

Finding new leadership talent for FinTech

Financial services businesses need C-suite talent with new leadership styles to embrace disruptive technologies

The financial services sector is facing widespread upheaval as a result of the transformative power of FinTech, with existing business models and traditional job roles increasingly under threat from disruptive start-ups.

Yanouk Poirier explains what the disruptive potential of FinTech means for boardroom leadership.

Key takeaways

- Businesses that want to capitalise on digital disruption of financial services require leaders with the vision to deliver effective solutions to new business challenges.
- Companies need a whole range of skill sets at C-suite level to prepare for the disruptive challenges ahead, beyond digital knowledge.
- A new style of digital leadership has emerged to drive transformation from the top.
- Digital leaders drive disruptive vision, delegate authority, ferment new cultures and are fully focused on client-centric execution of business strategy.
- FinTech leaders need the flexibility to mix this new leadership style with elements of authority-based and high-performance leadership.
- An advisory board can be a useful complement to digital leadership, providing a sounding board on key decisions and access to additional expertise.
- Finding digital leaders with the right cultural fit to an organisation requires an in-depth knowledge of its vision, competencies and precise needs.



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Digital technology is rapidly changing the financial services world and the FinTech sector is at the forefront of the disruption sweeping the world economy.

Embracing change to drive growth

Innovation is moving up the corporate agenda in the financial services world and changing the way everyone does business.

Big data, cloud technology and artificial intelligence are evolving with seemingly ever-increasing speed. Financial services companies must adapt and transform their business models to take advantage of the opportunities they bring.

Anticipating and embracing future technology advances is key if companies are to remain competitive as they come up against new and more agile players entering the market.

The advent of so-called 'open banking' and the application of blockchain technology is creating new commercial opportunities, while old business models will need a rethink to ensure they are still relevant.

At the same time, the composition of the workforce in many financial organisations is changing rapidly too, with new roles being created almost as fast as they are filled, while more traditional functions are under threat.

Businesses looking to capitalise on this digital change require innovative leaders capable of delivering effective solutions to new business challenges. Vision, the ability to drive growth, identify new revenue streams and embrace emerging technologies to transform existing business models are essential.

Finding the FinTech leaders of tomorrow

Finding the right people to lead businesses through this period of transformation and harness the potential of fintech to drive growth and innovation are hot topics in the sector.

It is in the boardroom, above all, that organisations need to prepare for the disruptive challenges ahead.

The financial services sector is seeing an increasing trend towards appointing board members with digital backgrounds, but a company's senior leaders require a whole range of new skillsets not only to tackle the threats, but to harness the wealth of opportunities offered by these fast-developing technologies.

This raises some important question about how financial services businesses identify the qualities they need at C-suite level.

New boardroom competencies

Organisations should be preparing for disruptive technologies by ensuring they have boardroom leaders in place with the capability to embrace them.

Responding to these changes requires a new approach to leadership so that change is driven from the top. The board should not only be aware of the potential of new technologies, but be ready to adapt in a fast-changing environment. This demands core competencies in change management, innovative thinking and the ability to drive values and build trust.

Leaders need the ability to not only set strategy, but get buy-in across every level of the organisation. Collaboration and creativity will therefore be core strategic characteristics required by leaders and managers within a business to allow it to compete, survive and thrive in this new business landscape.

Digital leadership

We're now moving into a new phase of digital leadership – leaders with disruptive vision, who delegate authority, ferment new cultures, and who understand that everything is about client-centric execution based on constant interaction and experimentation with customers.

Digital leadership is an approach born during the dot.com boom when the new wave of digital corporate giants dramatically redefined strategy and management. It is a culture that relies on agile management and leadership principles that include allowing more decisions to be taken at lower levels of an organisation through delegation of responsibility and authority to small teams.

This is a method of leadership that features collaboration and transparency for unrestricted communication, real-time problem-solving and fast-paced creative thinking. Digital leaders are often seen as coaches, creating the conditions for their teams to outperform.

Digital leadership in Silicon Valley has proved so successful that leaders in traditional organisations have to integrate this new approach as a matter of survival.

Mixing styles

In reality, leaders rarely depend solely on a single leadership style and will need the flexibility to combine digital leadership with other styles, such as more traditional authority-based or 'high-performance' leadership.

Authority-based leadership is often the default model where there is no stated strategy and little delegation from the top. Some leaders believe that authority and competence alone define their leadership, but this is usually insufficient to attain high performance levels. Successful authority leaders are flexible and take bold actions to seize new opportunities, but can be let down by poor implementation if there is insufficient talent in the organisation.

High performance leadership, on the other hand, is typically based on building a strong team aligned to a clear market vision. CEOs following this model in larger companies generally empower and hold their executives accountable, while supporting them through regular communication, performance rewards and a healthy working environment. In some companies, this management practice is often called operational excellence.

Leadership outside the boardroom

A useful complement to digital leadership is the concept of an advisory board or committee to help C-suite leaders make key strategic decisions. This can bring fresh perspectives on new problems and challenges, assist in the hiring of key players, act as a sounding board on big projects and provide a complementary network of contacts.

The right fit

Of course, identifying C-suite talent isn't just about skill sets. One of the biggest challenges is finding the right fit to company culture.

At Penrhyn International, we believe the key to this is taking the time to really understand an organisation's vision, business model, strategy, competences and needs.

Only then can we use our high quality research capabilities to identify potential talent in the human capital market that will sit well with the organisation's precise needs. We can then also deploy techniques such as psychometric testing, 360-degree references and informal 'chemistry' meetings at the evaluation stage to ensure the right fit.

This is an approach we apply consistently across our international network.

Summary

In summary, to embrace the challenges and opportunities of FinTech, businesses require leaders who:

- Have the self-awareness and confidence in their leadership style to influence other people, drive their teams and organisations and make the right strategic decisions, while recognising their personal limitations or 'blind spots'.
- Invest in purpose, values, culture and people to create a strong corporate vision and from this establish a growth strategy and strong commercialisation plan to secure sales.
- Create a high performance executive team, accountable, empowered and aligned with business strategy and vision by hiring not just for talent, but also for values.
- Use a good mix of advisers to inform strategic priorities and future plans, tap into a network of expertise and learn from best practices outside the business where necessary.

Executive search in a fast-changing world

New digital technology is rapidly changing the world, with leading companies in the FinTech sector at the frontier of this disruption. Regardless of industry, innovation is moving up the corporate agenda and changing the way everyone does business.

Businesses at the forefront of this digital change must act quickly and find innovative leaders capable of delivering effective solutions to these new business challenges. Vision, the ability to drive growth, identify new revenue streams and embrace emerging technologies to transform existing business models are essential.

As a leading global network of retained executive search firms with offices in over 45 major economic centres, Penrhyn International is ideally placed to help businesses meet these challenges.

Penrhyn combines global reach and cross-border industry expertise to offer clients a truly international perspective to their executive resourcing requirements. We provide our clients with bespoke solutions to identify world-class talent.

Founded in 1979, Penrhyn has a proven track record in leveraging the extensive insight, capabilities and resources of its international network to help clients transition to the next level.

For further information on how Penrhyn International can help you identify and secure leadership talent in this rapidly changing environment, contact:

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