



Perspective Shift

Bridging the Gap Between Fintechs & Financial Institutions



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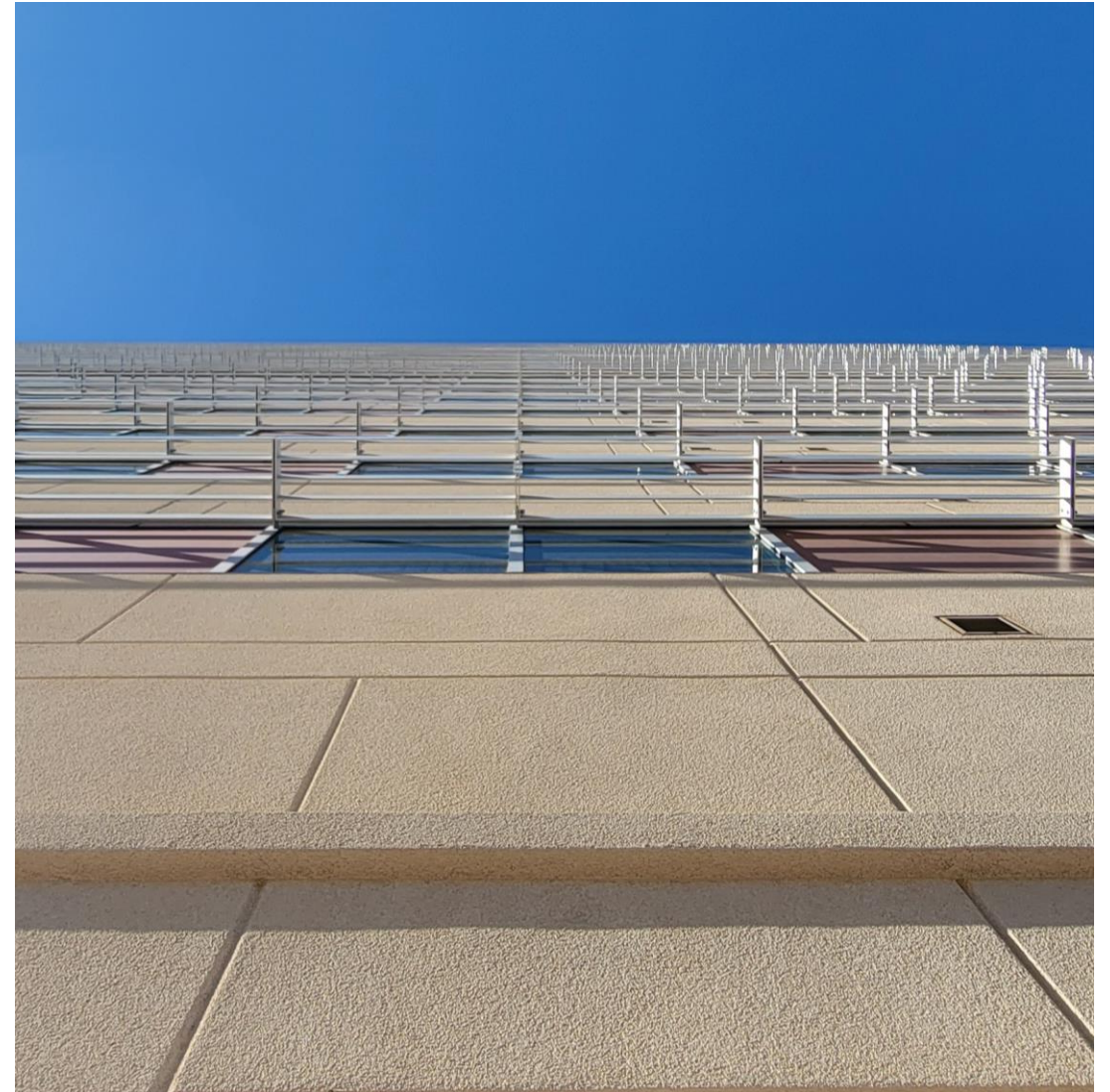
Fractional

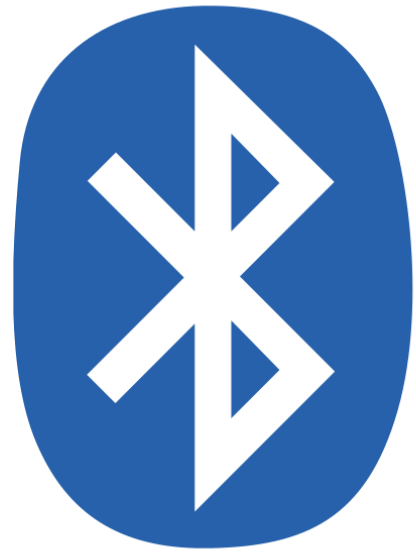
vs

Consultant

- Part of the organization
- Industry experience
- Provides leadership
- Part time
- Advise & implement
- Cost effective

- Outside expert
- Project based
- Works independently
- Augment as an SME
- Diagnose problems
- Develop strategies

