



AI LEADERS PODCAST EP 63 INSIGHTS ON GEN AI & DIGITAL TRANSFORMATION TRANSCRIPT

Brett Goode [00:00:00] Everybody started at different points on the spectrum. Some started in the commercial side, some started in the lending retail side, some started with deposits. But now we're at a point where those capabilities are starting to converge. The need to get there for their customers is starting to be there, and all of that is leading to this kind of next wave of how do I get there and then enable the gen AI capabilities on top of it.

Keri Smith [00:00:33] So welcome, everybody to another episode of our AI Leaders podcast. My name is Kerry Smith and I or data and I lead globally for banking. And I've been really looking forward to today's session because I have a special guest with me today. And he is Brett Goode, and he's been doing a lot of transformational work, in market with our financial services clients. And looking at that from multiple angles. And we're going to talk a lot, Brett, today about, as we look at AI within banking, as we look at generative AI in banking, how do we actually talk about the realities of what it takes to actually make it happen? But before we get into that, Brad, I'd love for you to share a little bit more with our listeners. Some of your role, your scope, a bit of your background as well.

Brett Goode [00:01:19] Yeah, absolutely. Happy to be here, Keri. So, for me, my background has always been within the financial services space. I've been overseeing, large banking transformations of all different kinds, from M&A to the digital kind of revolution many years ago. And now looking at, you know, how do we transform some of those underlying systems to really allow us to take on what Gen I and II, are, are able to the capabilities that are out there for banks today. So, within that, I oversee our relationship with a very large financial services institution here in the US, helping them on their journey to modernization and transformation. But I also, with my other hat on, oversee all of the core banking work that we do across North America, which means that our teams are looking at how do you get to modernize these platforms? And one of the very exciting things is how we are using, gen element to enable that from a couple of different lenses, which we can get into here. So excited about the conversation, excited to see where we go. And been looking forward to for a while as well.

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Keri Smith [00:02:30] Wonderful. Thank you Brett. You know, so, you know, we've obviously shared also a lot of different insights as we have been working, in market with clients around their AI, generative AI journeys. As well as then, you know, the fact that I would say at this point in time, we have done, definitely over 1100 different, initiatives globally across generative AI. And through that, there are lots of insights and, learnings as well as and I would say also the different imperatives as we look at what does it actually mean to lead in the area of generative AI. So some parts of that are around really that strong value orientation. How to lead with value. How do we think about the business cases. How do we make sure that people are really clear on what's the target state that we're actually working towards? Looking at talent and looking at responsible AI. Looking at this as not one point in time, we're going to continually do reinvention. And a key part of this, Brett, as well as we look at the imperatives of leading in the age of generative AI, is really that, underlying digital core, and that has multiple different components of it, whether we're looking at the cloud journey or whether we're looking at, as you mentioned, modernization of the tech stack, whether we're looking at data. So, you know, these are critical factors as we look at organizations who have gotten really strong momentum, whether it's from pilots, from POCs, early results from their production efforts as well, and as they're looking at then moving more towards scaling. We're finding that these are like critical, ingredients there. And I wanted to take a step back and talk more around as we look at that underlying infrastructure in that digital core. So, but if we take a step back and we think about the banking industry, obviously our banking clients have been on this journey to digital, for like maybe two decades now. Right. And so I think it will be helpful also for you to maybe give some highlights patterns as you're seeing, you know, now with digital and a lot of the maturity that's there. But as we're looking to harness the power of AI and generative AI, where we are seeing maybe some of our financial services clients really having to move some big boulders in order for them to get it done.

So, love to hear some of your maybe highlight some history around a bit of that digital journey. But also, as people are looking at as you talked about core modernization as well. So but if we take a step back and we think about the banking industry, obviously our banking clients have been on this journey to digital, for like maybe two decades now. Right. And so, I think it will be helpful also for you to maybe give some highlights patterns as you're seeing, you know, now with digital and a lot of the maturity that's there. But as we're looking to harness the power of AI and generative AI, where we are seeing maybe some of our financial services clients really having to move some big boulders in order for them to get it done. Love to hear some of your maybe highlight some history around a bit of that digital journey. But also, as people are looking at as you talked about core modernization as well. ..

