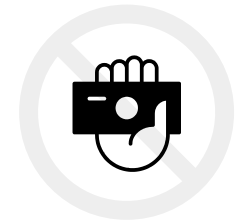
Approach digital transformation as a technology implementation



Just tell people to be more agile and innovative



Isolated victory or bursts of activity—then declare digital success



Hire or buy digital skills without also focusing on training existing talent in digital



# Those demonstrating success have five things in common, tied together with the right Digital DNA

## **Digital leader and talent development**

Build digital leadership skills and talent pool. Develop leaders who can excel in leading in the future of work, source digital talent, and train existing employees.

## **Innovation culture**

Embrace a "succeed fast" approach to innovation that focuses on the end-user and desired outcomes.



## **Balanced digital portfolio**

Understand how to prioritise initiatives and manage the digital portfolio.



## **Cross-functional collaboration**

Break down traditional silos to improve collaboration across business units and functions.

## **Robust digital ecosystem**

Leverage external partners (e.g., start-ups, tech companies, designers, academia, etc.) and not try to do everything themselves.

From your perspective think about

A blue speech bubble pointing towards the bottom right.

What is working well today?

A dark blue speech bubble pointing towards the bottom left.

What would you improve today?

An orange speech bubble pointing towards the top left.

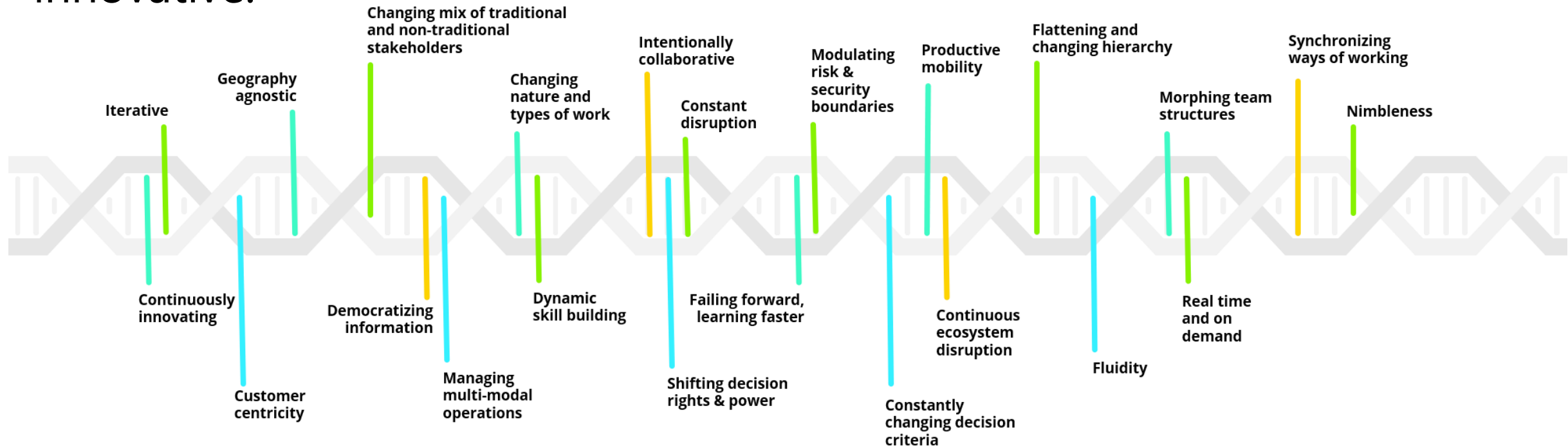
What causes most frustration/pain?



So how do you make the  
leap from where you are to  
being more digital?



Digitally empowered organisations weave **key traits** into their day-to-day **DNA** so they become, among other things, more nimble, fluid, and innovative.



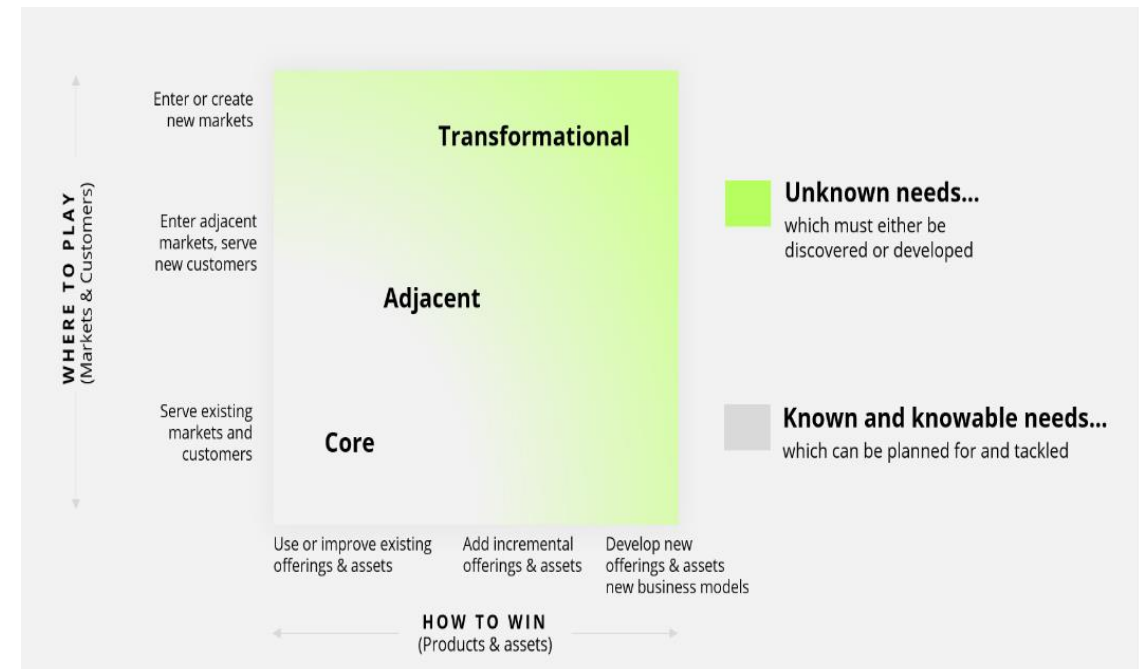
These traits help **‘future-proof’** the organisation as technologies create **new frontiers** and the **future of work** becomes today’s work