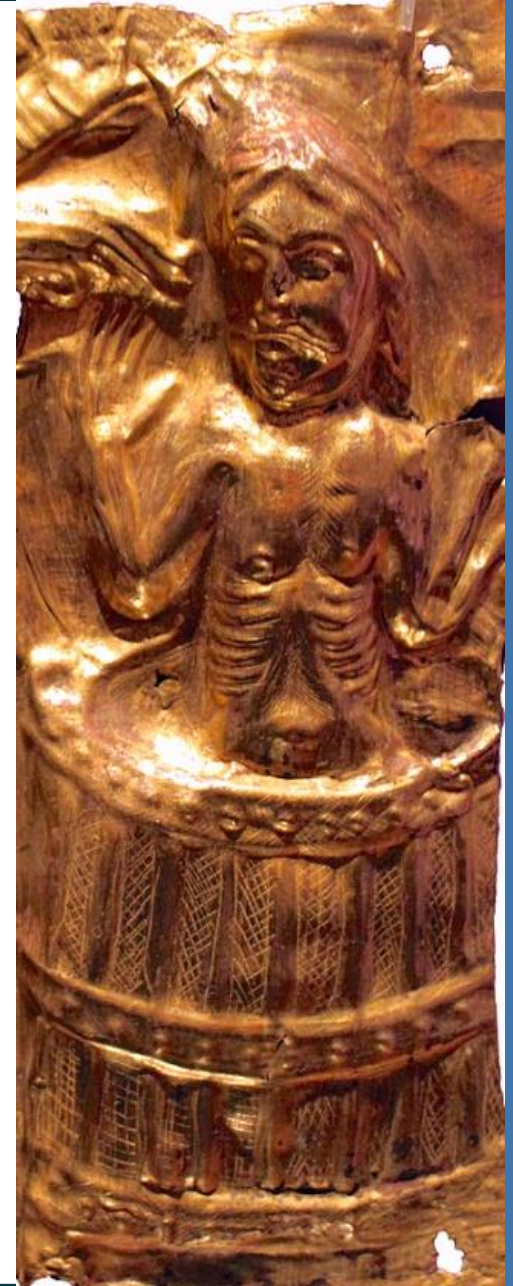




BluetoothTM

Harald “Bluetooth” Gormsson

* hagall and bjarkan





My Story



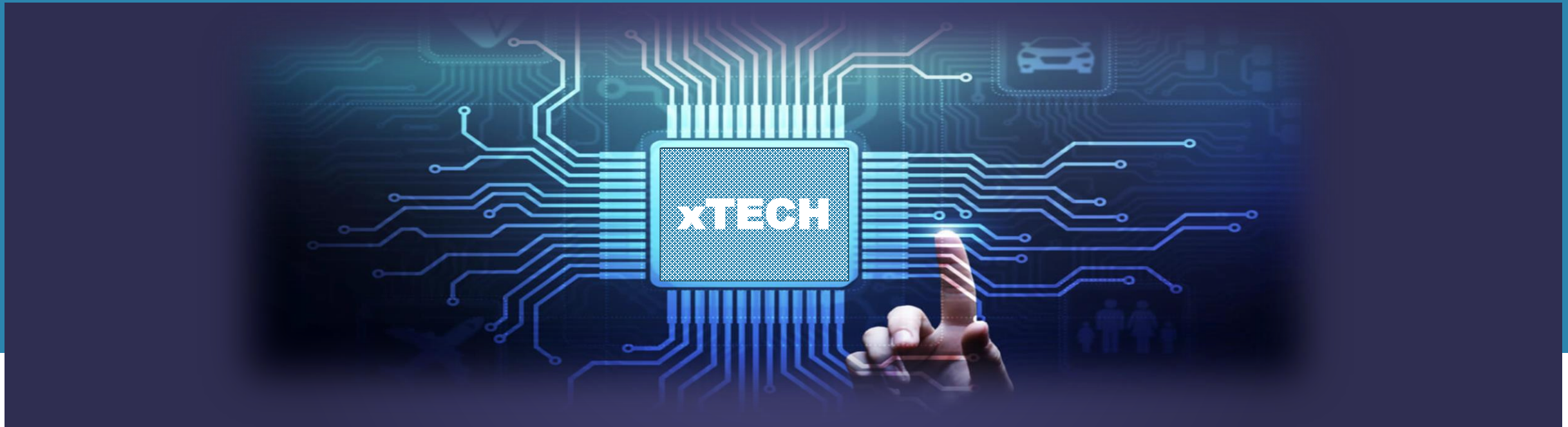
InvesTech



BANK OF AMERICA

THE PATH





Fintech, Insurtech, Wealthtech...Oh My!

The Need for Fintech Relationships



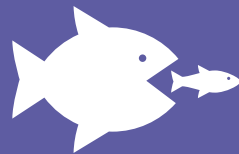
Customer experience & product demand



Technical Advancement – modern rails



Innovation & Specialization



Competitive Edge



The Struggle for Balance

Cost
Reduction

Manage
Risk

Tech
Expertise

Speed to
Market

Global
Expansion

Flexibility
to Scale

Innovation

Regulation

Service
Quality

Business Drivers

Outsource
Non-core
activities



The Risks

Cybersecurity
Threats

Regulatory
Compliance

Technology
Failure

Nth Party

Data
Security

Reputational

Continuity of
Service

Insider Risk





Innovation



Risk



Will Stammers

Design Thinking

Design Thinking

“Design thinking is a systemic, intuitive, customer-focused problem-solving approach that organizations can use to respond to rapidly changing environments and to create maximum impact.” McKinsey & Company

