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# David Castle's Treasury Notes

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## Treasury Tech Part 3: The 10th Man Rule, working with FinTech

5 minute read.



In the final part of our Treasury Tech series, for now, we explore how Treasury can most effectively engage with FinTech companies to build solutions for the data-age.

London and many other centres have vibrant FinTech scenes including accelerator programs, corporate hubs, major industry events, think tanks, investors and advisers. This presents a wealth of opportunities for Treasury to engage with the community, be informed on latest technology trends and identify solutions to business challenges.

**The 10th Man Rule**, especially well known from the movie World War Z and often compared to “Devil’s advocate”, is the concept that it should be someone’s duty to challenge the thinking of a group to ensure that all possible variations have been considered. Our theme through our Treasury Tech series has been to test our thinking in the use of data, community and advanced technologies – it’s worth having a **FinTech 10th Man** on your team.

If we were writing about Stress Testing today we would, of course, include **Minority Report** as a proxy for identifying bad things before they happen – but a deeper exploration of predictive analytics is for another day ..... and part of **Treasury Trilogy**.

Barclays Accelerator



Seedcamp



FinTech Accelerator



Technology Accelerator

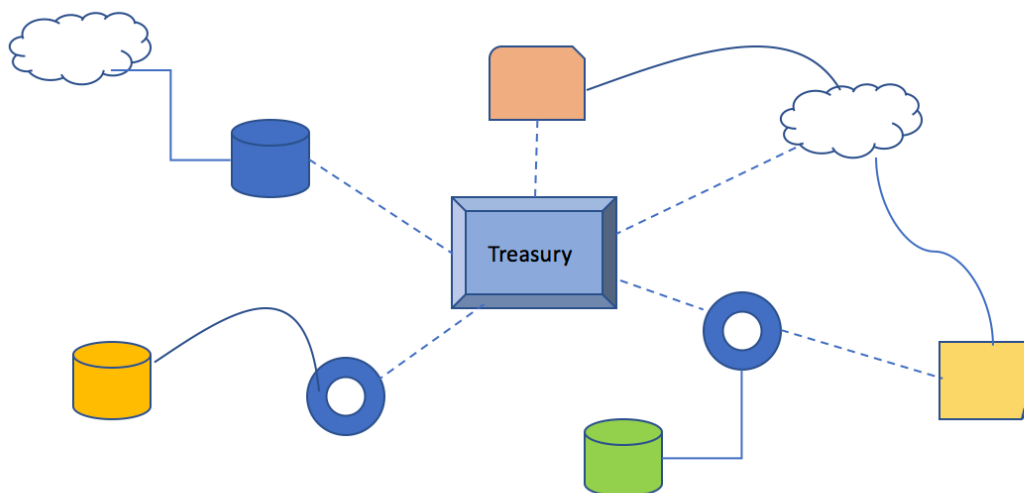


Example FinTech Hubs – Regulator, Corporate and Independent

Sticking with the 10th Man Rule for now, one interpretation in the military is that data and information amassed from a wide variety of sources needs to be checked, double checked, and tested to ensure misinterpretation or incorrect data is not cascaded. We touched on this data science approach in **Treasury Tech Part 1**.

For a bank looking to establish or build upon an internal data community approach and begin to engage external partners in FinTech there are a few guiding principles to consider and check back to over time.

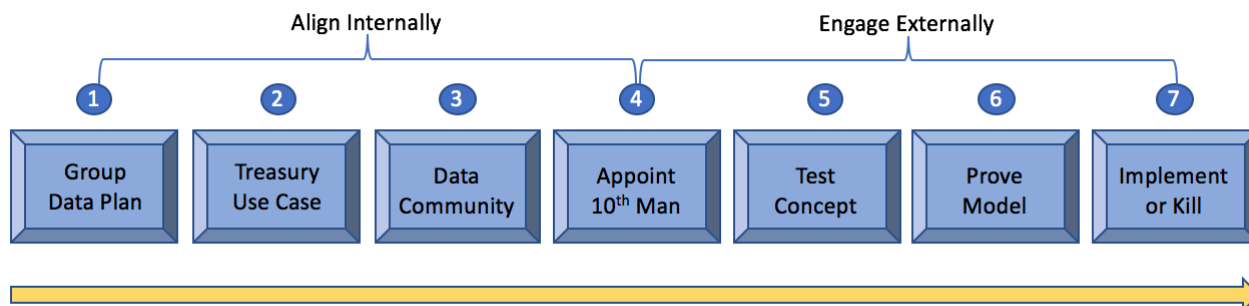
An early step is to **identify a use case** that is specific, can be articulated to a prospective solutions provider or advisor and one that can be an experiment for broader future application. A good place to look for such a use case is your data spaghetti, possibly a need to access data more readily to meet a regulatory requirement, or analytics specific to a certain data set that will add value to risk management, business line or client.



Spaghetti – Use Case Ingredients

Many large and complex organizations have such a full book of mandatory (regulatory) driven technology spend that the capacity to innovate is limited. It is critical however that part of the data journey includes innovation – and in particular external engagement – so that access to skill sets and techniques not readily available inside the organization is achieved and that the 10th Man Rule works – preventing a boxed in outcome and maintaining agility.

Experimentation should be encouraged, but it should also be part of the plan. The guiding principles we mention above fall into 7 simple categories which will vary by organization but can be a useful starting point.



Example Process To Engage Fin Tech and Experiment

## Group Data Plan

Make sure that Treasury is aware of the overall group plan for updating the data architecture and/or adoption of data driven modelling for cross business use. If there isn't one, start the conversation.

## Treasury Use Case

As mentioned above identify a narrow use case that would provide a quantifiable benefit for Treasury that can be used as a test case. Even better if there are several other benefits, so check ....

## Data Community

... With your internal data community (if you have established one) if similar challenges, approaches or benefits exist elsewhere. This should be where you can align interests across your company and benefit the community.

## Appoint 10th Man

Assign a resource, internal, advisor, or consultant who can both understand the use case and challenges of your company and navigate the FinTech arena effectively to identify appropriate solutions\* (see below)

## Test Concept

Once your 10th Man has identified a path to follow test concepts and techniques with FinTech companies in a short, sharp, focused session which outlines need, technology, and fit. (Bit like a speed date!)

## Prove Model

Select one or two preferred solutions with whom to experiment and undertake a proof of concept. It will be important at this stage that Treasury is engaged directly in the POC to gain maximum insights from experimentation. Your 10th Man (internal or advisor) is also critical here to challenge progress.

## Implement or Kill

A proof of concept should provide you, and your data community, with an outcome that works or should be ceased. We of course all hope for positive results but the capacity to fail in these innovation sprints is as important as uncovering a solution that can be scaled up across an organization.

\*our asterix to appropriate solutions above is an important one. Your procurement approach may have specific requirements on the route that you take to collaborating with FinTech. You may have to engage an existing advisor, only consider companies that are at a certain stage of development (i.e. track records) or prefer working with one of the FinTech Hubs or Consortium.

Make sure you check this, but above all encourage experimentation, collaboration and innovation. It will be best practice soon.

## About the author

David Castle is the Managing Partner at Waltham Partners Ltd