

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. He also serves on the Board of Directors for



Simon Paris

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, 8,000+ employees and more than 8,500 customers.

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

Sure – and I will try to keep it short as this could be a long answer. Back in 2017, Vista Equity Partners merged two well-established financial services technology companies, Misys and D+H, to create Finastra. Between them, they had many decades of software and technology heritage, as well as the broadest, deepest suite of FS products and services. We named the company Finastra – Fin for Finance and Astra for star, i.e., a new Fintech star was born.

As we brought the two companies together, and targeted the business for growth at scale, we rationalized over 100 products to 17 growth areas (14 products, two marketplaces and one open platform), and now serve around 8,600 institutions in around 130 countries around the world, and employ more than 8,000 people.

What have been the keys to Finastra's industry leadership and how do you describe the Finastra difference?

The driving, even the defining, vision when Finastra was born was our resolute

belief that the future of finance is open. We announced it in 2018, and it's fair to say that not everyone across the industry was on board with the idea. Open banking back in 2018 had still yet to really take off, and there we were, talking about Open Finance, open APIs, open platforms, open ecosystems, and an open culture. But we knew that open was the only way to go to truly unlock innovation and the potential of people, businesses, and communities around the world. I'm delighted to say that we have recently changed our strapline to say, simply, "Finance is open." We're firmly in the future that we envisaged, and open really is our differentiator.

How critical is innovation for Finastra and how deeply is innovation embedded in Finastra's culture?

I would love to say that our customers' innovation all stems from Finastra but, in fact, we were sufficiently self-aware to realize that we could only hope to deliver a fraction of the innovation happening today in the industry. True innovation comes from everywhere and from collaborating to unlock it. In fact, we said, "Collaboration is the new Innovation," so I suppose you could say that we applied process innovation to empower our customers to collaborate and co-create. Of course, this doesn't mean sitting back and waiting for it to happen – we continue to innovate at speed with our world-class strong developer talent, agile product sprints, hackathons and so on, all underpinned by our investment into data science and services. The industry is in a constant state of innovation, and it's such an exciting time to be in financial services software and technology.

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

It refers back to the notion of open finance and open collaboration as the catalysts for fairer, more accessible access to financial services. It’s always simpler to look at historic challenges and how open finance can overcome them – let’s take trade finance, for example. The SME sector employs most of the world’s population, yet it is critically underserved when it comes to access to finance – the trade finance gap is estimated to be \$1.7 trillion. SMEs and MSMEs don’t have access to lenders that can provide affordable finance, or the tools to get invoices paid faster and free up their cash. There is no simple fix, but by using a collaborative ecosystem, you can create a marketplace that includes alternative lenders, fintech solutions that reduce the time for onboarding SMEs, and reduce the risks associated with shorter credit histories. Equally, when you think about financial inclusion and the fact a third of the world’s population is unbanked, you connect banks with third parties that provide financial education, or fintech solutions like mobile payments or digital wallets – all using an open platform – you can reach those that are living day-to-day with no bright financial future and help them understand and access finance that gives them more options and opportunities. Wouldn’t it be great if all companies collaborated to improve equity and economic prosperity for all?

Will you provide an overview of Finastra’s model for engaging with third-party fintechs?

Absolutely, we are enormously proud of our open platform, www.FusionFabric.cloud.

It’s home to over 200 collaborative and certified fintechs, each bringing their own innovative, complementary solutions to the platform where we can verify and onboard them, so that they have access to our 8,600 banking customers. Open APIs make it simple to integrate to existing Finastra solutions, and new functionalities and features can be expedited and delivered in an agile, iterative way. Our platform is a place to connect and for Fintech innovators to create, deploy, and monetize their solutions. We at Finastra are instrumental in that connectivity. It all comes down to shared innovation, once again.

How critical is it for Finastra to build a diverse and inclusive workforce to mirror the diversity of its clients and the communities it serves?

I’m glad this question has come up, as it is something very close to my heart. I’ve spoken fervently in the past about what I call “locker room antics,” middle-aged white men making middle-aged white decisions. I happen to be a middle-aged white man and I can do nothing about that, but what I can do is absolutely champion diversity and its benefits. I’m delighted to be in the minority of our executive team – 11 of my 13 colleagues are female or of non-white origin and our discussions and decisions come from a far wider view and representation of the world, much more representative of society. We have always championed an open culture as part of our open ethos, and I can say, hand on heart, that when people have the freedom to be themselves, the sense of purpose and engagement is tangible.

What do you feel is Finastra’s responsibility to be a good corporate citizen and a force for good in society?

As I mentioned, I believe that by being open, and working collaboratively across the industry, we truly have an opportunity to change the lives of people, businesses, and communities – we call it “unlocking their potential.” Moreover, we as leaders have the responsibility to drive this through. Profits are one part of the equation, but people and planet count just as much. You can already see the tidal shift – responsible investments, green energy, carbon offsetting (which we offer to all customers housed in our, or their, data centers), green lending, and more. Our ESG commitment is documented in our latest report which lists the ways, from the smallest donation to the biggest community transformation, that we try to help create more positive outcomes. When you channel your purpose into real outcomes, you attract both the type of people that are purpose-driven, as well as the customers that are aligned on creating a better financial future.

What are you most excited about as you look to the future of the industry?

There are so many things, even against this most unsettled backdrop. I’m excited for the opportunity that embedded finance (or BaaS/Banking-as-a-Service) brings – for our customers to scale their reach, relevance, and revenue, and for Finastra to continue to be instrumental in bringing partners together, and for our banks’ customers that can benefit from seamlessly integrated banking, when and where they need it – contextual or conscious. I’m excited because our upcoming State of the Nation global survey of around 750 institutions shows an increasing appetite for, and belief in, open finance. And I’m excited to imagine what the future holds, and Finastra’s place in it. I feel incredibly lucky. ●

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