**Innovation of products and services within
business and social contexts**

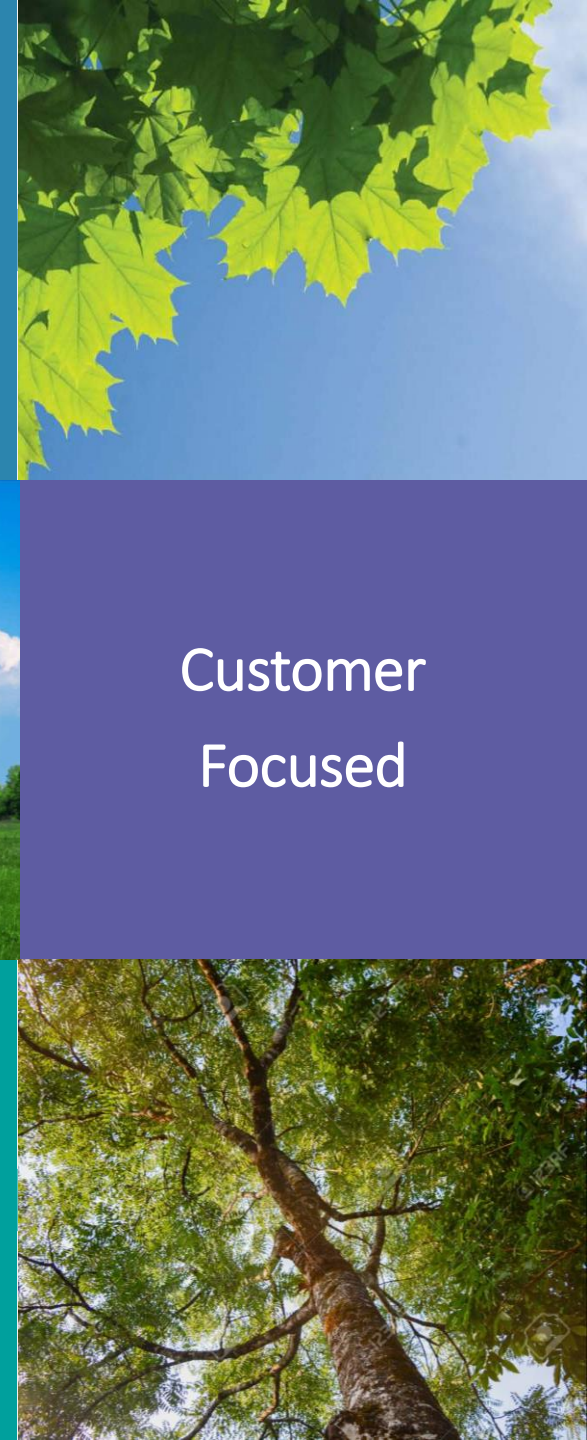
Multiple Perspective Problem Framing is about taking advantage of how everyone has a unique view of seeing things.

Multiple
Perspectives



Customer
Focused

Innovation



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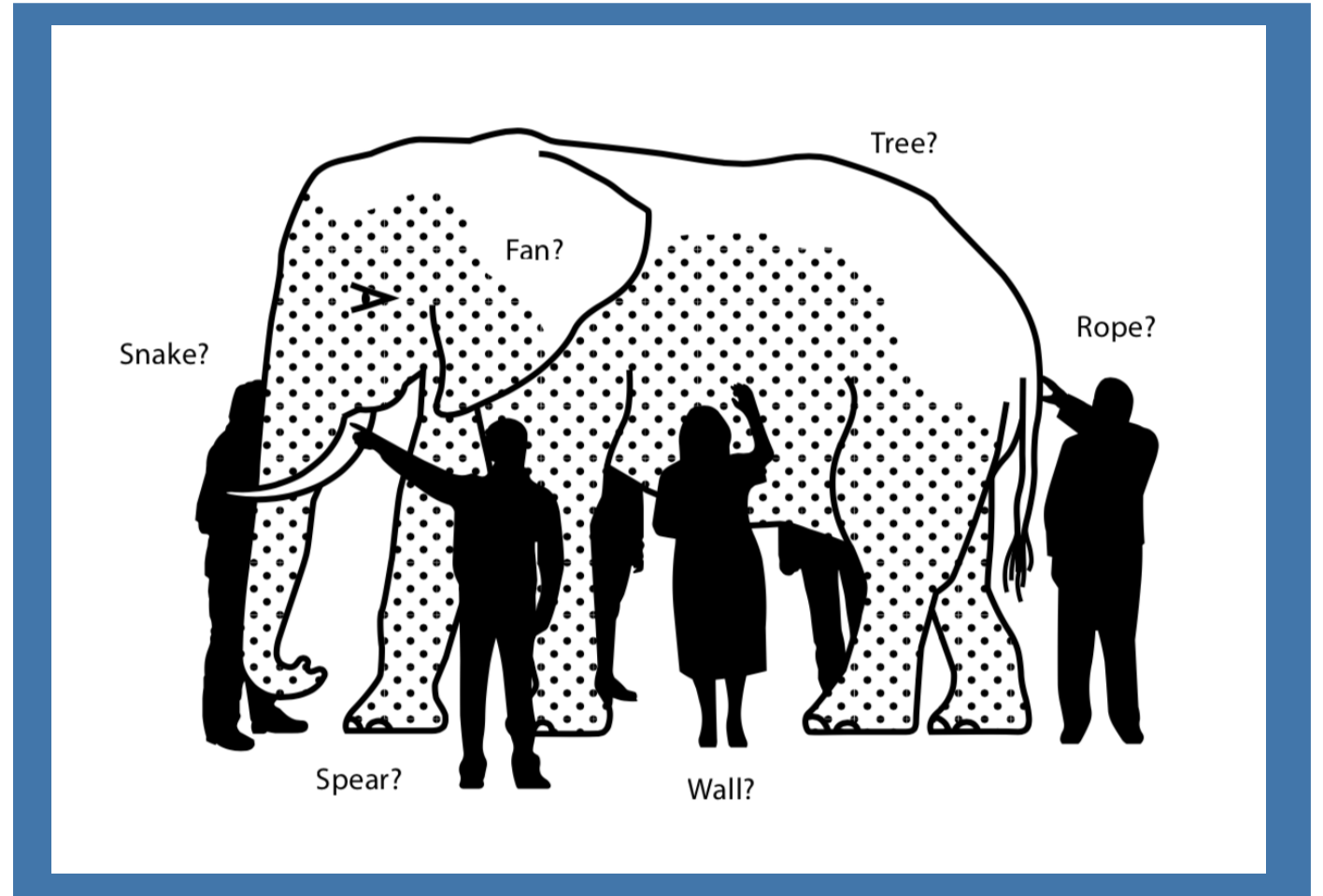


