

TRANSCRIPT

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Building a sustainable working model - the new normal of cash management post-COVID

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Coordinator Good day everyone and welcome to the 2021 Global Liquidity Speaker Series, Building a Sustainable Working Model, the New Normal of Cash Management Post-COVID. My name is Agnes and I'm your event manager. During this presentation your lines will remain on listen-only. I would like to advise all parties that this conference is being recorded for replay and transcription purposes.

And now, I'm handing the call over to Karen Ly. Please go ahead.

Karen Thank you, Agnes. Thank you everyone for joining our Global Liquidity Speaker Series today and thank you for joining to listen about a topic that's getting a ton of focus right now.

So as all of us continue to navigate our way back to some sense of normalcy, many companies are working on defining what exactly normalcy is post-COVID. For those of you who are regular to our series, you might recall in our forecasting session a few weeks ago that we spoke about the abrupt lockdown and how that left many finance and treasury teams working remotely almost overnight.

But at various speeds, businesses and people got access to tools that they needed to continue to do business and by doing business I mean the ability to move cash, to monitor cash, and eventually also the ability to continue to set cash strategies. This week I'm talking to Ayeesha Sachedina, our newly appointed Chief Transformation Officer in Global Transaction Services. We'll talk about why so many businesses are reviewing their working environment and get her views on what to consider if you are thinking or going through a review in your own business.

So, Ayeesha, your role, Chief Transformation Officer is a new role for GTS. Can you tell us about how it came about and what the scope of the role is for those of us who don't have a Chief Transformation Officer in our business?

Ayeesha Yes. Thank you, Karen and thank you for having me today. So absolutely, in my role as Chief Transformation Officer it really is about taking a step back and thinking about our organization and evaluating the organization as a whole in the context of the future of work, right?

So it's a journey very similar to the journey that a lot of our clients are going through and it really is about thinking about the broader environment that we are all in and thinking about how that affects the organization on our associates as well as our clients and how do we bring that together in a cohesive strategy so that we can plan effectively for the future?

I think that this came about in a few ways and this role actually is a new role. It came about because of COVID. So if we think about COVID was really the impetus then to be able to take a step back and say how has COVID changed the way we work? How has it changed the way we interact with each other as associates? How has it changed the way we interact with our clients? How has it pushing some of the processes and tools we use on a day-to-day basis? So I think that has been a very important kind of reason why this role came about.

Another aspect of it is digitization and we talk about digitization and we have talked about it for I would say a few years now. I know I've been in several client meetings in my old role as Head of Innovation too where a lot of clients were interested in their digitization journey and what that means to them.

So COVID has only exacerbated that process for a lot of people and then it has caused a lot of organizations to reevaluate what being digital means to them and how they can quickly adopt new tools, new technologies, new processes to ensure that they can be effectively digital and they are removing paper from the system.

I think this started off like I said as remaining flexible. So how do we set up an organization that allows us to be flexible going forward and allows for that scalability regardless of what scalability means to you? So is that being ready as you said for another immediate lockdown if we need to be? Is that having the processes to ensure that when we are ready to go back to in-person meetings we are ensuring equity as experience?

That's another interesting thing that I would love to get into, but it's a very kind of almost philosophical topic about how do we ensure that we're not going back to the old way of those people dialing in on the conference call are on the line whereas everybody else is in the meeting and you kind of have that experience. So a lot of different things like that, but flexibility and scalability are very important as well.

Then finally I think is just ensuring productivity of the workforce. It's really interesting because I think you can talk to so many of our associates and they've said they've been so productive working at home. So how do we ensure that without burn out of our associates and ensure that they have the support that they need?

Karen Thank for that very comprehensive overview. I definitely did not realize all of the different layers and complexity of what a Chief Transformation Officer does.

I just have a follow-up question just in relation to that. You were talking about COVID and then you also talked about technology. A question I have is do you think that the working environment change is simply because of COVID or would technology have eventually driven this type of change anyway but maybe was just quickened by the onset of COVID and the shutdown?

Ayeesha Yes, I think kind of really the latter. I think becoming more digital was something we've talked about frequently with clients and something we continue to talk about. But I think what COVID did is really kind of press down the pedal on that momentum and it really allowed us to say we need this faster than we thought we did or a lot of our clients went through that where we can't use paper anymore. If that no longer becomes an option you're forced to become digital, right? And if that no longer becomes a way your associates can accept paper, accept invoices, review those on a desk in person in an office, what are the technology tools/products even going to put in place in order to ensure that my business continues? So those are the questions that really came to the forefront because of COVID.