Brett Goode [00:04:44] Yeah. For sure. And it has been a focus of many of the large financial institutions and small ones as well, over the course of probably the last, you know, eight, 80 years. Right. And I would say that, you know, when I go back and look at that, it was all about how do I get to online capabilities, how do I get to mobile capabilities. And with that, what you saw was this evolution of banks that were being able to what I call fake it in real time. And, you know, that's because of some of the legacy tech that still has not been and is just now starting to be addressed from their backend systems. So even though we go into the coffee shop around the corner and we make a purchase of whatever, you know, latte we want for the day, and it shows up and you see that it, you know, charge to \$3, \$4, whatever it was. That really, in most cases is not running real time in there. They've been able to show that from a digital capability perspective. And what we've seen is the turn of the folks that were early to be able to do that.

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The very large offices who were out in front said, this is great. And all the customers said, this is awesome, and they've met that experience. But the reality was, is that everything was still running mainframe batch in the background. And what you're seeing now is that realization that. That's still not going to get them to where they ultimately want to be, which is real time. Being able to meet their customers, where they are, being able to be flexible with product offerings and everything that comes along with that. So now you're at the point where everybody's taking a look back and say, okay, well, how do I get to that? And that's really where you get into the heart of what we call that digital core, right? This is where the books and records the transaction. The customer data is really sitting. And that's what everybody has been very hesitant to move. Right. We like to talk about the cloud journey. And that's obviously one huge step into getting to where we want to be and harnessing the capabilities that I allow us to have. But the reality is, is that a lot of these, in most cases, sit still within a mainframe system that has not been migrated to the cloud. When we say a lot of cloud migration has happened, it has and it's fantastic the work that's been done, but it's a lot of the ancillary products. Very few have taken that real step to say, okay, I'm going to get off of this legacy, sometimes 30, 40-year-old code set, and I'm going to move forward to something that really allows me to be innovative, meet my clients and customers where they are, and give me those real time capabilities that we're seeking. So now folks are starting out on that journey, and that's the exciting piece, because we've been seeing this come to life for a while. I would also say that the systems that folks are starting to look at as the next wave from where do they go from their legacy to the new, is at a maturity point now. It's not 100% there, but it's at a maturity point where they can start to migrate large customer bases over to it. It's taking time to get there. Everybody started at different points on the spectrum. Some started in the commercial side, some started in the lending retail side, some started with deposits. But now we're at a point where those capabilities are starting to converge. The need to get there for their customers is starting to be there, and all of that is leading to this kind of next wave of how do I get there and then enable the gen AI capabilities on top of it.

Keri Smith [00:08:28] Now, that's a great, that's great insightful answer. Right. And then, you know, for this thinking about our listeners and also, we need to bring some dramatic and controversial comments. Right. In our discussion as well. But I was going to actually do some more, talk a little bit about as we think about that journey to cloud. Right. And that has been obviously at the forefront of a lot of the work that's happening within financial services. And I would say that, you know, there's been a lot of movement, people moving some of their data loads, obviously, to the cloud, etc. and as you mentioned, right, different focus areas that organizations have had. But I would feel that there still some debates around what does that kind of look like in terms of, at target stage, right around the architecture. And as we look at some of this emerging technology and I, we do know that that elastic capacity of the cloud is important to it. But also then are there some portions that we continue to have on prem. How do we think about as we look at core modernization? I just wanted to get your sense around that in terms of what do you think is kind of maybe an ideal blueprint? Our options as people are thinking about what their target state should look like.

Brett Goode [00:09:36] Yeah, I think in the financial sector you're always going to have a little bit of a hybrid approach. I don't know that you're ever going to see, you know, 100% public cloud consumption like you see in other industries. And this is Brett's opinion, right? I maybe we get there at some point. But where most of the financial, you know, institutions set today is that they are going to remain in some form of a hybrid style, which is going to have some limitations in the usage of, you know, gen AI and other tooling that's going to come up.