Re-Framing

Perspective

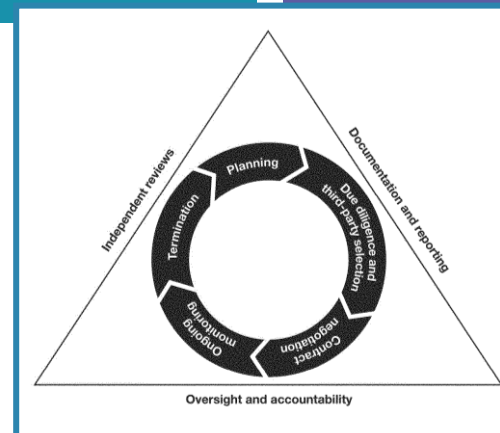
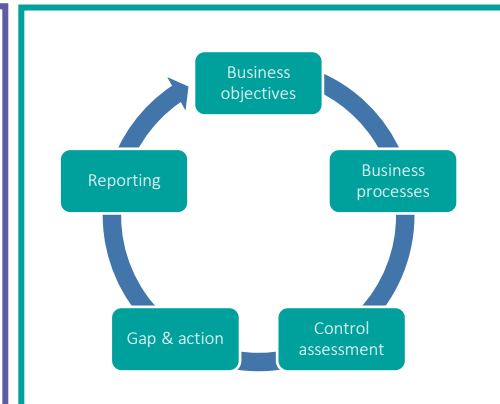
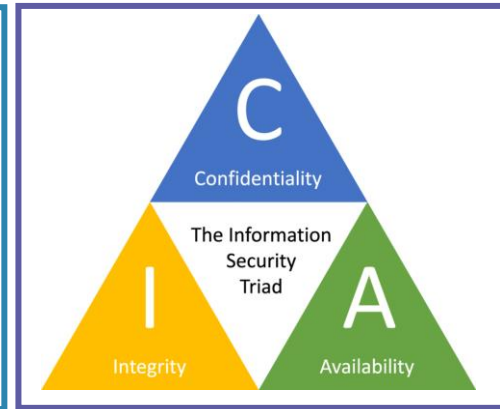
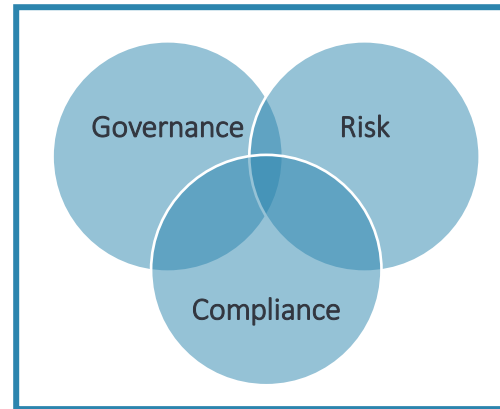
“Insanity: doing the same thing over and over again and expecting different results”

Albert Einstein

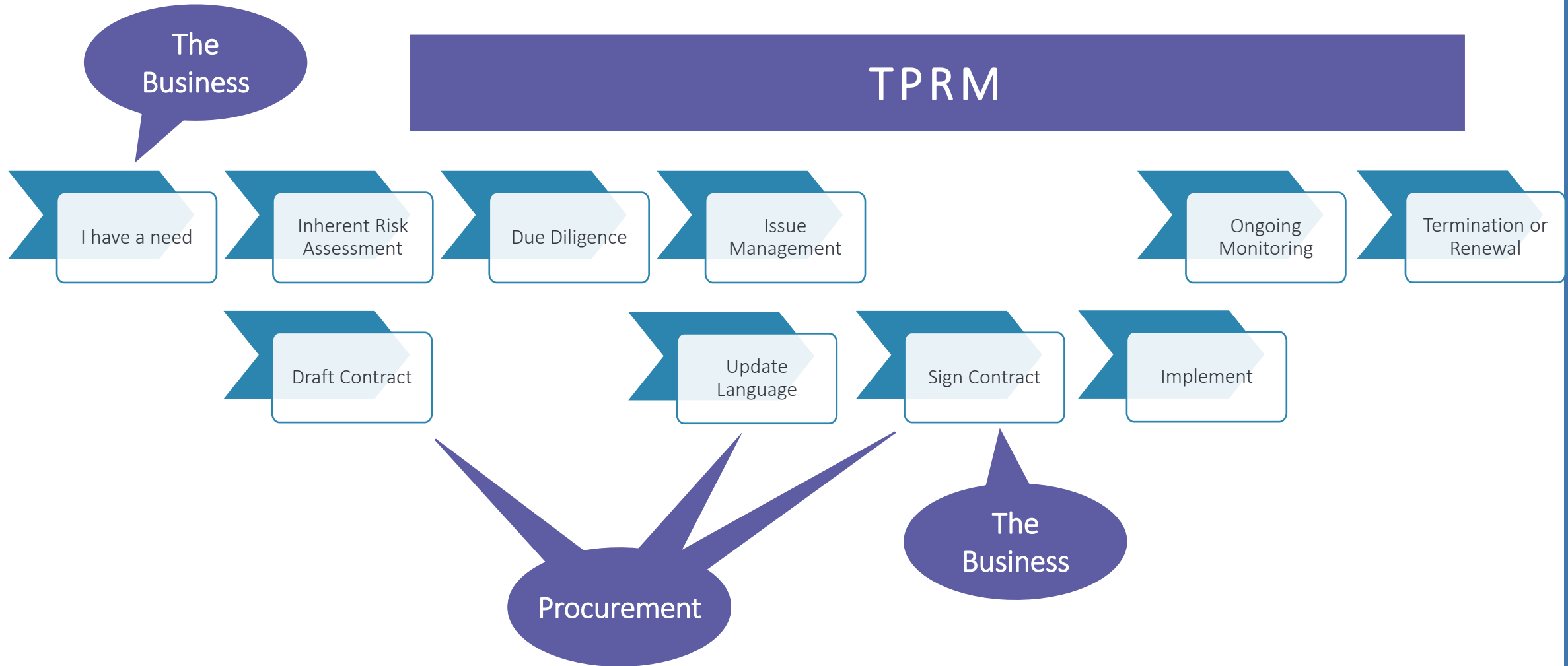


Multiple Perspectives Same Objectives

- Accomplishing established objectives and goals
- Understanding strategic purpose & customer impact
- Identifying and assessing risk
- Encourage purposeful design and implementation of control processes
- Continually improve operating control processes
- The reliability and integrity of information
- Compliance with policies, procedures, laws, rules, regs, and contract language
- Safeguarding of assets; protecting data
- The economic and efficient use of resources
- Continuity of services