# Digital ambitions set the bar for which digital traits need to be woven into your day-to-day DNA now . . . and which for the future

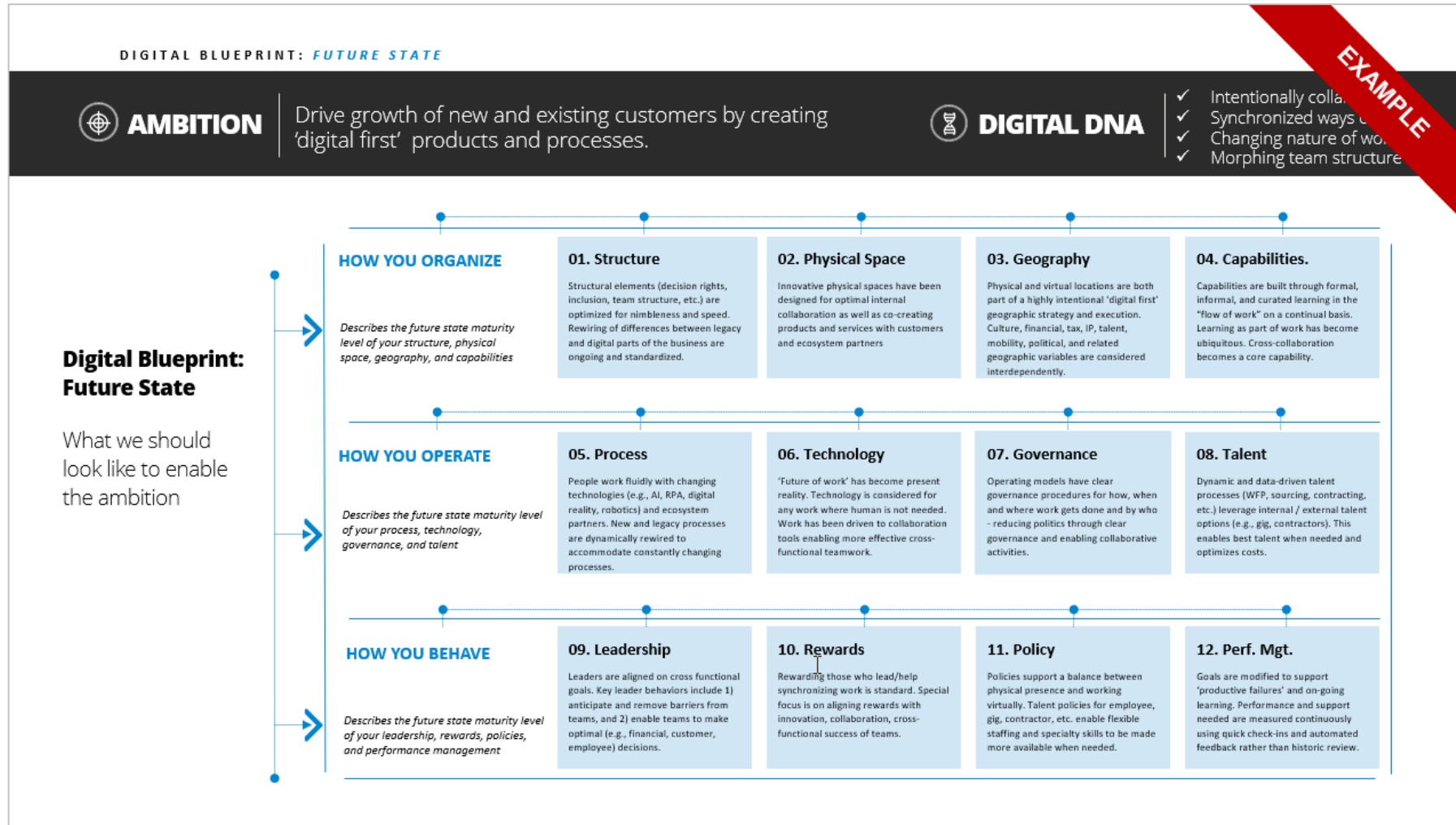
Digital ambitions are **what you expect being more digital will do** for your business, customers, patients, partners, and talent

KYC                      Fund Accounting  
Client Due Diligence                      Cyber Risk  
Regulatory Compliance                      Payments  
Data & Analytics                      ESG Reporting  
Resilience                      Talent Agenda

Digital ambitions can be **Core, Adjacent** or **Transformational** to the business



Ambitions enable you to **blueprint** what your day-to-day DNA will look like if you achieve it – how you organise, operate, and behave



# We recommend Minimum viable changes to weave digital traits into your DNA and **turn the digital activation switch to “on”**

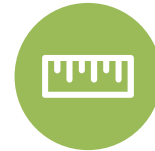
Minimum viable changes (MVCs) are an ongoing **series of tactical sprints** that weave desired digital changes into your organisation's everyday DNA

