

ENTERPRISE AGILITY: AGILE FOR NEW ENTRANTS WITH JULIAN SAWYER

TALKING AGILITY PODCAST EPISODE 8 TRANSCRIPT

Welcome to Talking Agility, a podcast from Accenture. Your host is Elitsa Nacheva.

Elitsa Nacheva: My guest today is Julian Sawyer. He is the Chief Operating Officer at Sterling Bank and Starling is what's referred to as a challenger bank. And I'm very excited to dig into Julian's perspective on Enterprise Agility in this episode.

Julian joins me today from his office in London. Welcome to Talking Agility, it's a real pleasure having you.

Julian Sawyer: Hi there.

Elitsa Nacheva: So our conversation today is going to look at what you are doing at Starling Bank and how you're doing it. And as such, I wanted to ask you to introduce Starling Bank to our listeners.

Julian Sawyer: So Starling Bank was created in 2014 by our CEO Anne Boden, who had previously worked in many of the large banks in the UK and in Ireland and realized, actually, there was a change going on in terms of making banking good, making it right, but also technology, which hadn't really made that huge impact on consumers to date. And there was effectively a perfect storm where technology—mobile technology in particular—was becoming powerful enough, was in everybody's hands and also secure enough. At the same time, for a current account or a checking account, where we use that product many times a day and so effectively what we're doing is focusing on putting a device which we look at hundreds of times a day with a financial services product that everyone uses.

So we created — our first product was a current account on a mobile phone for consumers. We've then subsequently launched our SME proposition, so we're offering that to small and medium sized businesses. And our third area of Starling is our banking services, which provides agency or sponsorship services to other banks and other institutions. So, really, when you look under the cover of Starling, there's a lot more than what a lot of people assume which is just a consumer proposition.

Elitsa Nacheva: You have previously said that Starling is using its technology's DNA to debut its new digital features and services ahead of its competition and to innovate faster. So I wanted to spend some time talking about your work at Starling and how agility factors into your business philosophy and ultimately what does it mean to be a challenger bank?

Julian Sawyer: That's a great question, and probably a fairly long one to answer. So, I think if you—I think the first thing to realize is that we're a technology company doing banking. And so probably our culture is closer to some of the leading technology companies like a Spotify or a Netflix than it is to some of the traditional banks. And that is really, really, important and I think if you look at what it means to be a challenger or a disrupter in the market it is doing things differently, it is thinking differently. So first of all, it's a very customer-centric philosophy. Everything that we do is about our customer, and that is incredibly important and I think a lot of traditional banks have probably lost a little bit of that focus.

The second thing is that we have no legacy infrastructure. You know, we built all of our core platform and all of our technology is all within Amazon Web Services. So, we've used all the most up-to-date—in terms of technology, in terms of approaches, in terms of how we deliver solutions to our customers is fundamentally different.

And then from a culture perspective it's a very flat organization. We're about 380 people. We're all based in one office in London. But the organization is very flat-structured and so again, when you look at a traditional company, a traditional bank, they'd be sitting there and going, "Well, I've got a risk committee that I'm going to schedule in three weeks time to require sign-off etcetera." If we want to do that today, we can have one today, we can have one tomorrow and again, the decision making process is really important to be very quick, very agile. The appropriate level, and absolutely the appropriate level of governance in control and debate, but not bureaucracy, and I think that becomes really, really important to the level of thinking and execution that we want to have within the bank.

And I think if you—I think that's what really differentiates, you know, a traditional bank and a challenger, it's just that fundamental different way of thinking and executing.

Elitsa Nacheva: That actually leads me very nicely into my second question. How do you build a strong foundational base, because many of your competitors have been in the business for hundreds of years, and as new entrant, is it easier to start clean?

Julian Sawyer: Yes, I mean, without a doubt having a blank sheet of paper when we started at the bank meant that we can very easily work out what the best way of helping our customers and providing great products.