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There is no doubt about that. But I do believe that they can still harness the power of it in multiple ways. I think one of the biggest pieces that they really need to focus on is the abstraction of the data layer, right? If you've got your data being abstracted from some of your core systems, whether they're, you know, mainframe, whether they're new or whatever, you want the data to sit about that. And if the data is sitting above that and you can constantly stream it, you can still get the utilization of a lot of these tools. So, I believe personally that you are going to see, at least for the next five years, some kind of, you know, hybrid between some of their legacy, some of their on prem capability, some of their cloud capability. But the key to all of that is really being about the flexibility of the architecture, that I can plug and play their different components, whether that be from a front-end user interface all the way to, you know, a very cutting-edge piece of generative AI that's helping my customers from a call center perspective or one of the other channels. But the other piece that I think is going to be extremely key in doing that is, is the data that is the heart and soul of all of it. And as long as you have that flexibility architecture, being able to component ties, as we say, the different pieces and then the data being abstracted from those core systems, I still believe that you can do a lot with the new technologies that are coming out there.

Keri Smith [00:11:44] Nice. Great. Brett and I love the fact that you anchored in also on data. And I would say that that continues to be as we even think about the broader digital core, right? Our data is a key component of that as well. And, you know, as we're working a lot in market with our global financial services clients, right? What we're seeing is there's a lot of democratization that's happening now, right, regarding AI. And there's still obviously very much a first mover advantage, with generative AI as well as what we're seeing with a lot of new entrants in market, a lot more models available, etc.

I come from a fintech background, so I like to say that here is the rise of the fintech again. But with a lot of that, optionality as well, it's easier then for people to kind of get involved, with, with the space. But I would say that what people are thinking about now as they look at sustained competitive differentiation data is just a key element to that, right? So, there are things that are available off the shelf. But then when you're thinking about how do I personalize that to my customers, intense. Right. To my company's, kind of point of view, etc.. As well as then as it as we start to think about the broader use cases and value chains as well, being able to have that data, and differentiate that data is going to be extremely important. So not only being able to easily access it, but then how do I actually tailor it. So just wanting to see Brett, if you wanted to add any more on the on the data point.

Brett Goode [00:13:10] Yeah. I mean, 100% agree with everything you just said. The data is going to be the key. You know, the data is kind of the new gold for the for the banking industry, right? It's everything that you want to know about your customers, kind of their, you know, whether their shopping habits, what can you do with their shopping habits when you start to talk about the customer interaction? Right. I think one of the biggest areas that. Is still out there. To be kind of taken advantage of is what are we able to really do with the data? And while it's nice that I get some offers from my bank that say, hey, you like to, you know, go to the coffee shop down the street and maybe we give you 10% off from that.

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If they have a, you know, relationship with that particular brand. It doesn't really get to the heart of like who I am as a customer, right? Like, I think we've talked about it for a long time. And while I think we've all gotten very comfortable with the fact that, you know, we want to meet people where they are in their life's journey, right? Whether that's buying a new house for the first time, whether that's, you know, getting married, whether, you know, all these different life events, you know, changed the financial outlook for an individual, right. Having a child. Right. You know, and one of the clients that we're working with now is really looking at. The data to try to figure out how they get into a early relationship with the child of a parent that, you know, has that relationship with that financial institution already to try to set them up for a lifelong relationship with that. But you can't do any of that without, you know, good clan's data. And while I think we've taken a lot of steps to get there, right from the early days of enterprise data warehouse to really being able to structure the data in models that make more sense. I still think we've got a long way to go and really being able to meet the customer where they are. And I think that goes back to a lot of what I've said, where, you know, we don't have the flexibility of product right now. If you look at the banks, many of the products that underlie where they sit today are all kinds of mishmash of different regions and different promos that they did that now are stuck. So, you've got this laundry list of products nobody wants to add to that laundry list of products. We want to simplify that. So, you've got to start thinking about and having that composability of a product to have features on it that then allow you to meet your customer where they are and utilize that data. So, I know there's a lot of layers there that I just kind of went through from a data perspective. But when I think about the future of what I think banks will need to be and want to be, ultimately, it's that very composable product, the data to know where your customer is and then being able to marry those together to say, hey, I've got an offering for you, right?