## MVCs are:



### **Digestible and Specific**

Goal is achievable and clear



### **Measurable**

Value of the MVC is measured quantitatively or qualitatively



### **Actionable**

Incremental steps that can be implemented now

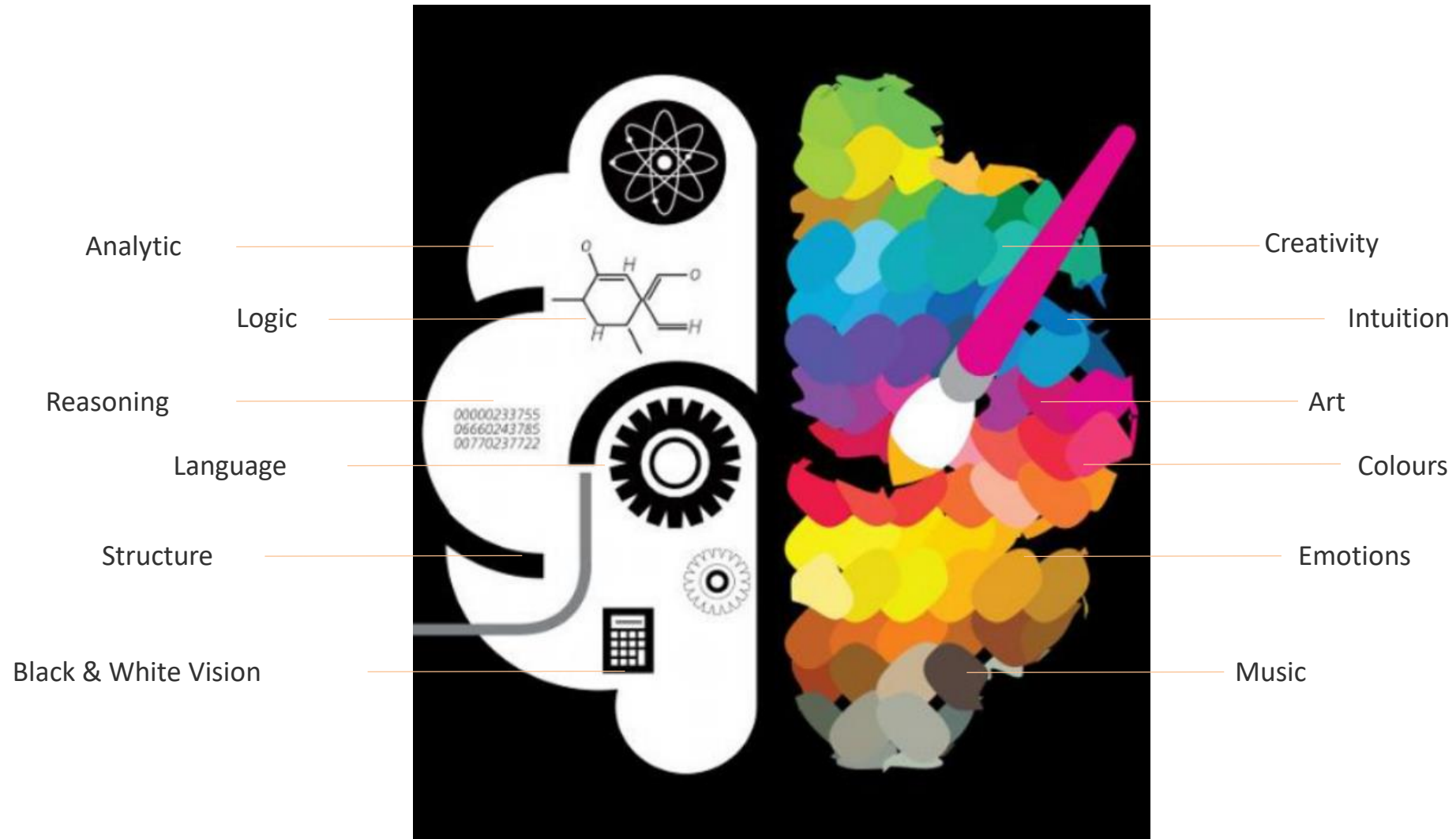


### **Time-bound**

Can be accomplished in 120 days or less

**MVCs are big enough to make a difference, but small enough to minimise resistance**

# Pause for thought: are you left brained or right brained?



# The left brain right-brain combination for digital transformation

At the heart of a digital transformation, is the changing customer and an analytical approach will not suffice to define the set of the strategic choices



Equally, a purely creative and design led approach may get you most of the way to understanding the desirability and feasibility of a choice



Ultimately, the right-brain left brain combination leads to an outcome that is perfect for an organization – one that cannot be achieved with either strategy or design alone