So I think people were going there anyways. People were slowly adopting these tools anyways because I don't think anyone did not see the value of becoming digital. I think it's just about prioritization. What the pandemic has done has just made it a priority for everybody across the board which is why you're seeing such a rapid change in a lot of business models of our clients.

Karen Just the fact that you talk about paper, from a cash management perspective I think about there are still a ton of businesses that get their statements by mail. So thinking about when COVID hit and nobody was in the office, who was around to actually collect those statements? If we think about trade, a lot of the confirmations are done by paper as well.

So since we've started to come back to a sense of normalcy, I do hear a lot of clients reaching out and talking about well how do I shutdown statements? How do I now automate the process of confirmations? How do I make it digital? I think that's going to be something that we continue to hear from clients about over the course of this year and into next year as people become more digital.

Your previous role—sorry, were you going to say something?

Ayeesha No, no. I was just going to agree with you. It is a journey and I think this is just the beginning. So absolutely.

Karen So in your previous role as you mentioned you were leading the Global Treasury Innovation Strategy. I just wanted to know whether you think that the new working environment will impact or change innovation strategies for cash management. What are your thoughts on what technology or new products do you see getting prioritized in cash management given all of the changes in the work environment?

Ayeesha Yes, that's a great question, Karen. I think it's interesting because when right at the beginning of the pandemic we saw was a focus on I would say real time. So transactions becoming more real time, more and more kind of a request for real time capabilities mitigating fraud. So any types of solutions that helped to either identify counterparties on both ends helped to track payments, helped to monitor fraud using AI, things like that definitely were very much in demand as well as kind of what we talked about earlier which is anything that helps to convert paper to electronic.

So those were the themes that really came into light during the pandemic. Those will definitely continue but I think one other one that has also come to the forefront that will come more so in my opinion in data. So how do we think about the usage of data in all of these aspects? Because as transactions become more real time as we need more real time reporting as all the invoices turn digital, the wealth of data that that affords us and the ability to analyze that data and provide meaningful insights to our clients becomes so much more robust.

So how do we help our clients on their working capital journey, on their digitization journey using some of this data? So I think that is really kind of where we're headed and what we're really excited about going forward from an innovation perspective.

Karen Yes. No, that data piece was very much at the crux of what we were talking about on the forecasting session as well using the data, using your past behaviors in order to help predict it and forecast out. I definitely see how many companies would benefit from the use of data going forward.

The next part of the call, I would love to get some of your perspectives on what you've already done and maybe some of the considerations to share with the participants on today's call. So if a client wishes to review their working environment regardless of the size of the business, what are some of the considerations you would share? Maybe you can take it from the experience that you had when you started in this new role.

Ayeesha Yes, absolutely. Thanks. It's an interesting—there are so many different places you can start with this type of role. It's what you make of it. So projects and your transformation journey can be as small or as large as you choose. But I think there are a number of key questions that I would suggest starting from.

One is, who are your stakeholders? So who are you actually doing this for? Is it your associates? Is it your clients? Is it the organization more broadly? In that, what are their pain points?

So if you break down each one of those stakeholders and think about what are their pain points today and what you have learned over the past year or so from COVID and beyond actually, what are their pain points? Those pain points could be related to COVID and the way they've worked previously versus now or they could just be organizational more broadly.

So it's really important to—and we've spent a lot of time kind of digging into what those are. I think there is always variability based on where people are based or what type of clients they serve and all of those different kind of dynamics. But I think it's important to tease out those themes of pain points. It's really how you—it mirrors how you approach innovation really.

I like to call my role organizational innovation because it's the same process. Who are your stakeholders? What are the pain points? Then the next is how are you going to solve those pain points and what is the experience that you want to provide your stakeholders?

So it really is about approaching it in that very systematic way so that at the end of that and when you define that experience that you want to provide your stakeholders, you're able to target yourself towards specific goals and specific things whether it's tools, whether it's organizational shifts, whether it's processes that you want to stand up in order to achieve your goals.

I think that it's then about how do you execute that and that is about really identifying what those goals are and then putting in the tools, the processes, the people in order to help do that. So it really is exactly like approaching creating a new solution on the product side. It's just doing it for the organization more broadly.