You just got married. You need a joint banking account now or hey, I know that, you've been on looking out for, you know, geolocation, right? Data to say, I know you've been looking at different open houses, right? Here's a, an offering for a mortgage for you. Those are the areas I think we've thought about. We've contemplated. We've talked about very few, if any, have reached that type of utilization of the data.

Keri Smith [00:16:42] That's great. And unlike a lot of, I would say, meaty nuggets in what you've just shared there for us to kind of digest. But, you know, one of the things I really enjoyed about, collaborating, with you in markets on, as we've been working in market together is, what I would say is a shared philosophy that we both have as well, which is and you said it twice in kind of what you just shared there, which is meeting people where they're at. Right. Whether that is basically kind of the end clients of our clients or our clients themselves, right. Meeting them where they're at. And so, you know, as I work also, with a lot of clients within market, there's a lot of times, kind of a discussion, right, where people are wondering, you know, are they are they being left behind? Right. Are they able to catch up or what are their peers doing? And how do I actually then think about leapfrogging, etc.? So, I think you've given quite a few insights, there. But if you were to maybe summarize a bit, as we're working and talking to, you know, financial services, clients who are on various levels of their kind of journey, I'm looking to harness the power right of generative AI. What would you want to add on some additional points in terms of, as I said, meeting people where they're at and some critical considerations, right, as they're looking to scale and get to value.

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Brett Goode [00:18:04] Yeah, it's a great question. I would say that standing still is not where you want to be at the moment, right? We all need to be taking this in and figuring out and getting comfortable with it, to be quite honest. I think standing on the fringes at this point is a dangerous place to be. Because there are experiments in real life, you know, production incidents and things like that that people are utilizing it for. So, if, you know, an institution is not moving in that path with getting comfortable with it, thinking about use cases, figuring out how it fits into their security landscape. One of the biggest, you know, that hurdles, I wouldn't say because everybody needs to be sound and secure, but one of the biggest areas of getting comfortable with this technology is understanding how it's going to interact within your walls, interact with your data, interact with your customer base, potentially. So, I would say, you know, you've got to be looking at it from an aspect of what are the use cases that best suit my institution. What am I looking to do with it from a security perspective? And how am I going to embed that within my organization and institution? Because that's one of the biggest areas that we've seen, be able to get, you know, kind of covered from a client perspective. And then I would say, you know, which sounds kind of simple, but learning and experimenting, right. Like this is the very beginning of this journey, and I don't think that anybody's got it figured out. I think we'll look back and say, well, that was kind of silly and fun but didn't really mean a whole lot. And I think it's going to evolve from there. So, you know, that constant trying to learn, trying to be on the edge of it, even if it's something small. Right. Taking documentation within your own four walls and putting it through for early adoption for a, you know, new or of course, something as simple as that, like getting your hands on it, getting embedded with it, getting comfortable with it, I would say, is like the biggest thing that I would urge everybody to be doing, because that leads to a lot more, interest. It leads to a lot more comfort that I can do different things with it. You don't have to jump off the cliff and say, I'm going to put this into production. Customer facing day one. Nobody's advocating for that. But taking those small steps to get that comfort, I would say, is the biggest thing that I would boil it down to at this point.

