



Open Banking
Strategy Execution
for Commercial Banks
Guided by
Business Architecture

Author Bio

Suleiman Barada is an Independent Technology Business Strategist. A Sr. Advisor at the Union of Arab Banks, and Head of UABdigital where he spearheads the ecosystem digital transformation arm of the Union, with an ecosystem-wide vision and mission, and a mandate to leaving no financial institution behind as the sector transitions into the Digital Economy within the Arab countries.

In his capacity at the Union, and reporting into the Union's Secretary General, Suleiman is leading a Pan-Arab digital banking agenda on FinTech Collaborations, Open Banking, CBDC, and other transformative initiatives affecting the Arab banking sector.

Suleiman is also a member of the General Union of Arab Experts under the League of Arab States.

Suleiman is a sought-after speaker and thought leader on the global stage on topics such as Strategy Execution, Digital Finance, as well as other topics related to the digital transformation in the financial services industry.



Suleiman Barada

Sr. Advisor & Head of
UABdigital
Union of Arab Banks

About UABdigital

UABdigital is the ecosystem digital transformation arm of the Union of Arab Banks, the representative association of the banking sector in the Arab region with over 360 members including commercial and investment banks, 20 local banking associations, and 20 central banks.

Established in April 2020, UABdigital's mandate is orchestrates the banking innovation within the ecosystem by connecting the supply side, including regional FinTech Hubs and global FinTech, with the demand side represented by the Union's member-base for the greater good of the Arab banking sector. UABdigital facilitates multi-stakeholder dialogues and drives the industry shaping digital agenda with initiatives that include Ecosystem Digital Capacity Building, Pan-Arab Digital Banking Innovation Platform, Open Banking, Digital Banks Regulatory Frameworks, partnership between FinTech and incumbents, and Central Bank Digital Currency (CBDC) amongst others. UABdigital operates as part of the General Secretariat of the Union of Arab Banks headquartered in Beirut, Lebanon.

[LEARN MORE](#)



OPEN
BANKING – FINANCE – DATA

The time to get started is NOW

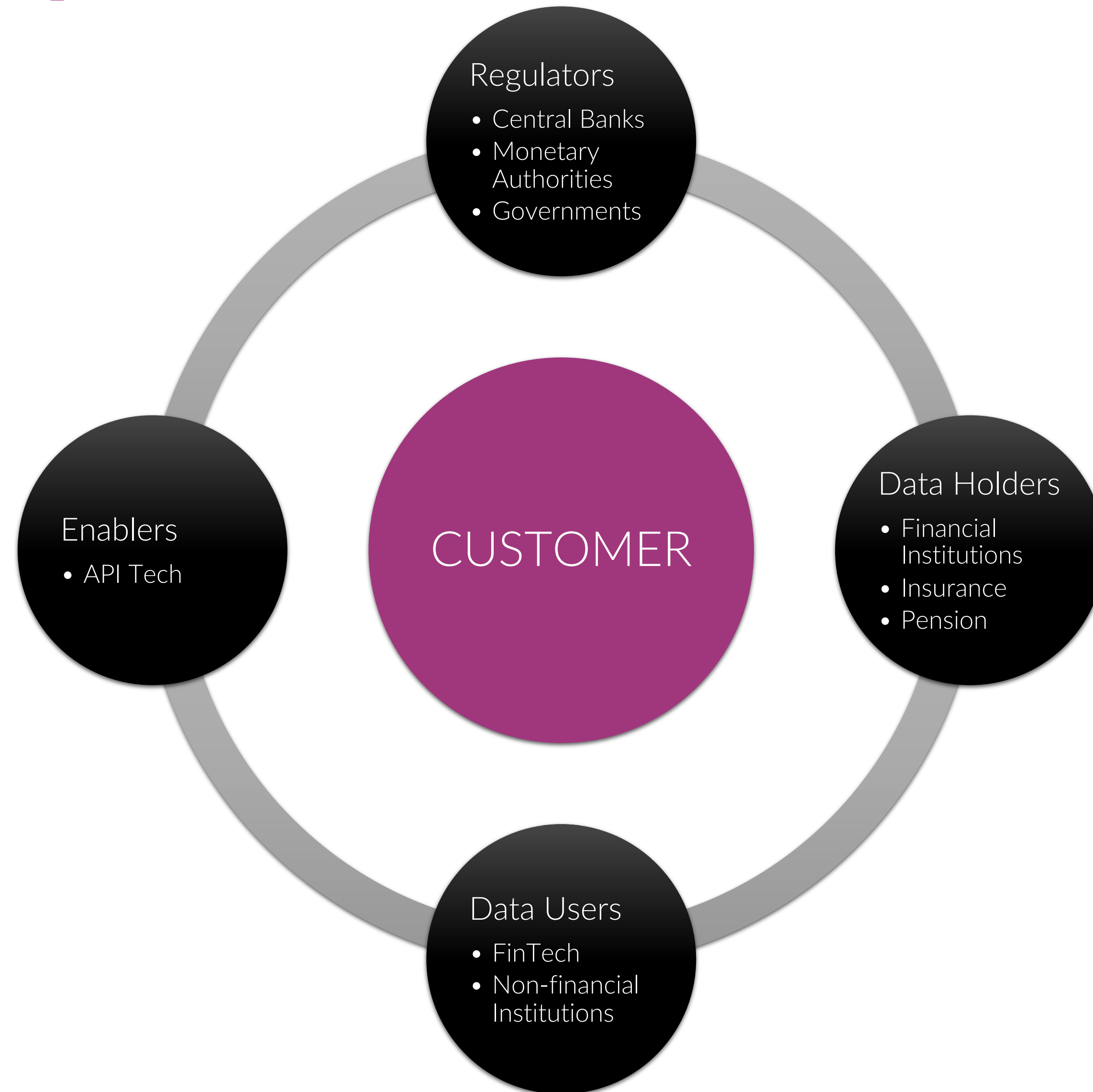
UK, Brazil, Singapore, United States, India, Australia, Hong Kong, Mexico, Bahrain, Saudi Arabia, Canada, Chile, EU – *and the list goes on*

Approaches: Regulator-drive, Market-driven, Collaborative

The Driving Forces



The Open Finance Stakeholders



The Global Footprint

REGULATOR DRIVEN

Open Banking regulations & implementation controlled by the regulators with mandatory participation from incumbents.