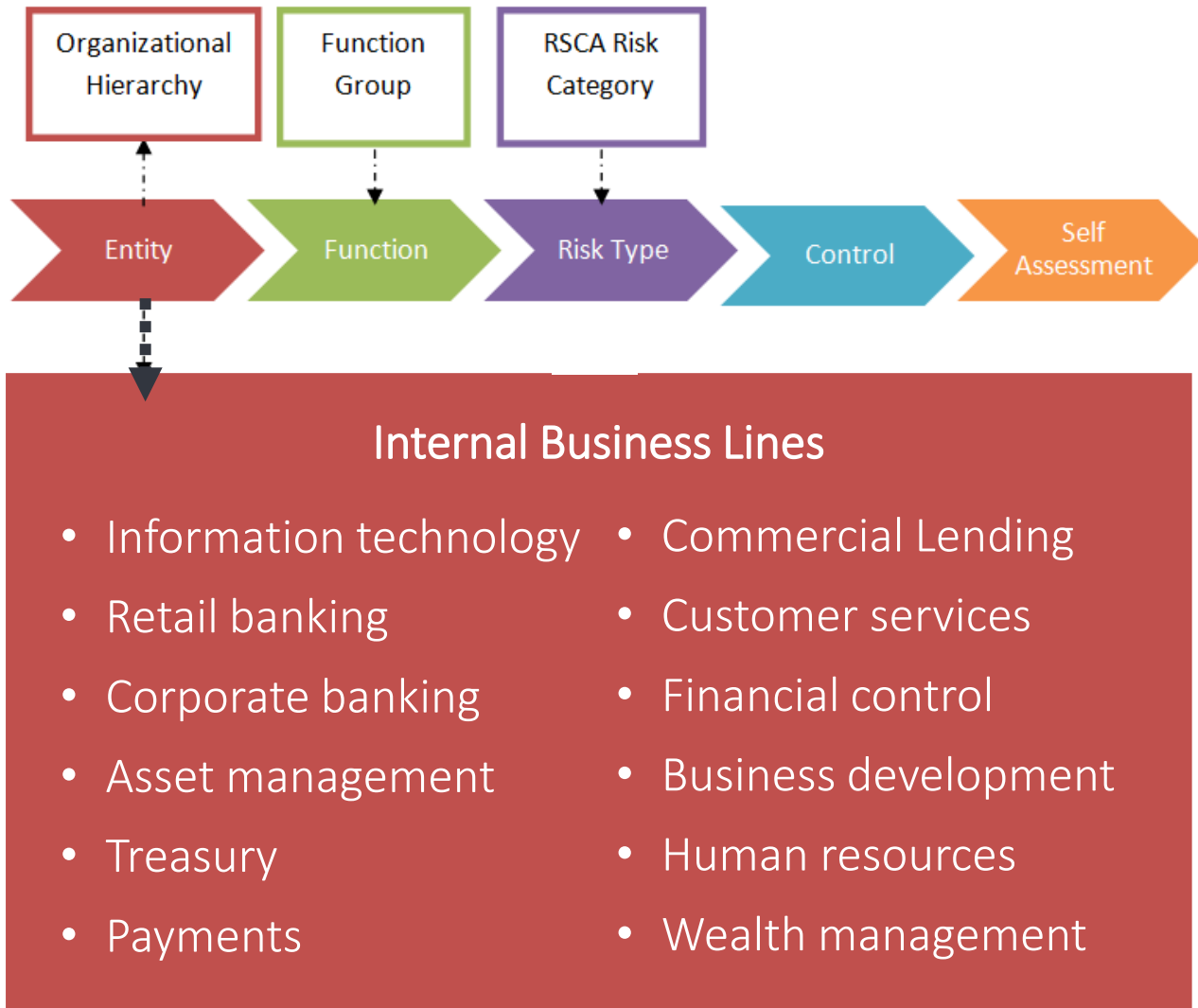
Typical Process Flow





RCSCA Perspective

RCSA Perspective

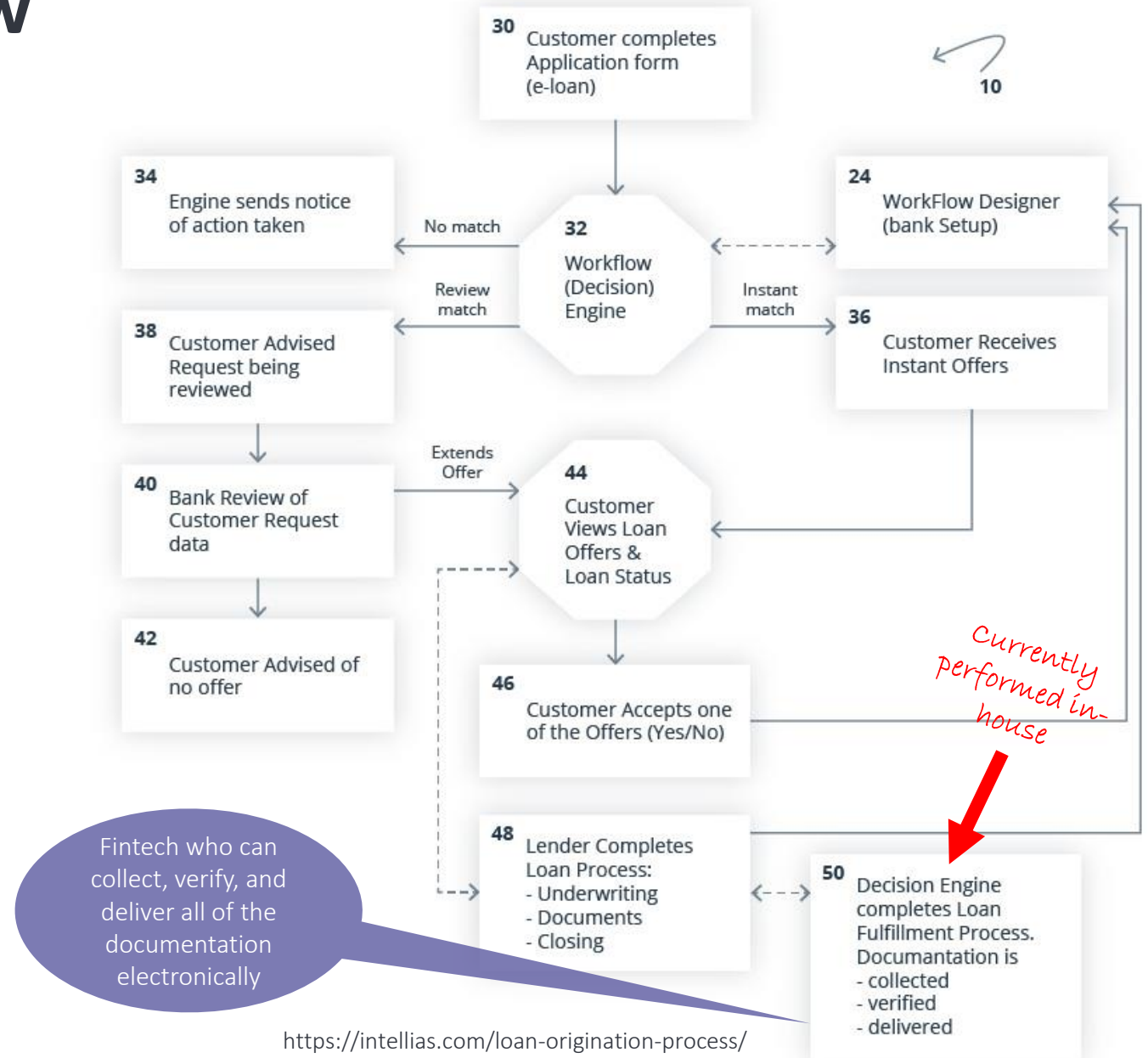


- ✓ Define the activities, processes, and deliverables of the line of business
- ✓ Identify associated risks
- ✓ Identify and evaluate controls that manage that risk
- ✓ Where does a potential third party fit into that process and how does it increase the risk

Loan Origination Workflow