Keri Smith [00:20:39] I love that. Right. And just listening to you, I just felt like you're bringing kind of some. Very wise, advice and some calm coaching, as well to it because I think, you know, there's if you think about generative AI, right. It's the first, I would say, emerging technology in the history of human development that has had such a rapid pace of innovation. And also, I would say kind of mass embracing, in terms of global adoption and usage of it. But with some of that rapid pace of, of, of innovation and just in very recent client conversations as well, this continues to come up where I think sometimes there's a sense that people have, a bit overwhelmed, like, how on earth are we going to keep up with this? Right. There's like new models being launched, all of that stuff. I know we are at Accenture kind of observing probably 700, 800 different, models as well. Right. And, and some of the line discussion around that is, how is it that we are actually going to ever be able to stay on the pulse of all of that piece? And I think you touched on an absolutely great point. Which is around just that kind of learning, learning culture. Right. And that curiosity and I think just take it in manageable components. We don't need to solve everything at once, right? We don't need to think about solving for world peace, right? We need to take one step at a time and get that momentum. And I would say what we've seen from our experiences as well is that that momentum builds. Right? And it starts to give courage and encouragement, across the organization. And I think, as you mentioned, if you think about the journey of this, a lot of organizations did start with those internal facing pieces looking at knowledge management, etc. and I think it was a very smart strategy as well. It was areas where people were already, implementing and looking at AI, but it was also something that touched every part of the organization.

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If I think about knowledge management and usually something that people are frustrated with. Right. So, when we got some of those early wins, it not only help with efficiency, it also helped with a little bit of that cultural shift in terms of, hey, this thing is possible. It may not be as difficult or overwhelming as we thought, and let's just keep moving forward. So, I think there's a lot of wisdom in what you shared there. And I think something that can just help a bit sometimes. What may be a bit of that anxiety and fear that's in the market and it's just like, let's just keep moving forward. And I think a critical point around that is that this is accessible to. All right. This is not an exclusive or the specialized set of people that can do it. And I think that we're seeing that change across organizations as well, where as we start to think about AI literacy, it is what is it that we need? And how do we raise that AI literacy across enterprises? So, this is very passionate about some of the things that you just shared, Brett. And I think good insights. And for us to be able to have that spirit of curiosity and what I share with clients is dancing with that fear. Right? And let's keep moving forward. Let's keep putting points on the board.

Brett Goode [00:23:35] Yeah, it's absolutely daunting, there's no doubt about that. Right. And keeping up with it, you know, because you said we've got people focused on it day in and day out. So having that focus, is not something everybody's going to have, but it's that, you know, learning culture. That was a very good term to use that that learning culture is what you need to kind of have in the fear of, you know, the unknown isn't that scary when you start kind of chunking it into little bites?

Keri Smith [00:24:01] A great big part of education, right? The more we know it, right, the more we understand, you know, the better things, the better things seem, and also the more we can take some wise actions around it. What I wanted to do, you know, as we kind of, kind of nearing the end of our, like, really engage in conversation, hopefully our listeners agree we're having fun here together. But as we kind of look at, you know, if I think about a lot of the opportunities and work that you've been driving, right, you have the benefits of working very closely with, C-suite clients, also working with just execution with, with a teams and, getting things actually done and getting results, for, for the clients. And if I think about how we started the discussion, really wanted to get into the guts of making it happen and the realities of that. So, I would say, you know, like you've already touched on some really great points there, but as you think about, you know, a lot of the work that you're doing with our global clientele in markets and really around that execution posture and what it really takes to get to value. And there are additional things that you may want to add as some insights there, whether it's around operating model, right, how client teams work together or transparency. Just would love to tap into some of your insights from a lot of that work that you're leading in market.

Brett Goode [00:25:19] Yeah, absolutely. You know, from the kind of model perspective in the operating model piece, right. The biggest I think hurdle to get over is being able to bring the business intact together. And that may sound somewhat simple and not that revolutionary, but I find that a lot of institutions still kind of sit on both sides of that fence. Right? I'm tech. I'm dealing with the technology piece.

