

The CGI logo is displayed in a bold, red, sans-serif font.

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A decorative network diagram in the top left corner consists of several red and orange circles of varying sizes connected by thin, light blue lines, creating a web-like structure.

# **BANKING.** TRANSFORMED.

CGI's experts discuss:  
**Extending the bank**



## Jerry



Jerry Norton, Vice President, Global Banking, is responsible for CGI's strategy across the wholesale and corporate markets. He also is a member of both CGI's Banking Industry Cabinet and Growth Council. Jerry specializes in industry-wide change, whether led by business or technology, and his views are sought across the global market. He brings a combination of domain expertise and technology stewardship coupled with an understanding of compliance, regulation and operational risk prevention and management. Much of his current focus is on the changing nature of business and technology in the payments market. Jerry is a regular presenter at international conferences on the major financial services themes of the day, a contributor to a number of think tanks, and is often quoted in the mainstream and trade media.

## Manoj

Manoj Mishra is Vice President of Consulting Services at CGI. Based out of Pittsburgh, Pennsylvania, Manoj is a client engagement executive and a leader with deep banking and finance experience and a proven record of helping clients navigate the evolving digital space. He is a senior innovation and strategy leader with P&L management experience and expertise to transform and build businesses targeting growth and sustainability. Manoj specializes in the financial services domain with expertise around corporate and institutional banking, treasury management, payments, enterprise functions, innovation, lean startup, digital transformation, customer experience, APIs, blockchain and business application of emerging technologies.



## Rick



Rick Kotermanski, Vice President, is responsible for the execution of CGI's Strategy and Innovation practice in the Great Lakes market of North America. In his role, Rick leads the development and delivery of consulting offerings tailored to help clients in the design and development of new, strategic and innovative products. Rick joined CGI in 2017 through CGI's merger with Summa where Rick was Chief Technology and Strategy Officer and worked in other roles during his 17 years there. Rick has more than 30 years of leadership experience in the architecture, management, design and implementation of mission-critical applications. His experience includes a track record of end-to-end management of application modernization, systems integration, and product development projects using a wide variety of technologies. Prior to Summa, Rick was a WebSphere Development Manager at IBM.

## Bernie



Bernie Mongilio, Senior Vice President, is the business unit leader for the Great Lakes region in the U.S. He represents the U.S. on CGI's Global Banking Cabinet, which drives CGI's global go to market and investment strategy for banking.

Bernie has more than 35 years of diversified consulting and IT experience, 32 of which have been in a number of roles at CGI. For the past 14 years, he has led banking activities within the U.S. and serves as the executive sponsor for CGI's largest U.S. banking customer. He also leads CGI's U.S. financial markets infrastructure activities, including CGI's participation in the Federal Reserve's Faster Payments task force and other industry activities.

In addition, Bernie is CGI's representative for the Banking Industry Architecture Network (BIAN) General Assembly.

Under Bernie's leadership, CGI teams continue to support banking clients' digital transformation initiatives by delivering practical innovation on both the "run" and "grow" sides of those clients' agendas. On the run side, CGI drives efficiency improvements by leveraging its proven expertise, industrialized processes, and intelligent automation across industries. On the "grow" side, CGI continues to bring new innovation in such areas as customer experience and digital engagement, real-time payments, blockchain/distributed ledger technology, APIs, and open banking.

## Frédéric

Frédéric Evrard, Vice President, is a leading CGI expert in Luxembourg with a focus on the growth and diversification of multiple industries, including banking, insurance, the public sector, telecommunications and retail.

He is responsible for CGI's strategy in Luxembourg and enables CGI to be an essential solution innovation partner to clients. With 18 years in the banking and IT industry, from business to consulting, Frédéric has a wide range of experience in management, strategy, sales, program and account management, as well as entrepreneurship.

After earning a master's degree in finance and a master's degree in economics from the University of Toulouse, Frédéric became a finance manager, economist, and risk management expert at Fortis Assurances-Luxembourg, ABN Amro and Reuters, respectively. He continued his career as a consultant and sales director at Accenture. Then, as an entrepreneur, he founded, expanded and sold an e-money company. Since 2016, Frédéric has been CGI's Country Managing Director in Luxembourg.



# CGI's experts discuss: Extending the bank

In a series of conversations, CGI banking experts discussed four critical areas of banking transformation: modernizing, extending, protecting and digitalizing the bank. This overview shares highlights from the “Extending the bank” roundtable, which included Jerry Norton, Vice President, Global Banking at CGI, and other CGI banking leaders from the U.S. and Europe, including Bernie Mongilio, Manoj Mishra, Rick Kotermanski and Frédéric Evrard.