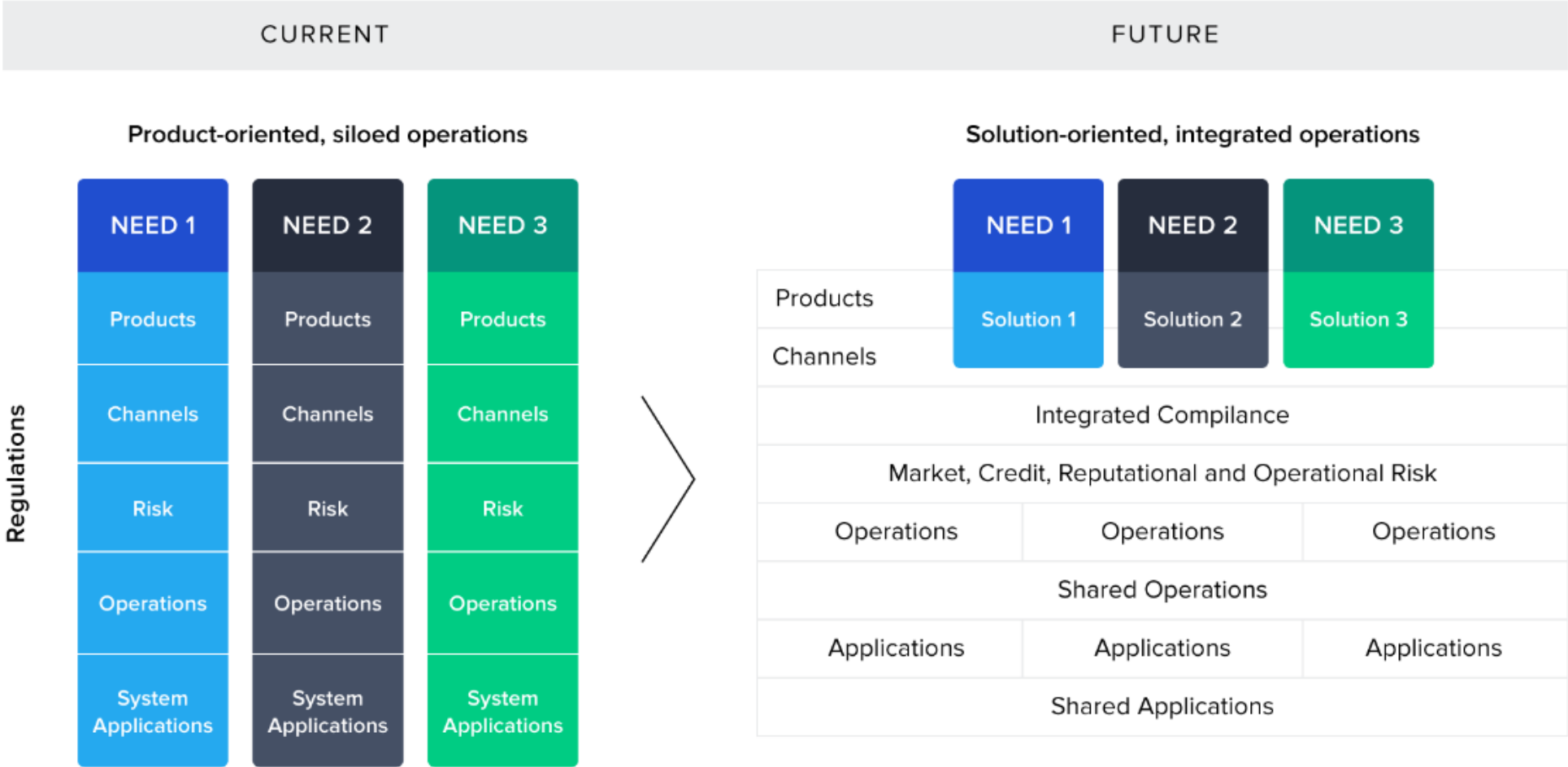
Risks in the loan origination process

1. PII and financial data
2. Privacy
3. Human errors – data accuracy
4. Lack of experience
5. Electronic submissions – data in transit
6. Location of Stored data
7. Fraud, consumer protection
8. FCPA – bribery & corruption
9. Processing errors
10. Compliance – FCRA, ECOA
11. Credit Risk
12. Loan documentation
13. Liquidity Risk
14. Payment errors
15. Inadequate internal controls