**Make-up of your teams is critical for success along with adopting an innovation mindset**

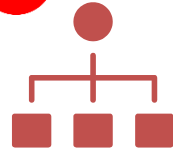




# But becoming digital can be hard so try not to



Focus only on digital technologies



Try to 'org design' your way to digital



Hope remote working or mobile strategies will be all you need



Just tell people to be more agile and innovative



Have an isolated victory or bursts of activity - then declare digital success



Buy digital skills without also investing in and training your existing talent

# Tips and considerations



**ENSURE CEO AND BOARD SPONSORSHIP AND BUILD YOUR DIGITAL DNA**



**ALWAYS SET TIME FOR “SENSING” THE MARKET, COMPETITION AND THOUGHT LEADERSHIP**



**INTEGRATION OF BUSINESS AND TECHNOLOGY AND CREATE CROSS-FUNCTIONAL TEAMS**



**CREATE AN INTERNAL DIGITAL BRAND AND FOSTER INTERNAL TALENT**

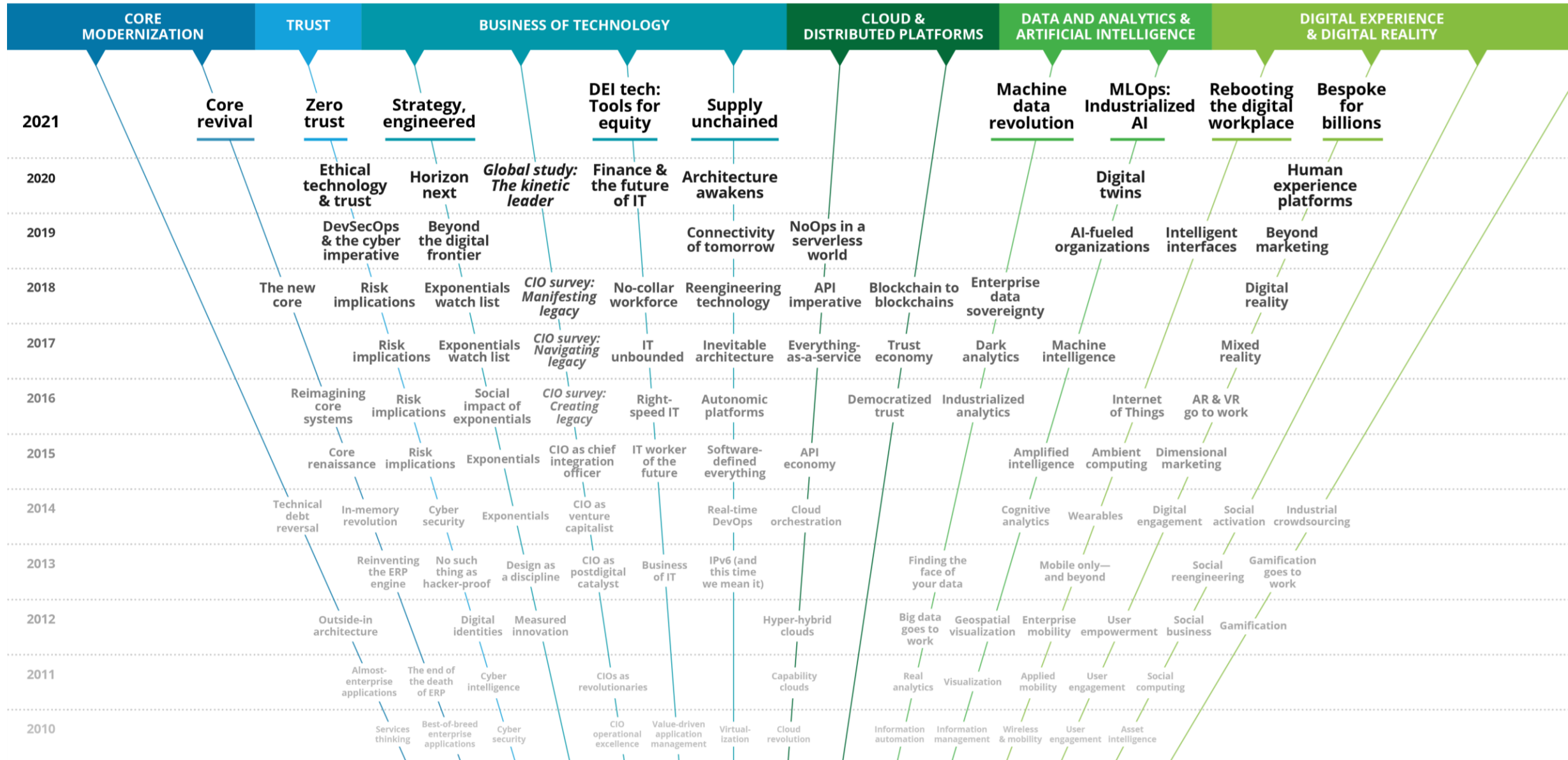