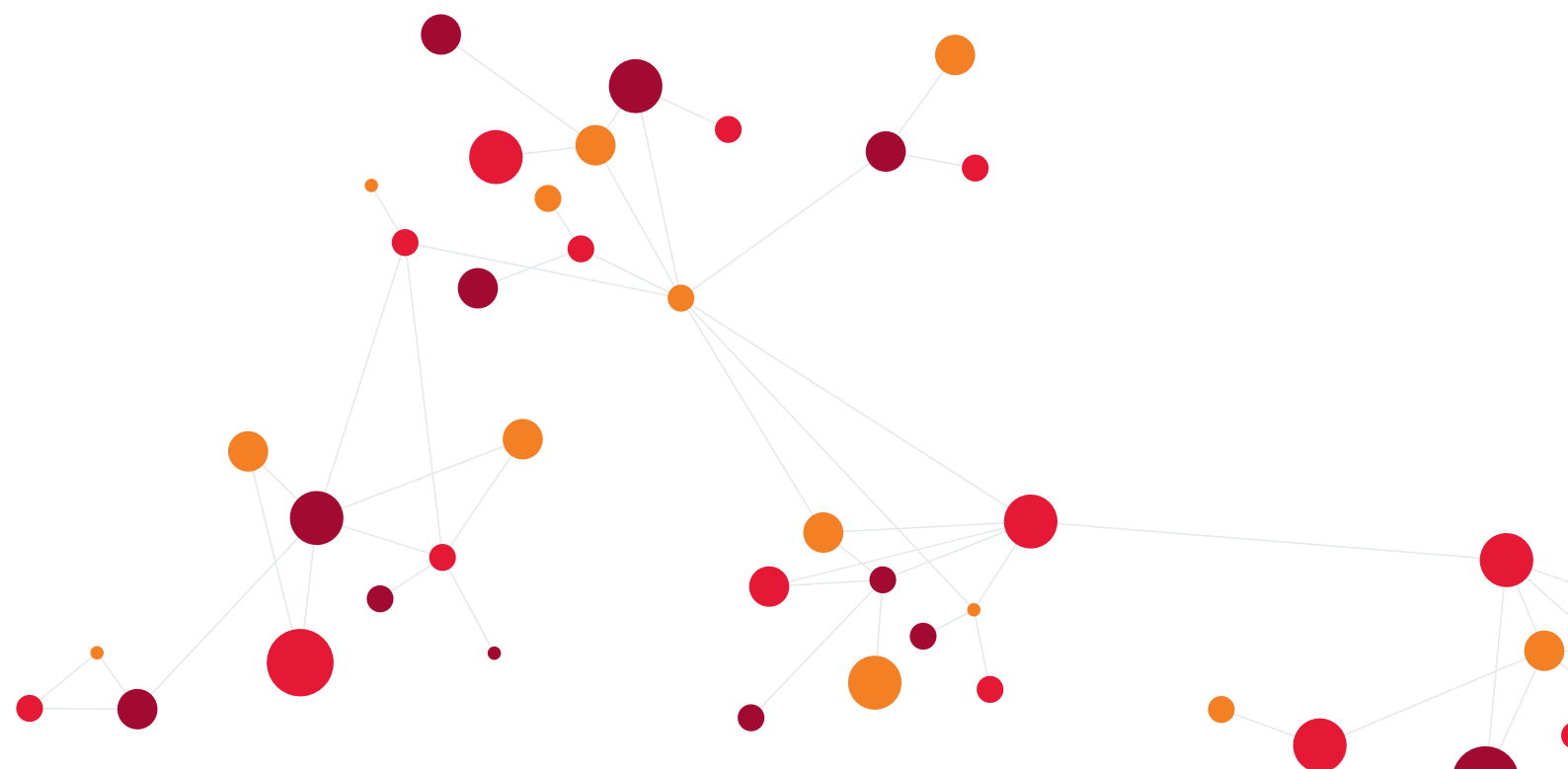
## What does it mean to extend the bank?

**Jerry:** Traditionally, banks have manufactured, distributed and managed products and services. The concept of extend describes how this traditional model is changing as the value chain becomes unbundled, the bank ecosystem expands, and other parties become involved in these activities either in collaboration or competition with the bank.

**Manoj:** Extending the bank also involves extending its reach to customers. Banks have a great opportunity to extend their customer base through transformation, such as open APIs. In addition, it involves extending traditional business models to include new ways of operating.