PWC Representation of the Future Operational Structure of a Bank

Figure 3: PWC Representation of the Future Operational Structure of a Bank

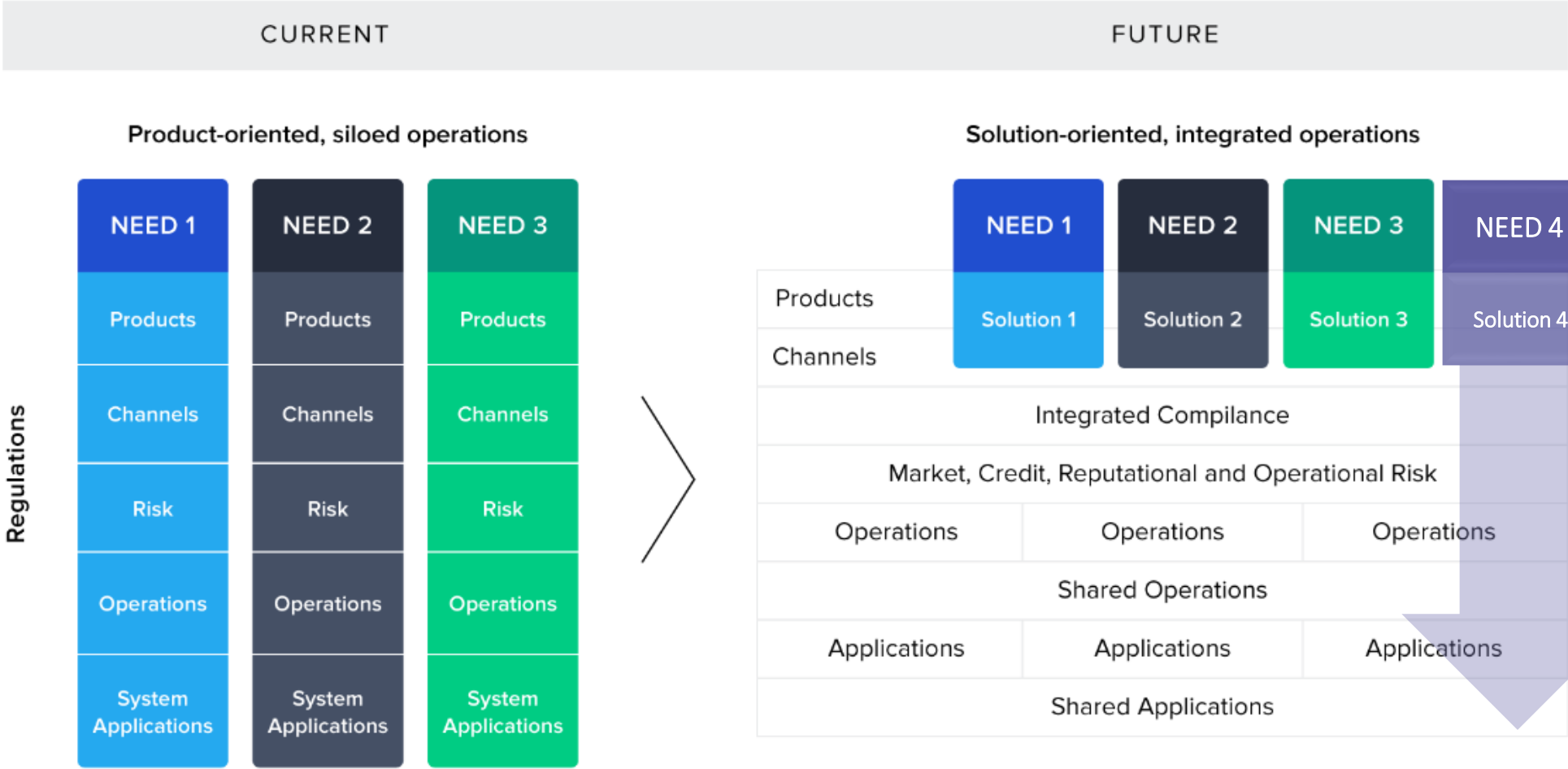


Source: PWC "Retail Banking 2020"



PWC Representation of the Future Operational Structure of a Bank

Figure 3: PWC Representation of the Future Operational Structure of a Bank



Source: PWC "Retail Banking 2020"





Enterprise Ready



Bridging the Gap

- Align with the business objectives
- Regulated industry
- Process & data mapping
- Minimum data access needs
- Cloud configuration / techstack
- Understand 4th parties & offshore
- Policies & Procedures documentation

SOC 2 Alternative



- Cyber security ratings
- Assessment questionnaire
- Policies & Procedures
- Evidence (screenshots of settings)
- Conversation/interviews
- Performance Monitoring
- Monthly/Quarterly Business Reviews
- Transparency Reports
- Specific regulatory requirements

Finding Balance

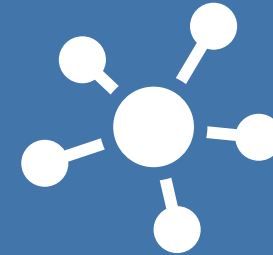


Strategic partnerships
and collaborations

Monthly/Quarterly
check-ins

Success Metrics

Resiliency Planning
Risk sharing arrangements
Continuous monitoring
Clear exit strategy