**LEVERAGE DATA AND LEAD PROJECTS DIGITALLY**



# Technologies

# Trending the trends: Twelve years of research





12th edition

# Deloitte Technology Trends 2021

## *The heart of the enterprise*



Strategy,  
engineered



Core  
revival



Supply  
unchained

## *Data: The art of the possible*



MLOps:  
Industrialized AI



Machine data  
revolution: Feeding  
the machine



Zero trust: Never  
trust, always verify

## *A better experience, inside and out*



Rebooting the  
digital workplace

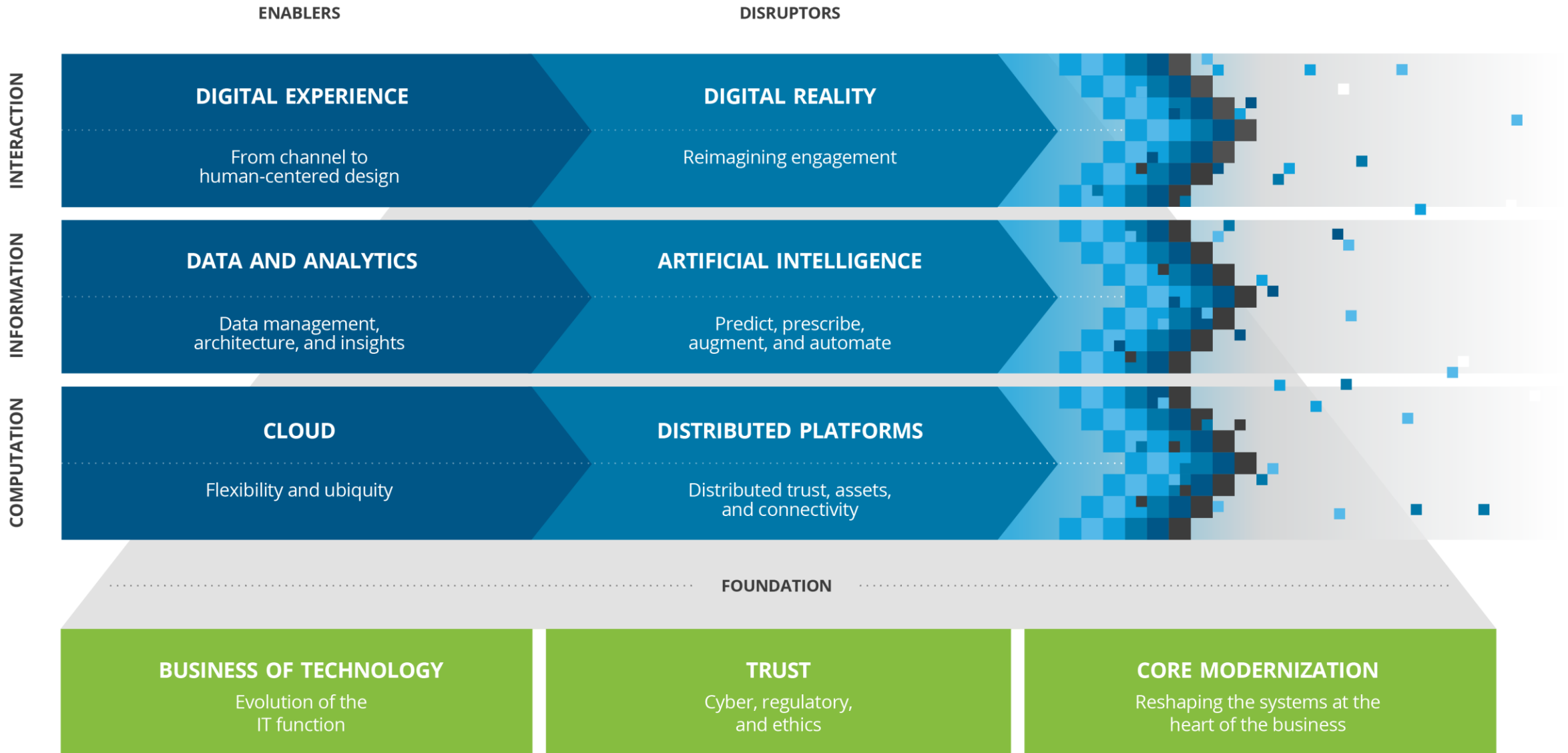


Bespoke for billions:  
Digital meets physical



DEI tech:  
Tools for equity

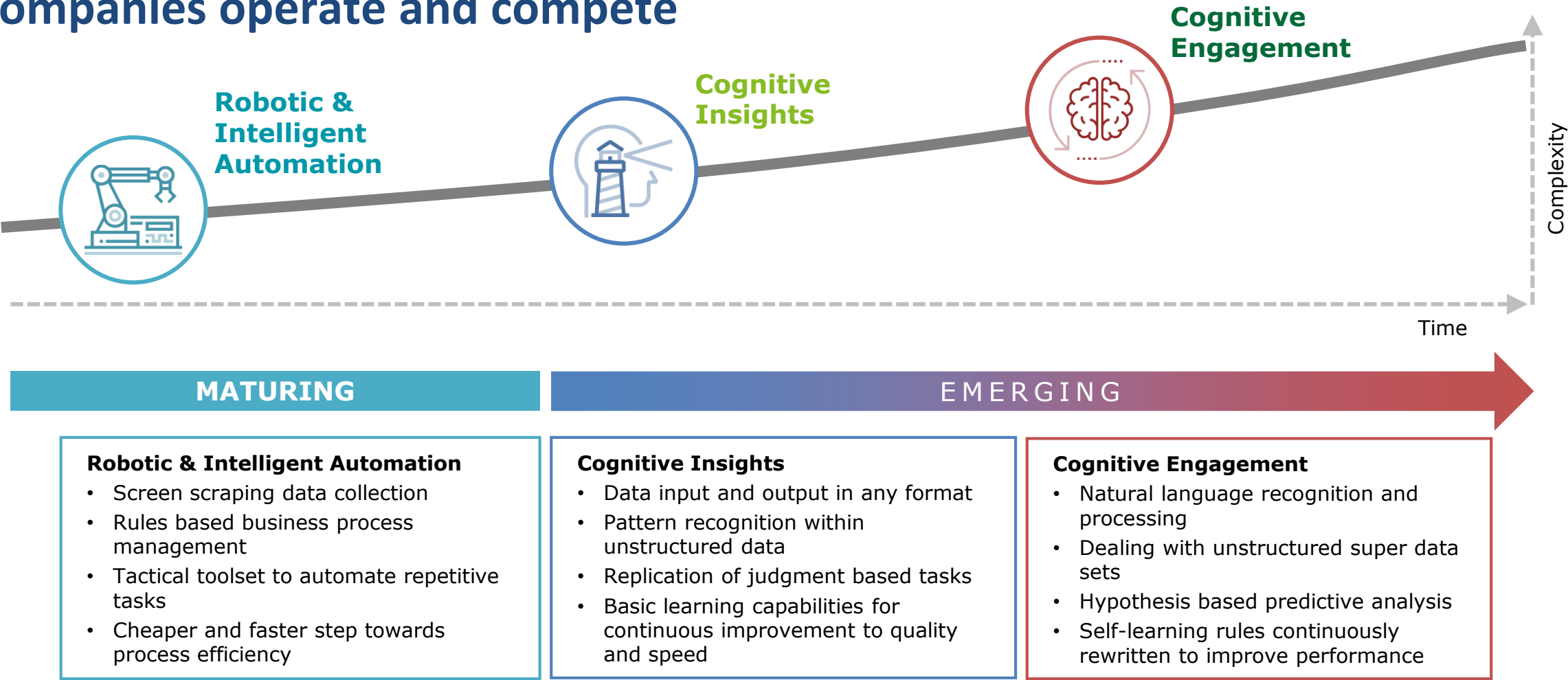
# Macro technology forces





# Artificial Intelligence

AI technologies will likely continue to evolve to transform the way companies operate and compete