I think if you, again, if you look at the incumbents, they're just burdened with legacy, with bureaucracy and, you know, systems, staff, KPIs that just aren't applicable to the market. And I think this really goes down to focus at the end of the day. If you are totally focused on one product, that means that you can execute with that complete, or put all your energy into that execution. And I think if you look at a medium-sized bank in the UK, they will have—you know—five, ten different current accounts for students, young people, high net worth, premium accounts. We have one. Which means if we want to change our terms and conditions, we do it once. If we want to do a new feature, we tell our customers once, we only have to put it onto one channel which is the mobile phone etcetera. And so, inherently that focus is not just about in the current account space, but it's also just about how you execute on that and having that very simple approach in terms of channel, product, features, is critically important. Now all of that is underpinned with a huge amount of work and investment we've made in our security infrastructure to ensure that—you know—our customers' money is safe, that is absolutely paramount to everything that we do.

But we also then want to be able to execute on features and there is nothing more important than getting a product into a customer's hands. And, you know, everyone talks about minimal viable product but actually it's how you execute that minimal viable product, so getting something out is incredibly important. So, for instance, when we opened—when we decided to go into Business Current Account, it took us twelve weeks to go live with that. That's a whole new—you know—sector if you like, a whole new fundamental product.

And that was all about the focus of execution. And it's really important that we don't spend months and months

overanalyzing every single option and, "Is this the most optimal onboarding journey?" etcetera. But let's get something out, let's see what customers like and what they don't like and then iterate from that place. Now—you know—from our onboarding process we've changed it, I don't know, three times in the last two years. We've optimized it, we've seen where there's operational bottlenecks, we've seen where customers don't continue on a journey. And so what we've done, we've looked at it, we've measured and we've optimized it.

I think if you can deliver software in such a dynamic way where you've got, typically, we released software, three, four, five times a day. What it means is that you can iterate and deliver a whole range of different options and then listen and learn to what customers want.

So we've got our range of features. For instance—you know—we've got a Gambling Block, we've got a CardFree so if you have a—you know—if you've forgotten your card, or if you've lost it, then you can lock it so it doesn't get used by anybody and then you find it at home and you can then unlock it. These little features are just really, really straight forward for us to deliver. And it's about getting it out there, seeing what customers like, which features do they love, and then iterate from that. And it's just a fundamentally different way of executing that I think is the difference between, as I say, ourselves in a very agile world and the incumbents.

Elitsa Nacheva: No indeed, and it's a really fascinating way to think about how it took you only twelve weeks to go live, it's pretty fascinating and pretty impressive.

On a day-to-day basis, I'd be curious to understand, how does Starling strike a balance between growth and stability and do you fear slowing down as you grow when you're looking to scale?

Julian Sawyer: That's a good question. I think if you look at Maslow's hierarchy of needs, safety and security is the first and primary level. And I think we expend huge amounts of time and money ensuring that our platform mobile app is safe, your money is safe and secure, that your data is safe and secure, and that is really, really important. And we will never underestimate how much time and investment that we place within that.

But as we grow—you know—that doesn't actually replicate itself in more time and effort, because actually our focus is on new features. Which means that, essentially, we've got an underpinning foundation, if you like, of everything is safe and secure and yet we're then we're building on new features. And a lot of this then goes back to the focus—and I don't want to be boring on this podcast—but if you've got that focus and execution, then you are in a very different position because you can iterate lots of features incredibly quickly. And so, therefore, we fundamentally believe that our structures and our governance and also, you know, the people we've got, our amazing staff, our great software engineers, our great subject matter experts within the bank who are able to understand what is required and articulate it clearly and robustly and then put it through the lens of the customer and then we can get things out.

So we don't spend huge amounts of time planning. We don't do lots of Gantt charts or project managers and business analysts and all those other things. It's much more important just to do something, get it out to the customer. And so, I don't think as we grow that is going to fundamentally change. Yes, we will have to put a little more structures in because we'll have—you know—more software engineers, we'd have more subject matter experts across the bank, but essentially, it's got to be more of the same because it's part of our DNA and I think that bit is often lost when people go, world

incumbents come and—you know—eat our breakfast but the fundamental difference is here that our DNA, our ways of execution, our ways of decision making is so fundamentally different that I think that we will be accelerating our delivery capability rather than them slowing down. And I think that understanding that is important.

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Elitsa Nacheva: Accenture research has identified there are a number of key factors which are really well known to contribute to enterprise agility and some of them you mentioned that the decision making—the speed in decision making—the way you handle risk, the ways of working, the technology, of course, they all contribute to enterprise agility, so you do embody what an enterprise agility organization is.