Karen So just on the point around goals I think that's a very important piece because without defining what you're actually trying to achieve, the projects can take many different directions and become much more complex than it might necessarily need to be. But in terms of goals, do you feel like there is a right time to start measuring against these goals? Any insight as to when companies should start tracking against goals so that, one, they obviously have some progress, but a good checkpoint to make sure that they're staying within what they're trying to achieve?

Ayeesha Yes. You know, Karen, I think this really depends for organization to organization. For us/me, we have been very clear that this is not a headcount exercise. This is not a rationalization exercise.

This really is about productivity and future opportunities in our organization to ensure that we provide the best services we can to our clients and the best experience available to our associates. That is our guiding principle. So but other organizations might be different and they might have specific targets in terms of more tangible metrics that they want to achieve.

So it really varies from organization to organization but I would say regardless what your broad goals are, being able to measure your success is very important. So thinking about things like tools and what they provide and the insights they provide is really important in helping to guide your strategy.

So I know one company for example talking about employee scorecards. Can you institute something where people come back into the office and say—so associates when they come back from the office can rate their experience? Based on whether they're in an office or working remotely, you kind of rate how they're performing and how they progress over time. So there's very interesting things you can do with data and with being able to track some progress with that. So that's on the associate side.

Then there's also in terms of the products and services we offer as an organization and the metrics against that and how those are coming along, things like time to market, things like speed to execution, whether it's client servicing or auditors. So the metrics really vary depending on your goals, but yes it's absolutely critical that once you've identified what you want to do and what you want to achieve and you start the implementation you track towards sub-quantifiable metrics.

Karen Yes. No, all very good hints and tips there in terms of tracking goals which I think is very important. I want to come back to a question as your response earlier in relation to sort of stakeholders and then challenges. Have you got any views yet on what the potential challenges are when you embark on a project like this? You know maybe it would be good for our audience to hear some of the things that they can expect and that you've had to deal with.

Ayeesha Yes, absolutely. I think it's interesting because again everybody comes at this from a different perspective. So I would say one, it's driving consensus about section. I think that's probably the most obvious one. I think that everybody has their own opinion on what their pain points are and how you should solve them. So I think that being able to drive that consensus and really help prioritize what you need to get done, I think that is very important.

I would also say technology more broadly. When you work for a regulated financial institution it's a very different dynamic than a small FinTech, right? So we may want to institute things like employee scorecards or client sentiment or even employee sentiment. You know we need to be very careful about things like data privacy, about security, about how we respect everybody's boundaries and how do we take all of those things into consideration.

So we're learning a lot as we go through this process too about some of the tools. You may think about collaboration tools and a few may come to your mind as being best-in-class, but they all have different ramifications from a security perspective. So we have to think about that aspect.

Because what we don't want to do is open up our institution or our clients to increased risk. So there's a lot of different elements to how we approach it and what the best approach is. But I would say those are a couple of the challenges that I would see many people who are going on a similar journey encounter.

Karen Yes. And based on that I think it's very important when you talk about stakeholders that stakeholders aren't just senior people or people within a certain line of business. It really does depend on what your business is. If we think about ours, it really should be people both front office, back office, operational given that everybody is impacted. So making sure that you have a wide diversity in terms of experience and opinion in your stakeholders is probably going to be very key to the success of any sort of transformation.

Ayeesha Yes and I think that the other thing I would add to that, Karen, is something you and I were talking about earlier which is communication, right? It's really important because you want to make sure that everybody comes on the journey with you.

So it's part of driving consensus but it's also about ensuring that this isn't something that's being done in a vacuum and that you're listening to all of your stakeholders. So how do you bring people along the journey with you? Because if it is not tangible for your stakeholders and if they don't feel like they have a part in that outcome, then regardless of what change you're trying to drive it won't take hold.

Karen Yes. No, absolutely agree. I think it's so important and we talk about this in various cash management projects all the time whether you're implementing a new ARP, whether you're implementing a new TMS making sure you have stakeholders across the whole experience to give their feedback and get their buy-in. So very much same approach when it comes to this as well; getting different voices, having a seat at the table to get the buy-in early on.

I don't know if this is a question that you can answer, but what is an expected timeframe to do something like this? Maybe there isn't one, but I'm just curious. Should corporate be trying to set an objective around timeframe?