# The terminology

These are some of the most well-adopted AI technologies that companies are using in a variety of combinations and permutations to automate end-to-end business processes

## Machine Learning (ML)

gives bots a **brain** so they can mimic human judgement in making decisions



## Intelligent Text Extraction

(ICR)

gives bots **eyes** so they can process a greater range of unstructured inputs



## Natural Language Processing

(NLP or Chatbot) gives bots **ears** to listen and understand stand human inputs



## Natural Language Generation

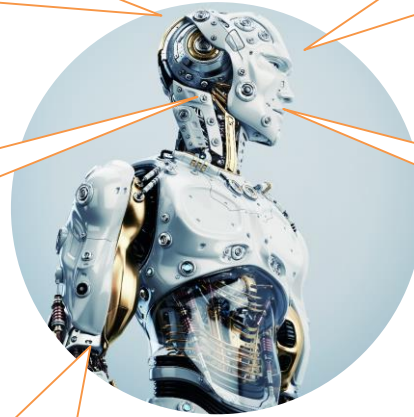
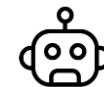
(NLG)

gives bots a **voice** to communicate vastly complex information in personalized way



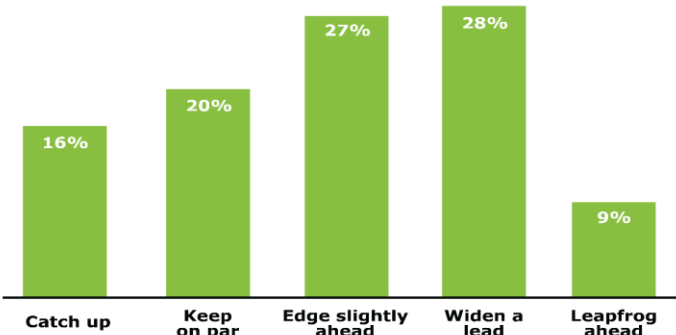
## RPA

is the **body** that converts IA inputs into action

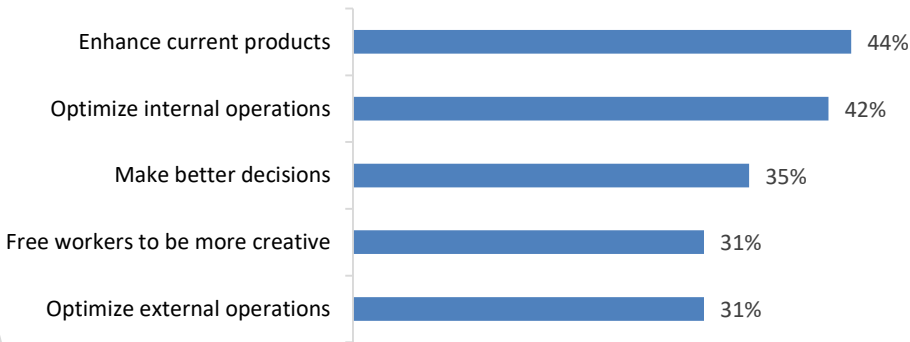


# Deloitte’s “State of AI in the Enterprise Survey” highlights key areas where clients are observing tangible benefits as a result of Automation & AI

What has Automation & AI allowed companies to do, relative to competitors?

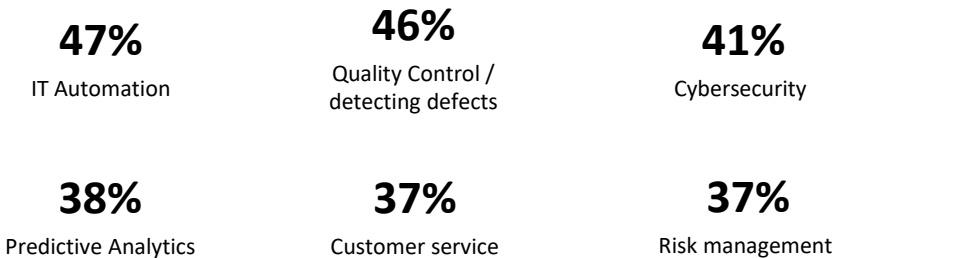


What are the benefits being observed upon adopting Automation & AI technologies?

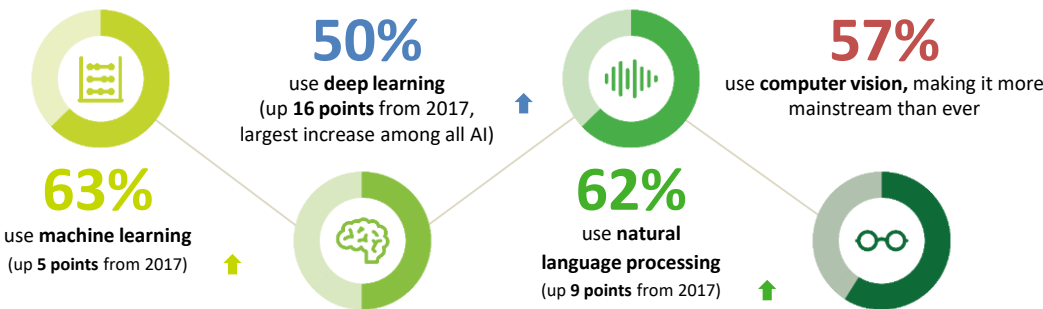


It all starts with a use case...

Where is Automation & AI being adopted within an enterprise?



What types of Automation & AI technologies are being adopted today?



