

## The Future of Open Finance

An Interview with Simon Paris, Chief Executive Officer, Finastra

**EDITORS' NOTE** *Simon Paris is responsible for Finastra's strategic direction and growth. His leadership steers the company as it realizes its open platform vision, encouraging industry-wide collaboration to spark innovation and transform the next generation of financial services. Paris chairs the World Trade Board and is passionate about how technology and open trade can drive financial inclusion and improve people's lives.*



Simon Paris

*He also serves on the Board of Directors for Everbridge, a critical event management (CEM) software company, and Thomson Reuters. A Fintech thought leader, he speaks regularly at large-scale events including the annual World Trade Symposium, Paris FinTech Forum and the Milken Asia Summit. He is a strong advocate for diversity and inclusion and has also been named in Bank Innovation's Innovators to Watch list for 2018. Paris joined Finastra (formerly Misys) as President in 2015, was appointed Deputy Chief Executive Officer in 2017 and became Chief Executive Officer in June 2018. He brings more than 20 years of sales, management and global leadership expertise to the company, having previously held the role of President, Industry Cloud, at SAP. Earlier, he was a senior consultant with McKinsey & Company. Paris holds an MBA from the INSEAD Business School in France and a bachelor's degree in business and European languages from the European Business School.*

**COMPANY BRIEF** *Finastra (finastra.com) is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Its open architecture approach brings together a number of partners and innovators. With a global footprint Finastra has \$1.9 billion in revenues, 9,000+ employees and more than 8,500 customers.*

**Will you highlight the history and heritage of Finastra and how the company has evolved?**

We often refer to Finastra as something of an anomaly when you think of a fintech startup – with 9,000 employees around the globe and a combined heritage of 200 years, we are not your typical start-up. Finastra was born in the summer of 2017 when we merged two established financial services technology giants; Misys and D+H. To absorb one into the other's name would neither have been just, nor

would it have reflected our own digital transformation as well as the launch of our open platform, FusionFabric.cloud. Given this, we knew it was a chance to redefine and relaunch the two organizations with a new brand, vision and vitality. And so Finastra (“finance” plus astra – a new, bright star) came to be. Finastra equals the star of financial services.

Finastra truly combines the best of both organizations' DNA – the depth and breadth of financial services technology, a customer base of over 8,500 and an incredible ecosystem of employees and partners. It also gave us the opportunity to transform ourselves. We started by applying design thinking; what do our customers need today, what will they need tomorrow, and realistically – what do they need in the future?

We understood that soon our solutions alone wouldn't be sufficient to keep pace with the innovation and collaboration that was happening all around us. Rather than tie customers into restrictive contracts, we knew that we needed to provide an open space for them by making our solutions open to capitalize on the vast world of innovation happening outside of their, and our, doors. This was the big idea behind Finastra – that the “Future of Finance is Open.”

We embraced the open movement and launched our platform, FusionFabric.cloud, which is the enabler of rapid innovation, reduced development cycles, accelerated collaboration and the gateway to the future of open finance. We knew that this decision, handing our customers the keys to their own innovation journeys, may lead to an element of cannibalization of our own role within the relationship, but ultimately providing our customers with a future-ready roadmap was the key to our own transformation as well as protecting our customers' longevity and relevance.

**What have been the keys to the strength and leadership of Finastra and how do you describe the Finastra culture?**

We believe that the future of finance is open. Open technology, open APIs, open standards, open ecosystems, open banking – any of us would be hard-pressed to think of one of today's most successful organizations that isn't “open” in most respects, whether it's creating a platform that brings any citizen or business to a global marketplace or connects third party analytics and data to better shape the customer experience. The future is open.

As such, we ensure that our commitment to open permeates every aspect of our culture. It started with a small, but significant, step – to invite everyone to “bring their whole selves to work.” Dress as you like and be yourself. This lit the fuse that absolutely ignited an open culture revolution within our organization. We've redesigned our workplaces to better facilitate collaboration and creativity with more communal spaces. We've redesigned our working policy around OpenWorking, so that people are free to work with flexibility, from home or office and across a global network of thousands of “hubs.” We've redesigned our approach to holiday time so that we're focused on employee well-being and have just launched our uncapped vacation policy. We talk openly about mental health and well-being. We've invested heavily in tools to facilitate open collaboration. We've run many global hackathons, open to developers, universities, fintechs and beyond to spark innovative ideas that will shape our future. And we've put ourselves under intense scrutiny at every step, to ensure that what we're doing is inclusive, empowering and reflective of our commitment to openness, fairness and equality.

I'm honored to have a leadership team and workforce of 9,000+ people that reflect these values every day, in every action. We champion working groups, such as mental health in the workplace, LGBTQ+ inclusion, diversity, racial equality and the eradication of bias – in our workplace, in our technology and in our products.

**How has Finastra adapted its business to address the challenges caused by the pandemic and how proud are you to see the resilience of the Finastra workforce during this challenging and uncertain time?**

When the pandemic struck, we acted fast under pressure to safeguard our workforce, our

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customers’ business continuity and our own business stewardship. It took Finastra less than two weeks to move over 95 percent of our workforce to home working (some staff remained on site for regulatory purposes), while ensuring the absolute, uninterrupted continuity of services. I read in a McKinsey report that overall, organizations transitioned 40 times faster than their pre-pandemic estimates; it certainly felt like that for us.