**Bernie:** Absolutely, banks are looking for ways to engage partners and develop new value propositions. Partners can enable banks to offer new products and services or acquire new banking capabilities. While banks seek to remain central players in the overall ecosystem, they understand the value partners can add.

**Rick:** Yes, and it is technology that enables banks to connect more intricately to customers in real time for less effort and cost. This is expanding their ability to provide higher value services—services that extend beyond traditional branch, online or phone services.



## What are some of the key drivers behind extending the bank?

**Jerry:** Regulation is a clear driver, such as the Revised Payment Services Directive in Europe and the move to open banking in the UK and Australia. New regulatory schemes are stimulating innovation and competition, driving new banking models, products, services and customer experiences. There also are broader market trends, such as the emergence of new competitors, including giant technology companies that are changing how customers shop for and purchase traditional products and services across sectors. In addition, societal and demographic changes drive new customer expectations in banking, such as the desire for electronic channels.

**Bernie:** Competition is a huge driver—from traditional banks that are extending themselves and from non-traditional players that are entering the market. With the move to digitalization, we also see a shift in customer focus—from the service provider to the service. Mortgages, for example, are not about getting a mortgage, but about getting a house, and customers focus more these days on how quickly and easily they can get a mortgage versus who provides it. The financial side of transactions has become less central, along with the traditional financial role of banks, as customers continually seek a better experience. To stay competitive, banks are under pressure to extend their traditional financial role.

**Frédéric:** Interestingly, at CGI, we have non-banks coming to us to ask for help in setting up digital banks. In addition, companies in other industries like telecommunications and retail are interested in CGI Open Finance, a solution originally designed for banks to optimize the opportunity of open banking. These companies want to leverage their customer data to provide new banking-related services, and this is beginning to put pressure on banks to extend.

## Do opportunities for extending the bank vary based on bank type or size?

**Jerry:** There are equal opportunities, but different challenges. A small bank, for example, might have difficulty in making a major technology shift. However, it could still strategically decide to continue distributing through branches. Its path to extension would simply be different from a larger bank. On the other hand, while it might be easier for a large bank to invest in technology, its multiple locations might create a challenge in understanding overall customer needs and satisfying different customer segments. Therefore, in practice, there will be differences in market opportunities for different sized banks.

**Bernie:** Yes, I agree. For example, there are approximately 6,000 banks in the U.S. Some are small community banks. What would extending the bank look like to them? A key challenge for them would be connecting with third parties. Many rely on outside providers to manage their IT, and they lack the means on their own to pay for and set up the IT infrastructure required for third-party integration and collaboration.

**Manoj:** We see, however, smaller banks taking advantage of FinTech collaborations, which give them access to open APIs, digital platforms and other technologies to extend their offerings and compete with larger banks. Smaller banks, however, that rely only on their internal technology capabilities will lose market share by not fully adapting themselves to market changes.





## How should banks go about extending their businesses?

**Jerry:** Extension is an inevitable strategy and process that banks will need to pursue, but not necessarily right away. Our recommendation is to start thinking about the big picture and your future role. Do you want to be a manufacturer, distributor, or both? How do you want to partner with others? Then, think about the technology you'll need. What type of software, for example, will you need to connect with third parties? Business processes for allowing access, data security models and regulatory compliance also are key considerations.

**Bernie:** Right, it's important to figure out what you want to be in the future. In addition, there are banking leaders that are already extending, so this isn't a theoretical concept. It's happening as we speak, so it's important to start thinking about it. Extending the bank involves a new kind of strategy and business model. It's not about technology. It's all about a bank's long-term view. How does it see the ecosystem and its role within it? What's needed to enable that role?