Sources: Deloitte’s 4th Annual Global Survey Report, 2019: The robots are waiting; Deloitte’s State of AI in the Enterprise, 2019

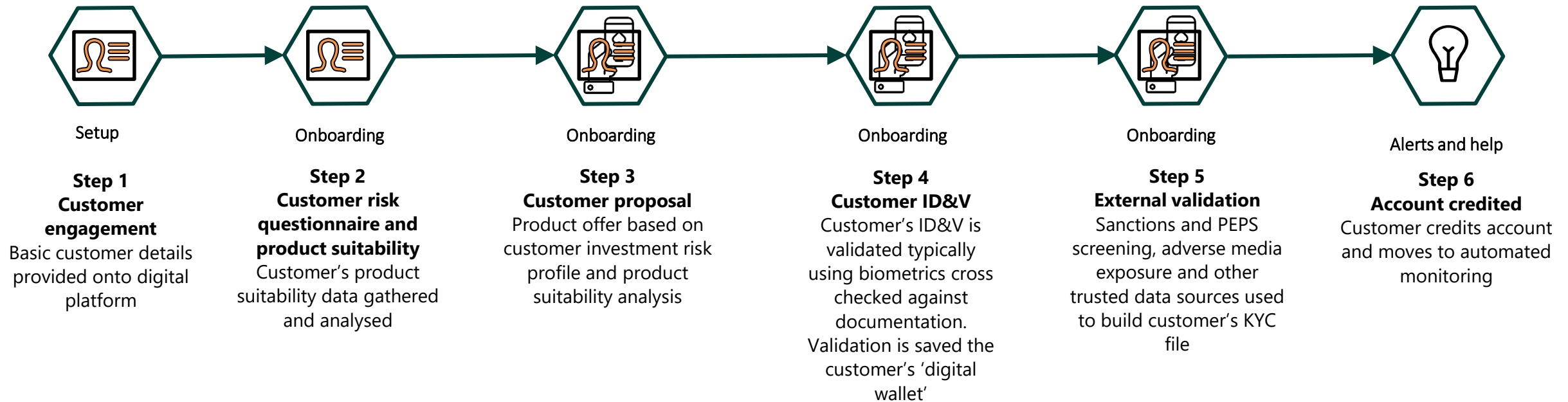


# Practical applications

# Enabling digital onboarding

A typical digital onboarding journey can be automated from initial customer engagement to full onboarding

...alternative distribution channels such as intermediaries can also be digitally enabled





# Creating perpetual and intelligent KYC

Once on-boarded, customer information is constantly updated and used to drive KYC review. The typical 1, 3 and 5 year KYC review cycle is replaced by continuous monitoring and dynamic KYC review

## Customer profile and risk view

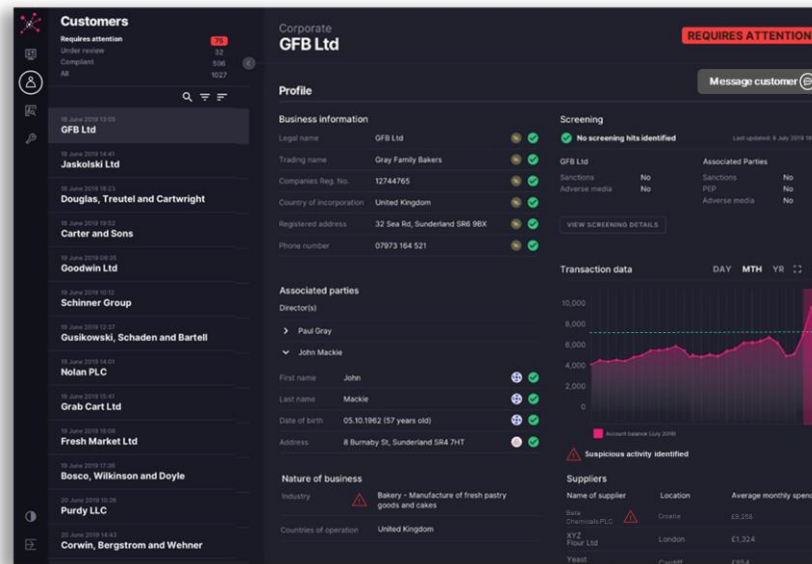
- Continuous automated monitoring
- Dynamic risk scoring

