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THE BANKER

EDITOR'S BLOG FEBRUARY 14

Winning hearts and minds with innovation

While real business benefit is key, banks shouldn't ignore actionable advice that comes in less familiar packaging

by Liz Lumley



Image: Carmen Reichman/FT

At the tail end of a lunch break last week, I casually eavesdropped on a chatty group of event delegates attending the State of Open Conference 24 in London. As recycled containers holding the remnants of vegan food were gathered for disposal, one member of this group announced in a loud voice: “Well, actually, I’m kind of a Doritos influencer on TikTok.” The declaration was met with a chorus of “So cool!”. I smiled to myself.

It had been a while since I had been to such a hardcore technology conference. Despite sitting in the stream dedicated to finance, this event looking at case studies, current thinking and trends in the open-

source developers' community had a higher-than-normal quotient of pink hair, multiple piercings, and visible tattoos than most banking-focused gatherings I have attended lately. There were also more women than I expected, as well as people who, to my aged eyes, looked about 12 years old.

This is the group that many in the traditional banking world have tried to attract over the past 15 years. Success has been mixed.

Banking is a serious business. Expressing your love for salty, spicy, corn-based snacks on social media is more likely to be met with confusion than cheerful delight. During the rise of the 'innovation lab' at many global banks, the trappings of the less formal tech industry popped up in various areas. Workers were offered relaxed dress codes and were housed in offices that included meditation rooms, ping pong tables and beer fridges among the white board and Post-it note-decorated collaboration spaces.

It was those trappings that were the first to be discarded when the benefits and usefulness of bank-run innovation labs were called into question. It's easy to sneer, to let a lazy form of bias cause us to dismiss a young woman with pink hair and a love for convenience food as incapable of designing a new mortgage approval system or home equity loan programme.

As I sat my 51-year-old self down, still chuckling at being so close to a minor social media star, I witnessed an eye-opening series of presentations. It made me realise what traditional events focused on the banking industry miss when trying to present emerging technologies and fintech innovations to a sceptical audience. It also showed me what the industry loses when we dismiss that which we assume to be frivolous or a waste of time and money.

The broad concept behind open-source development is that code and design is shared among a community — a community that includes your peers and competitors. Banks aren't the only organisations that would balk at sharing the details of internal strategic projects with competitors. However, open-source development has a long history of success, in various sectors, for creating innovative and effective products.

I have sat in conferences in the past where people talk about "banking on Mars", or take scissors to neckties and chide their newly snipped audience — dooming them to "innovate or die". However, the finance stream was opened by the CEO of US IT service management company Percona, Ann Schlemmer, a veteran of 15

years of open-source development. Within 30 minutes, Schlemmer guided the audience through strategies to “win hearts and minds” at financial firms. She outlined the establishment of an open-source programme office in order to control and manage exactly what can be shared from a bank and how staff should be educated.

The OSPO would be brought up time and time again during the afternoon stream at the conference. These groups are already in use at Lloyds Banking Group, NatWest Group and Citi. (Expect a feature on the rise of the OSPO in the coming months at The Banker.)

In the midst of James McLeod, head of open source at NatWest, explaining how open source accelerates engineering in financial organisations by streamlining processes and collaboration, he unveiled details of the five-week-old OSPO at the bank.

However, it was during a 30-minute case study from Jamie Slome, open source operations lead, OSPO and Katrina Novakovic, open source culture lead, both at Citi, when I realised I’d never heard a case study from a bank presented with such clarity and transparency before.

Both Slome and Novakovic explained how Citi’s OSPO reduces process friction to allow developers to focus on contributing code to open source projects. They outlined the bank’s contribution policy to have a streamlined, low-touch governance workflow — for things like approvals, mitigating risk, and user agreements. Both claimed these methods have improved Citi’s developer experience, diversity of thought, productivity, code quality and security, and used real-life examples to illustrate it.

I would love to see bank leaders from other parts of the business explain a project or case study, in a public forum, with such candour. I would love for so-called “innovation gurus” to put their egos in a box and focus on actionable strategies with the focus on “winning hearts and minds” rather than telling a science fiction story.

At times, it can seem like the wider open-source community can bang the drum of their happy-clappy inclusive sharing culture to the point where it can start to grate. However, while the first generation of innovation culture at banks has come in for much criticism, the next generation shouldn’t throw out all the accoutrements associated with a successful, less formal tech culture. You’d be amazed at how excited some people can get about cheese-dusted crisps.

Liz is deputy editor of *The Banker*. You can connect with Liz on [LinkedIn](#), or follow her on [Bluesky](#).

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