Ayeesha Fairly interesting question that we've thought about ourselves. It really I would say varies. I don't think there is a one-size-fits-all in terms of timeframe. I think it one, depends on a few things.

How creative you want to be. How much into the future are you looking with your strategy? So the more future work you are, the longer your timeframe will be.

The second I think is also depending on your own company's budget cycle. So how often are you revisiting your budgets and your requirements in order to implement some of these technologies? So budgets like also something that goes along with that is implementation cycle.

So in order to implement some of these new technologies and tools, how long does it usually take you? Perhaps that in itself is a goal that you want to finish; but how long? We need to be realistic about that. So you may say my strategy for future work needs to be implemented in a year but is that realistic?

Then I would also take into consideration your priorities and then your different stakeholders and how those stack up against each other. So you may have something short-term that you can implement for your associates as they return to work, but some of your organizational events are longer-term or vice-versa.

Something you can do for your clients immediately is your priority and then some of the associate tools a little bit longer-term. It could really be either way. So I think ensuring that when you've identified the solutions and how you want your goals for each of your stakeholders, it's usually about prioritization and then being

realistic about it.

Karen Yes. I think that's some great advice. Prioritization is probably more important than actually setting a timeline, because there are many things that could potentially impact timelines that are outside of your control as well.

If you're in a city or a state or a country that is still under certain guidance from the government, then you may not be able to set realistic timeframes but you can definitely prioritize and see what you can achieve in the short-term, medium-term and long-term in terms of what you want the transformation to look like. So prioritization sounds like it's key.

We really only have time left for one question and it's a word that I've been seeing a lot. You know this topic very much is in the media. A lot of companies are talking about it. I'm reading about it.

Reskilling seems to be a buzzword that I read about a lot and I just wanted to know whether to what extent do you think reskilling will be a factor as we, as any other company evaluates their future working model?

Ayeesha I think this is going to be a huge factor. I think this isn't something we take lightly. I think this is really going to be a large part of every company's transformation journey over time. Skills like if I take the bank as an example, when I was an analyst everyone needed to learn how to use Excel and that was a baseline requirement for all analysts coming into the bank.

I would argue that the new baseline requirement is going to be coding in Python, right? So it's things like that that will really shift the way our teams work. It will shift the rules and responsibilities of our teams as we know them today.

It will happen over time. It's not going to be immediate, but it will really change kind of what we're able to do and how we're able to do it and the speed at which we're able to do it based on some of these new skills that are coming into the marketplace on a more readily available basis I would say on a more wide known basis.

It's interesting also some of the shifts between what is traditionally known as a line of business function and a technology function are blurring and we see that with things like data. We see that with things like some of the reskilling. So it's interesting to see how that will change over time as well. I can already see those two sides of our business getting closer and closer together which is really exciting because what leads to is the ability to respond faster, the ability to collaborate better and ultimately have better solutions for our clients. So I think that that's something definitely a watch item and something that all companies should consider going forward.

Karen Yes and I think depending on your business you need to determine what skills you sort of need to reevaluate. I can definitely say that a big part of banking and probably for many businesses, reskilling was the ability to learn how to use Zoom and Webex at the onset of COVID. Trust me, that does take some skill to be able to operate.

Ayeesha Oh, of course. Yes.

Karen So that's probably going to be the baseline for any new person regardless of what level joining any corporate going forward.

Ayeesha Yes, it's a challenge I think in two ways if you think about it. It's a challenge from the associate perspective to be able to learn but it's also a challenge for the companies themselves and the HR and the learning development parts of the company to be able to provide adequate resources to ensure that their employees are able to do so effectively. So it will be interesting.

Karen Yes. Well thank you so much for your time today, Ayeesha. I really feel like you've given us some great context to think about if we are starting to embark on our own journey as well. I'm very excited to see what our future of work is going to look like. For everyone on the call, Ayeesha was talking about bank technology.

If you do have any follow-up questions please do reach out to your Bank of America representative. You know they would be more than happy to share some of the things that we're doing on our innovation roadmap in relation to digitization. I know we are a minute over so I want to thank everyone for their time today and we really look forward to the next session. Have a great day.

Coordinator Thank you very much. Everyone that concludes your conference call for today. You may now disconnect. Thank you for joining and enjoy the rest of your day.

[END OF CALL]

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