We also transitioned to remote service delivery – from project designs to implementations to upgrades – with exceptional speed and agility; in the first three months of lockdown, we delivered literally hundreds of projects remotely. This is something that Finastra had been working towards anyway, being conscious of the environmental impact of air travel and with the aim of being carbon-neutral by 2030, and the pandemic accelerated this significantly and has created a blueprint for success. When we can employ remote testing, remote implementations and remote go-lives at a lower cost to our customers and to the environment, it’s difficult to imagine going back to the pre-pandemic model. I sincerely hope that this is one pandemic change in behavior that becomes ingrained.

Regarding your question on pride and resilience, I was frankly overwhelmed by the way our entire organization leaned in to support each other during the hardest and darkest of times. I saw hope and optimism, I saw acts of selflessness and compassion, I saw tenacity and courage across our entire global workforce. I saw technology used in the most extraordinary ways – to fundraise, to engage, to connect, to better physical and emotional health, and it made me feel incredibly privileged and incredibly humbled at the same time. Proud would be an understatement.

**Finastra is a purpose-driven company. How critical is purpose to Finastra’s mission and do you feel that it is a responsibility for leading companies today to focus on more than just the bottom line?**

I’ve been in this industry for three decades and can honestly say that I feel the world is on the edge of a new dawn. For those that know me, I am unapologetic about my views on purpose being at the heart of business. Whether it’s around how digitizing trade has the power to prove the provenance of a diamond or of palm oil, whether it’s about the power of technology to provide affordable, accessible and fair financial services to excluded communities, or whether it’s around the notion of privilege and how we all have a part to

play in creating better, fairer outcomes, it is our job as leaders to make sure that everything we do is for the betterment of the world.

We’re also acutely aware of our responsibility to minimize our impact on the environment and reduce emissions. Committed to being carbon neutral by 2030, our environment mission includes managing our own travel and carbon offsetting programs with employees taking part in activities like planting trees and supporting our customers in reducing their carbon footprint too, through the digitization of processes and paper reduction that our technology enables.

Every step we take must be a step towards a better future. Our children will one day look back and be astonished that companies were measured by profit or productivity. Today, we all focus on the triple bottom line; people, planet and profit. The ESG and CSR movements are not fads, they are new permanent expectations of good business.

At Finastra, our technology has helped our customers navigate through the dramatic change of the pandemic. Of course, with this fortunate position comes the responsibility of “lifting as we rise” and ensuring that we continue to drive through our own initiatives around social impact, such as reskilling and community empowerment, as well as products and solutions that help our customers to address the challenges of financial inclusion, financial literacy and racial equity.

**Will you discuss Finastra’s focus on redefining finance for good and its efforts to lift others?**

Of course – it leads on from my last point. Financial services, and industry at large, is at a pivotal moment to not just “go back” to how life was, but to explore ways to build back better. At Finastra, we call this notion “redefining finance for good.” There is much inequality in the world – in credit decisions, access to financial services, affordable SME loans and more, and the pandemic has unfortunately had a far worse effect on those already suffering. Black-owned businesses were around two and half times more likely to close than white-owned businesses during the early stages of the pandemic, and the average cost of being unbanked is around \$3,000 in fees and interest payments per person. Once you realize the scale of the inequality, you understand the vicious circle that is created when you don’t tackle it head on.

We understand the conduit that our ecosystem – of customers, partners and fintechs – can have on redefining financial services to create better, fairer outcomes. A quick acid test of the power

of the network came about last September when we realized that just a few of the cumulative efforts by our community could result in nearly 10 million lives being positively impacted. That’s incredible, and testament to all of our network being committed to improving, not just rebuilding.

As an organization, we are highly-committed to championing a better world. Our teams are involved in worldwide efforts to remove bias from credit decisions, improving transparency in machine learning models, increasing the opportunities to boost fledgling ideas through funding and incubation, by way of our hackathons and more.

**What do you see as the keys to effective leadership and how do you define your management style?**

Leadership styles change over the years, but people increasingly gravitate to leaders who exhibit humanity, those who can relate to workers as individuals with their own needs and priorities. They also prefer leaders who possess a vision for what might be – those who imagine how things could be done, rather than limiting their thinking by framing decisions in the context of what they already know or what has always been done. People respect leaders who can clearly and logically convey why choices are made to enable company progress. The Greeks referred to these essential qualities as “ethos,” “pathos,” and “logos.”

- Ethos – translates to empathy, leaders with the insight and motivation to understand the perspectives of those they work for and with.

- Pathos – a quality that allows leaders to consider what is possible or what might be achieved if teams of people can move forward together.

- Logos – refers to logic, the reasons why enterprises do the things they do. People trust leaders who make it a priority to explain the “why” of their business decisions.

**What advice do you offer to young people beginning their careers during this difficult and unprecedented time?**

With the majority forced to work remotely, it can be difficult to feel connected. Choose a career with purpose – one that aligns with your vision for the world. Recent research I saw finds that when comparing people who say they are “living their purpose” at work with those who say they aren’t, the former report levels of well-being that are five times higher than the latter. Moreover, those in the former group are four times more likely to report higher engagement levels. ●