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Your business, you feed me requirements. And when we see it really click, and when we see it go at pace with real efficiency, it's when we're able to bring both sides together and have them truly understand where we're trying to go collectively. And also, where we're trying to go from an end customer perspective, because a lot of times technology for technology's sake ends up in a place that. Doesn't really add a whole lot of benefit. So, you know, having that business case that we're all driving to understanding how that technology is enabling whatever end customer result that we're seeking is a massive piece of this. And again, it sounds simple, but it's so often that we see that those truly aren't aligned, or one doesn't understand the other. So, having that is especially when you're getting into things like Gen AI, right? For one example, just to kind of bring it to life, we're on a journey of modernization of a large servicing platform with the customer. So, think about everything that you would need to do from a banking perspective. Call in, change your address, update, you know, any kind of name change, things like that. Everything that sits on that platform. And one of the areas that we're utilizing gen AI tooling, is to really look at this legacy platform and understand what it's been doing for all these years. It's a 30-year-old piece of, technology, and there's no documentation around it. Right. So, while the technology team knows where the data flows and how it's, you know, working and the business team knows what it's providing to the end customer, those two things don't always marry together when you're looking at something that's been cobbled together over 30 years. So, when we brought the business and tech teams together and started saying, hey, we think there's an opportunity here to really utilize this technology to help both ends of the spectrum. So, we started doing some early runs on this, and what we found out was that we were taking snippets. We were taking pieces of functionality. Let's just stick with address change because it's easy and everybody can understand wrap their mind around that. We started running these pieces of functionality through our reverse engineering tooling and getting output, and the results really got technology excited. Oh man. I know all the data fields.

I know how it flows. I know this code is calling this code and they were psyched about it. So, we went a little bit further, and I said, well, let's see what we can do from a business perspective, right? Like these folks are trying to figure out what this application is doing by a number of I know it does this. I know what the front end looks like, but they're trying to create, in all honesty, the next generation of the platform. Right. So, looking in your rear view isn't really a great example of like where you want to go and a great use of time. But if we can get the rear view forward, you can start to say, what is this going to be in the future, right? So that's what we started looking at. And what we were able to do is really get into the hands of the base, the business users, a view of here's what the code's doing. So over time, we were able to, you know, took prompt engineering and other things get the model to start telling us, yes, all these data fields are there, but it actually is doing this. You're calling in, you're changing your address. You're able to change your address to this. If this happens, it kicks you out, all of those things. And when we put that the hands of the bar, they were like, whoa. You know, these are the use cases like this is the stuff I can actually use. And what we started finding through the first iteration was they went back and looked at use cases they had written, compare them to what the tooling had done. When they looked at that, they said there were stuff I missed. There was stuff I honestly did not know that application was doing. So, a curated form. The next step was we took it a little bit further, and we said, hey, we're going to give these to you and you're going to be able to use them in a way that allows you to, as I call it, a scaffold to build around.

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Right. We're not saying that this is going to be perfect, but we're saying this is leading you down a path that you put your input into, but it gets you further down the path of not looking in the rear view but focused on the forward. And we started to see some really good uptick there. And that's kind of where we are right now, right. We're meeting that business and technology technologies, getting all the data fields and everything they need. And the way this was structured and what its calling business is now saying, oh, I've got the I've got the business rules that were being used, and now I can focus way more on the forward of where we want to be versus the back. Right. So, I think one of the biggest things that we've been able to see is that bringing business, bringing tech and having that marry together is really where we're we're seeing that that that acceleration of the modernization and the programs that we're trying to run. So, I just wanted to add that example because I think it's a powerful one. When we start to talk about what we can do with it and how we operate within, you know, a financial institution or any institution for that matter.

Keri Smith [00:31:15] I love that example because I think it tied nicely, actually, a lot of the earlier points that we talked about as well. So, the collaboration business and tech, but also then how we're actually leveraging the technology to get to value. And then I think also what we talked about, which is then kind of getting everybody's voice right, involved in the in the process and just by how you were speaking about it, I just love the enthusiasm that's there as people are seeing.

Right. What's the art of the possible as they actually start engaging with this, emerging technology? So, Brett, really want to thank you so much for joining us for this episode. Thank you for your great insights. And I'm excited about the future. I think the future is bright. Just want to say, any final comments from you, Brett?

Brett Goode [00:31:56] Now. This has been great. I appreciate you, offering to have me on. You can tell by my excitement that, I've been all in on this journey, and I'm excited to see where it goes. So hopefully, you know, maybe we'll revisit this, down the road, we can talk about where we've evolved from this point. But thanks for having me. Love that.