Innovation Labs and
Incubators

Pilot or POC

Limiting data access

Regulatory sandbox
participation

Fintech risk management
framework

Scaling Support

Training & knowledge
Share

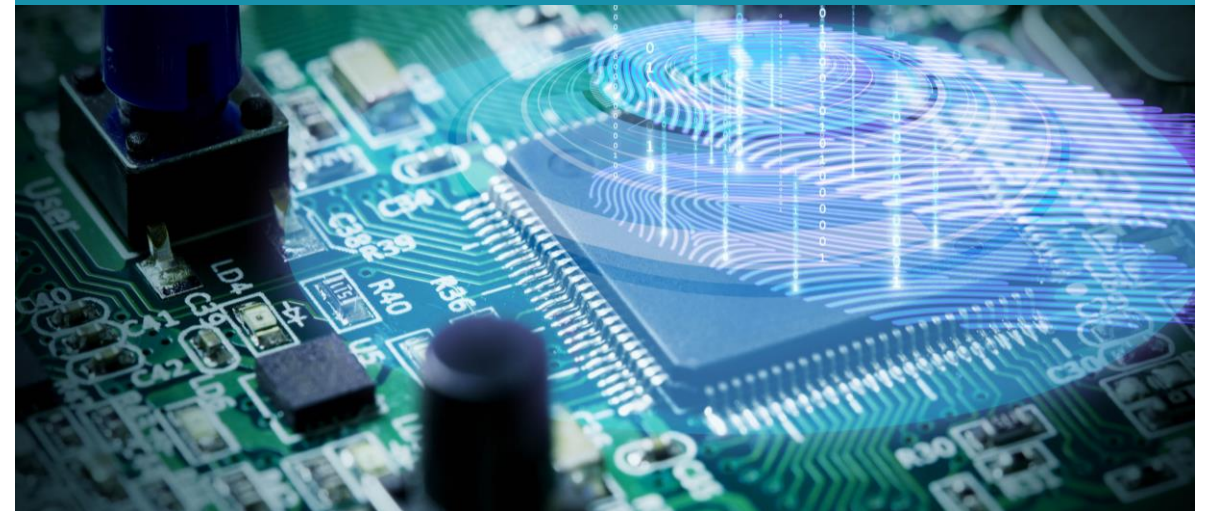


Infexion Point

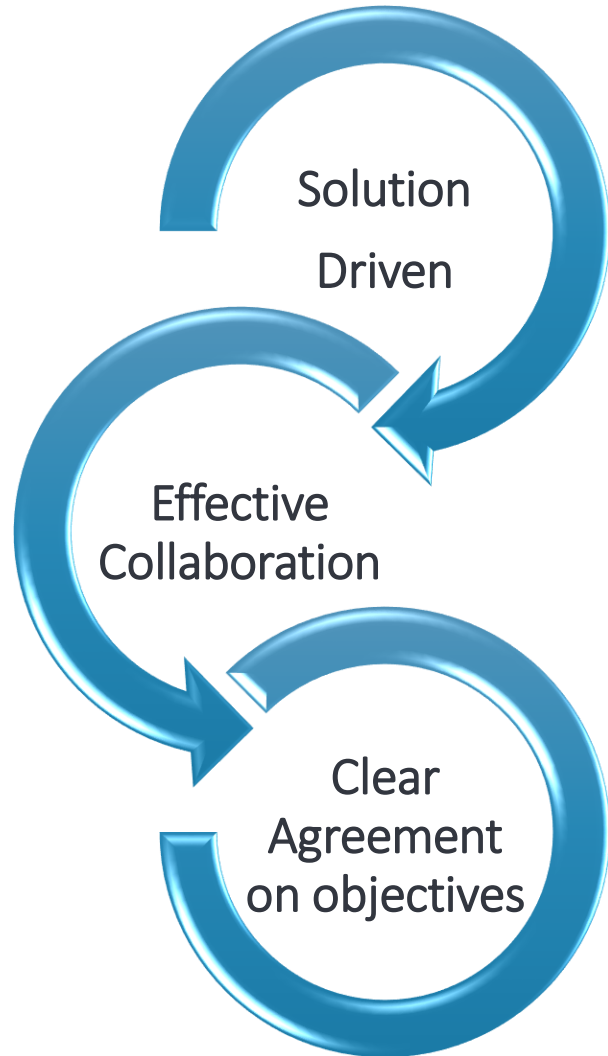


- LOB champions
- Cross functional teams
 - Budgeting practices
 - Holistic oversight
- Continuous education and training
- Updated risk management framework

- Robust governance
- Strategic & intentional approach to development
- Deep understanding of market & regulatory environment
- Strategic human resource planning
- Reverse due diligence
- Compliance culture

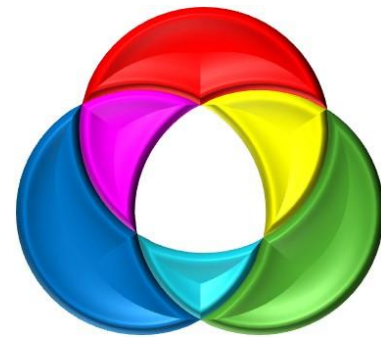


Strategic Engagement



Thank You!

LinkedIn Profile



KaleidoscopeGRC

Fractional Governance Risk & Compliance Services

Resources

- <https://heathbrothers.com/books/switch/>
- [Rethinking risk assessments: Bridging the gap between best practices and action Infographic | Resources | OneTrust](#)
- [Assessing Vendors Without A SOC Report | UpGuard](#)
- <https://aelaschool.com/en/research-en/multiple-perspective-problem-framing-improving-innovation-process/#:~:text=We%20call%20this%20concept%20Multiple,the%20creative%20and%20innovative%20process>
- <https://financetrainingcourse.com/education/2015/04/rcsa-risk-control-self-assessment/>
- <https://www.linkedin.com/pulse/design-thinking-problems-just-opportunities-will-stammers/>
- <https://www.toptal.com/finance/investment-banking-freelancer/fintech-and-banks>