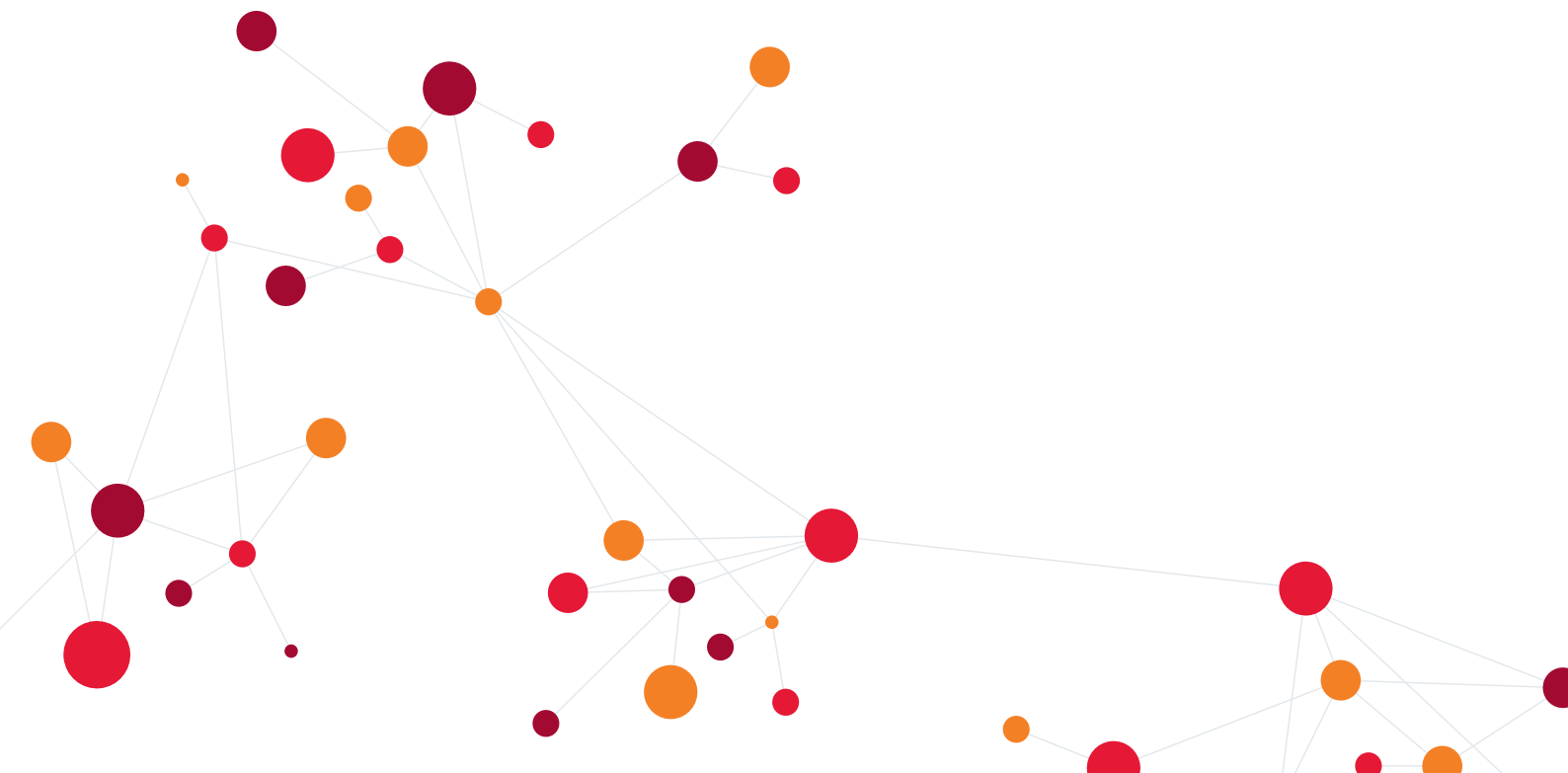
CGI helps from the beginning in the conceptualization and design process. We bring together the lines of business, IT and subject matter experts to design new business models and services and implement the right supporting business and IT architecture .

## What role does emerging technology play in extending the bank?

**Frédéric:** Emerging technology plays a major role, as it would be very difficult to implement some of these concepts in an older style technology world. Predicting demand is difficult, so on-demand cloud architecture is important. Security, open source, APIs, XML and authorization protocols are other key technology considerations, along with a new technology framework.

**Manoj:** Many banks have legacy constraints, which can slow them down in extending their business for the future. These constraints are not only technology related, but also process related. Both new technologies and processes are required to extend the bank successfully.

**Rick:** Thinking and operating in siloes can be a hindrance. A holistic, big picture business and technology view is required. Also, agile and DevOps technologies and processes can help banks move faster in preparing for and implementing the necessary changes while minimizing risks.







CGI

## A partner for transformation

Since our founding in 1976, CGI has been at the heart of transformation in the banking industry. Today, we support more than 500 financial institutions worldwide, helping to deliver a broad range of digital IT and business strategies, services and solutions. Our deep understanding of the complex global challenges banks face coupled with our strong local relationships enable us to build long-term partnerships that drive success.

CGI's Digital Transformation Practice is anchored around helping clients create a more agile business, one that can continuously respond to changing market and customer needs. CGI has built its practice around providing the end-to-end capability that clients need to enable their transformation and agility. We have more than four decades of experience in helping leading organizations across the world, move forward with their innovation and transformation agendas while helping them elevate their legacy infrastructures.

If you're interested in learning how we can support you on your transformation journey, contact us today. One of our consultants would be happy to help you.

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