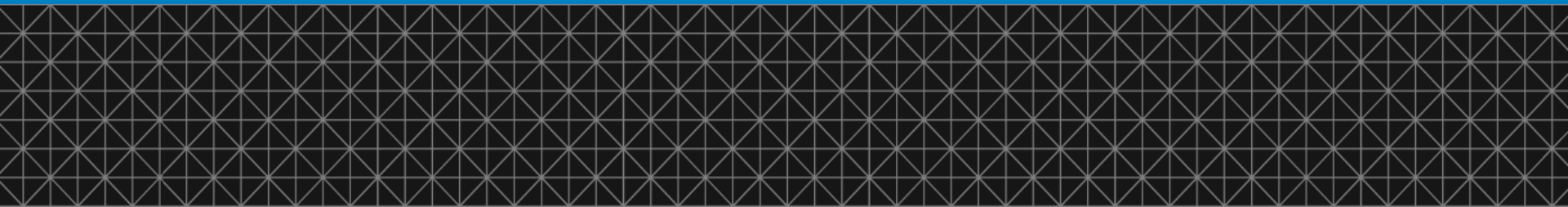




Securing Today. Shaping Tomorrow.®

# Slow and Steady to Agile and Steady

**Michele Hillery**





# Objectives

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- What is pushing a systemically important infrastructure out of its comfort zone and towards an agile way of working;
- How are we accomplishing that effort; and
- How are our clients reacting

# Depository Trust Clearing Corporation Brings Economies of Scale

In 2017, **DTCC's subsidiaries** processed securities transactions valued at approximately **US\$1.6 quadrillion**.

DTCC's **DTC** subsidiary provides custody and asset servicing for securities issues from over **130 countries** and territories valued at **US\$57.4 trillion**.

DTCC's **NSCC** subsidiary is the central clearinghouse for more than **50 exchanges and equity trading platforms** in the U.S.



DTCC's **Global Trade Repository** provides transaction reporting for **40 million** open trades per week covering **5 asset classes**.

DTCC's **FICC** subsidiary processes approximately **US\$4.1 trillion each day** in U.S. government securities transactions.

DTCC's **Institutional Trade Processing** services processed more than **868 million institutional trades** in 2017.

# Primary Regulators by Entity



## Domestic

### **National Securities Clearing Corporation (NSCC) \***

- U.S. Securities and Exchange Commission

### **Fixed Income Clearing Corporation (FICC) \***

- U.S. Securities and Exchange Commission

### **The Depository Trust Company (DTC) \***

- U.S. Securities and Exchange Commission
- Federal Reserve Bank of New York
- New York State Department of Financial Services

### **DTCC ITP Matching (US) LLC**

- U.S. Securities and Exchange Commission

### **DTCC Data Repository (U.S.) LLC (DDR US)**

- U.S. Commodity Futures Trading Commission
- Canadian Regulators

## International

### **DTCC ITP (UK) Limited**

- Financial Conduct Authority

### **DTCC ITP Matching (Canada) Limited**

- Ontario Securities Commission

### **DTCC Derivatives Repository PLC (DDRL)**

- Financial Conduct Authority
- European Securities and Markets Authority

### **DTCC Data Repository (Japan) K.K. (DDRJ)**

- Japan Financial Services Agency

### **DTCC Data Repository (Singapore) Pte. Ltd. (DDRS)**

- Monetary Authority of Singapore
- Australian Securities and Investment Commission

*\*Designated by the Financial Stability Oversight Council (FSOC) as systemically important financial market utilities (SIFMU) under Title VIII of Dodd-Frank in July 2012*

*1. Through authority delegated by the Board of Governors of the Federal Reserve System*

# Why do we need to change?

## DTCC faces several challenges...

### External Landscape

- Fin-tech firms targeting **post trade processing** and leading-edge **technologies**
- Continued **price pressure**

### Client Perspective

- Need **faster-to-market** innovation with beneficial **interim solutions**
- Require **end-to-end solutions** to ease integration **costs** and **complexities**

### Employee Perspective

- Opportunity for greater **collaboration** and “**One DTCC**” mindset
- Desire for **decision making empowerment** to get things done more effectively

## Enterprise Agile can help address these by...

- Leveling the playing field with the Fin-techs that are **already agile**
- Facilitating **client engagement and feedback** early and often throughout the development process
- Incorporating the **client journey** into our solution delivery process
- Delivering fully functional, incremental solutions (**MVP**) to clients **every two weeks**
- Operating in cross-functional teams to foster **collaboration** and **innovation**
- Aligning teams around **common goals**
- Delegating **decision making authority** to teams

## Firms across all verticals are making the move and many are seeing impressive results:

- **Strong customer satisfaction:** Agile organizations have seen a 50% improvement in customer satisfaction
- **Ability to develop better products, cheaper, and faster:** 70% decrease in product defects, 30% decrease in costs, 40% decrease in time-to-market
- **Improved economics:** 30% IT productivity growth seen by ADP, 30% p.a. profit growth seen by Haier
- **Highly satisfied employees:** 70% in top quartile by health, 20 point increase in employee engagement score seen by ING

- 1. Client Satisfaction**
- 2. Technology Changes**
- 3. Growth**

# Lessons learned from pilot programs

## Guiding principles



It is an iterative process



It is not driven by a desire to cut costs



Focuses on 'how', not 'what'



It is intended to help identify capability gaps and implementation challenges



It is not constrained to today's headcount and not reflective of near-term reporting lines



Does not assume immediate launch without a transition period

## Lessons learned

- **Don't let the great get in the way of the good**, you can always revisit decisions later
- **Keep the ball in motion**: set dates to close milestones and make design decisions, rather than get stuck iterating one area
- **Set some agreed upon dates** as a group to close various parts of the design process, rather than get stuck iterating in one area
- **Keep it real: Mapping names is a great way to pressure test the design** and is in no way a firm commitment
- **Leverage the power of many: Group problem solving in working sessions is key** – rather than tackling problems in silos. Make the time
- **Don't overcomplicate, keep it simple**



# Client Communication