I wonder if we can shift a little bit of direction of our conversation to your talent strategy. I understand that Starling Bank is growing quickly. So how do you characterize your workforce in comparison to other, more established institutions?

Julian Sawyer: It's really interesting in terms of—you know—being a start up in a high growth, and in terms of then how would you then develop the culture. And I think there's probably two different aspects I would point out at this point. And we're talking industry about fintechs, and I think what's really important is that you've got an equal measure of fin—Financial Expertise—and an equal measure of technology expertise. And I think there's a lot of fintechs who are fantastic at tech but just don't understand the fin. And there's a lot of fin companies who wish they were very good at tech but actually can't actually execute it.

And I think what is critically important is that—you know—everybody from our risk compliance finance functions have come

from banks who've come from many, many years of experience of doing their job and the controls and the risk management etcetera. And then you look at our product team and I think the vast majority of them have not worked in banks. You look at our software engineers, again the vast majority of them have not because we don't need them to have worked in a bank. We need people who are thinking about the customer, who are delivering technology in new ways and those, that leadership isn't coming from financial institutions; it's coming from other industries that have been transformed. And so, I think you look at this and you go, "What is that fin and that tech and what balance have you got?" So what's really important is we've got the right people in the right roles in terms of talent.

And I think the second point I would talk about is, if you look at the culture here, it's high-performing. All of our staff are amazing, they are strong, they are bright, they're inquisitive, they are curious. They—if they don't know the answer to something, they know how to get it to the answer. It is—having used to work at Accenture many years ago; the culture is pretty much like a high-performing consultancy business where everybody is on top of their game. And whether that is someone who is young and has just joined the working life or someone who's more experienced and has come from another organization, it is about people who are absolutely on top of their game and are thinking things differently and are challenging and are happy to be challenged. And I think it's just a different type of person, it's a different type of pace—you know—this isn't about internal PowerPoint's, we don't do PowerPoints internally. Therefore there isn't as much stakeholder management about politics and about aligning yourself to different fractions etcetera. This is about doing your job and doing your job for our customers, and I think a lot of that is some of the essence of a lot of the successful technology companies, a lot

of their successful challengers and disrupters in other industries. I've just bought some really, really clever people and created an environment for them to thrive.

And—you know—and it's a bit of a cliché but it's not about the bean bags, it's not about the table tennis—which we do have, I do honestly admit we do have both, but it's not about that. This is much more in-depth. It's deeper, it's into our DNA and I think that's the important part.

Elitsa Nacheva: Striking the right balance of Fin and Tech and having the right people in the right roles and having that high-performance culture is what is bringing advantages to Starling Bank.

Julian Sawyer: Yeah.

Elitsa Nacheva: Excellent. I would just add a small question at the end of this one which a couple of people have asked me when I told them that I am speaking to you today, they're really curious and they say, oh, please ask him whether within Starling Bank, within the ways of working you are using daily stand-ups and introspectives which are at the various different ways in which you follow an agile approach and agile methodology. So, do you use those little tricks in methodologies from the agile bag?

Julian Sawyer: Yes we do and it's not just the technology. I think every team will do daily stand-ups, can't think of any team that doesn't. So, if you come into the office at 9:00, 9:15, 9:30, you will see lots of stand-ups happening across the business and I think—you know—that's really important that people, the whole team have got clarity in what's the prioritization, what are we doing and why we're doing it, because I think a lot of businesses forget to talk to their staff about why and what's important. And it's whether we've got a customer or a client or we've got a big opportunity etcetera, but it's, "Why is this important to our customers?

And what are we doing about it?" I think is something that is missed. So I think in any agile organization, it's not just about the tech guys having a stand-up and using those and everyone else going in traditional hierarchical management meetings. It's much more agile, fluid and a much more dynamic culture.

Elitsa Nacheva: It was a real pleasure speaking to you and thank you so much for taking the time to join us at the Talking Agility podcast.

Julian Sawyer: Thank you, Ellie. Appreciate it.

Elitsa Nacheva: I hope you found this episode as insightful and interesting as I did. I want to hear from you about your own experiences transforming for agility. What have you learned? What are you still learning? And what have been your successes?

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I'm Elitsa Nacheva, you're host and I'll speak to you next time on Talking Agility.