External data validation and enrichment

Self-reported data using two-way portal

Behavioural data

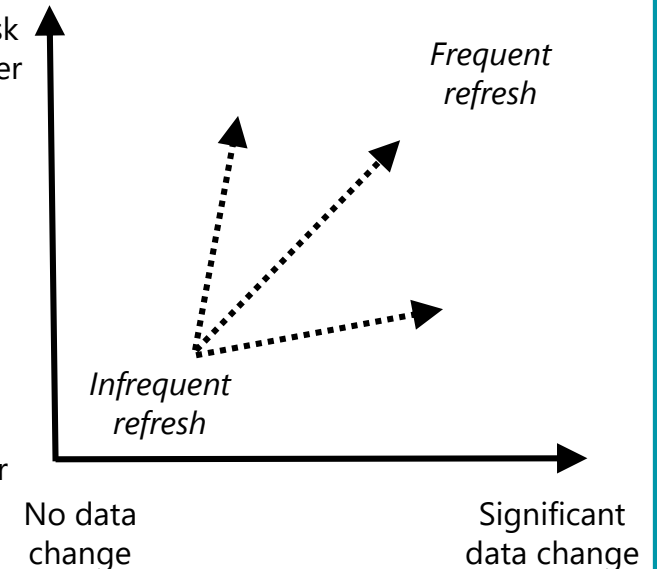
Product profile



High risk customer

Low risk customer

Event driven KYC review based on automated monitoring and dynamic risk scoring

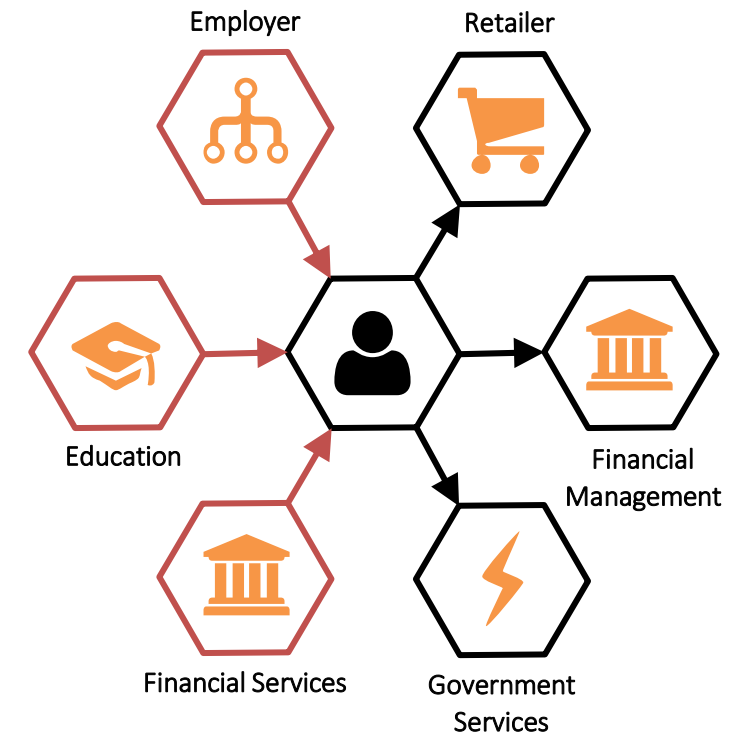




# Decentralised digital identity

The ability for people and organisations to capture, create and permission access to their own digital credentials, just like they do with their physical ones

- **Anyone can provide a credential** and they can share with anyone
- Once created, a credential can be **used many times**
- Digital credentials are **issued at same time as physical** ones
- It is possible to combine attributes from different credentials and **present them as a single proof**
- You can just present **a zero-knowledge proof**, without revealing the underlying data



This is delivered using a new protocol which is:



Open



Non-proprietary



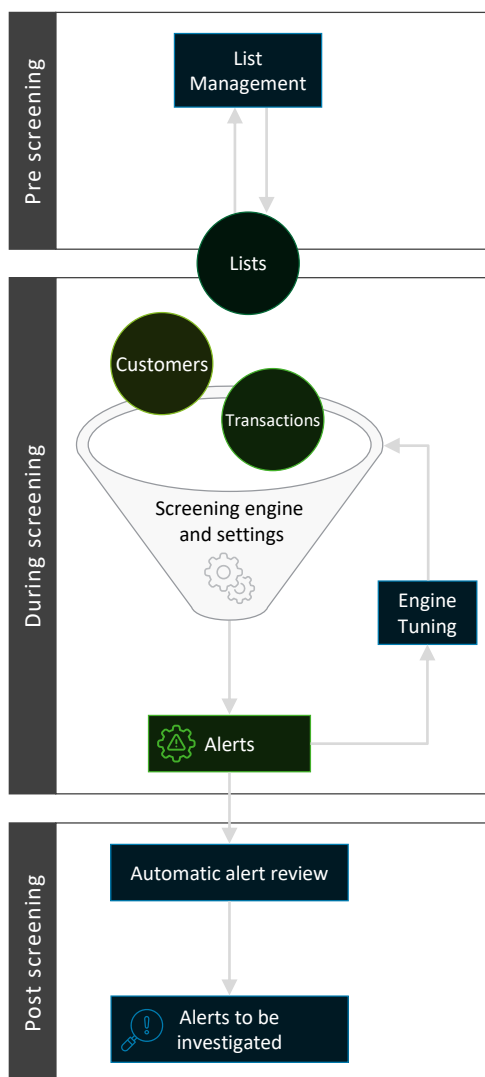
Interoperable



Usable by everyone

# Sanctions Screening

Whilst the process and key activities remain the same, the inputs are changing and new emerging technologies allow for a more efficient process



## List Management

### Increasing number of terms listed by the Regulators

- The number of terms listed by Regulators is continuously increasing, resulting in more alerts being generated by the screening solutions.

### Increasing need to rely on additional data sources in addition to those provided by Regulators

- There is increased need to unwrap and examine UBO information using reliable and localised and global third part data sources, coupled with more advanced network analysis platforms.
- The increasing use of Blockchain technology has introduced an additional level of complexity in identifying connections to sanctioned parties other than those listed by the Regulators.

## Screening

### Vendors are introducing more efficient matching techniques

- The need to have more efficient solutions is driving vendors to incorporate more advanced matching techniques such as natural language processing, AI, and machine learning.

### New transaction types, namely digital assets, require a different approach to screening

- Blockchain introduce additional complexities in identifying potential connections to sanctioned parties. Specialist technologies are required to interrogate the applicable blockchains in order to identify all parties connected to a specific transaction and this requires new skills combining Financial Crime, Compliance and blockchain, in order to identify potential red flags and sanctions exposure.

## Alert review

### Financial Institutions are applying enhanced auto disposition of alerts at L1

- Whilst vendors are incorporating enhanced matching techniques, Financial Institutions are also looking to further reduce the volume of alerts at L1 by applying natural language processing and AI.

### L2 investigations and Voluntary Self Disclosure reporting can be automated

- Where reviews are more complex and require analysis of less structured data, cognitive robotics can play a key role in automating the process to gather the necessary information required to support a decision and to prepare VSD reports.



# Thank you.

**Simeon Moss**

**Deloitte Jersey Advisory & Consulting Lead**

**Contact:** [stmoss@deloitte.co.uk](mailto:stmoss@deloitte.co.uk)

This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London, EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

© 2021 Deloitte LLP. All rights reserved.