MARKET DRIVEN

Open Banking initiatives led by industry participants at individual capacity. No regulatory frameworks in place yet.



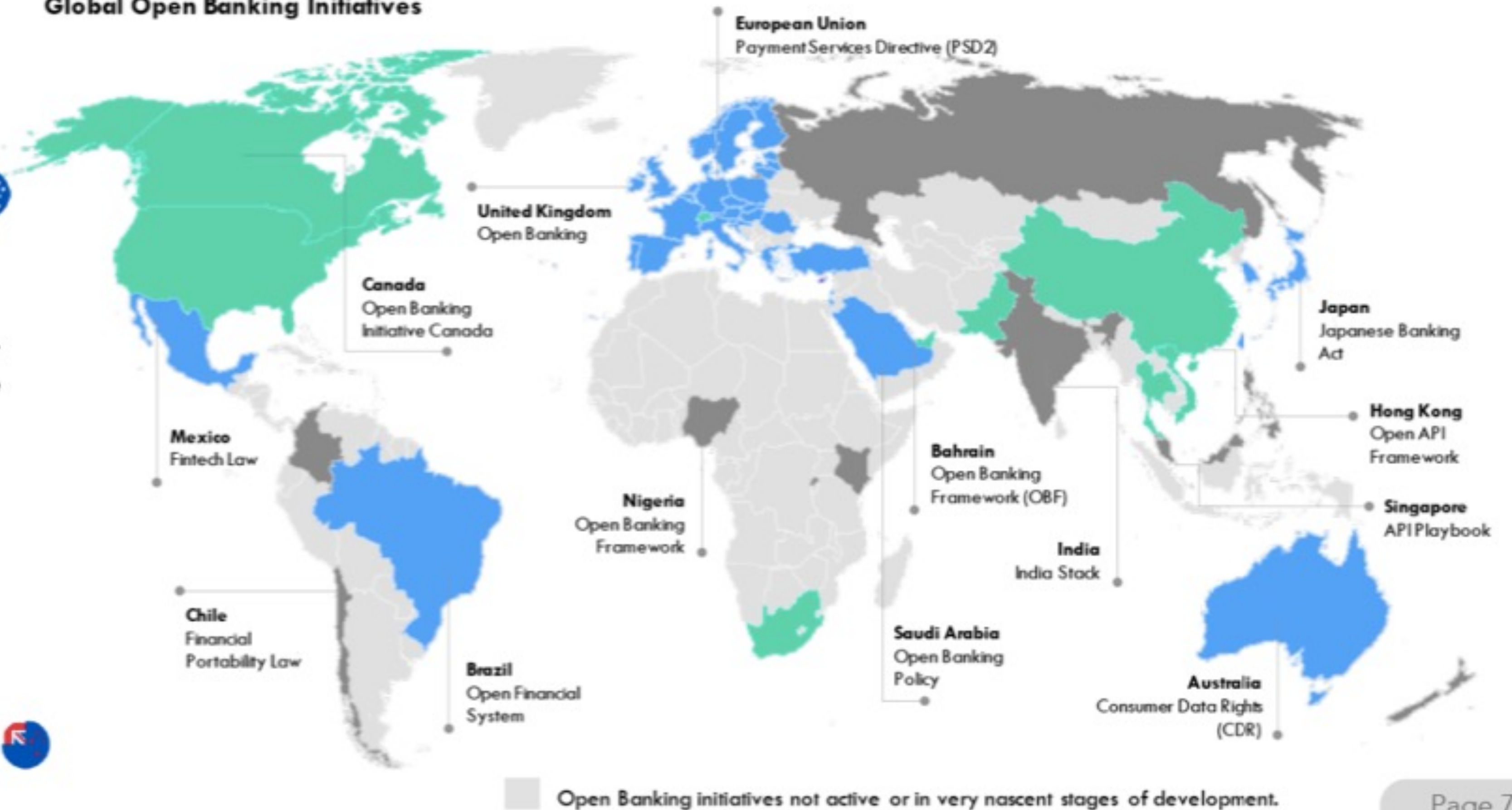
COLLABORATIVE

Regulatory guidance & facilitative infrastructure for Open Banking along with industry initiatives. Participation is not mandatory, but encouraged.



Note: This representation is not exhaustive

Global Open Banking Initiatives



The Facts

86%

of financial institutions recognize the value of Open Banking data ⁽¹⁾

8 out of 10

financial institutions are adopting or plan to adopt Open Banking ⁽¹⁾

94%

of FinTech companies have considered how Open Banking can enhance current services ⁽¹⁾

\$9.9Bn

estimated total Open Banking sector revenues by 2022 ⁽¹⁾

⁽¹⁾ Open Banking.org, "Facts and Statistics"

The Global Motivations

- Attracting VC investment
- Inclusion
- Enhancing Personal Finance Management
- Enhancing Access to Finance for MSMEs
- Allowing Frictionless Customer Experience
- Increasing Market Competitiveness on the Global Stage
- Enhancing Cross-border Payments, both in terms of time and cost
- Personal Finance Management
- Interoperability in multinational economies

The Arab Region Motivations

.....

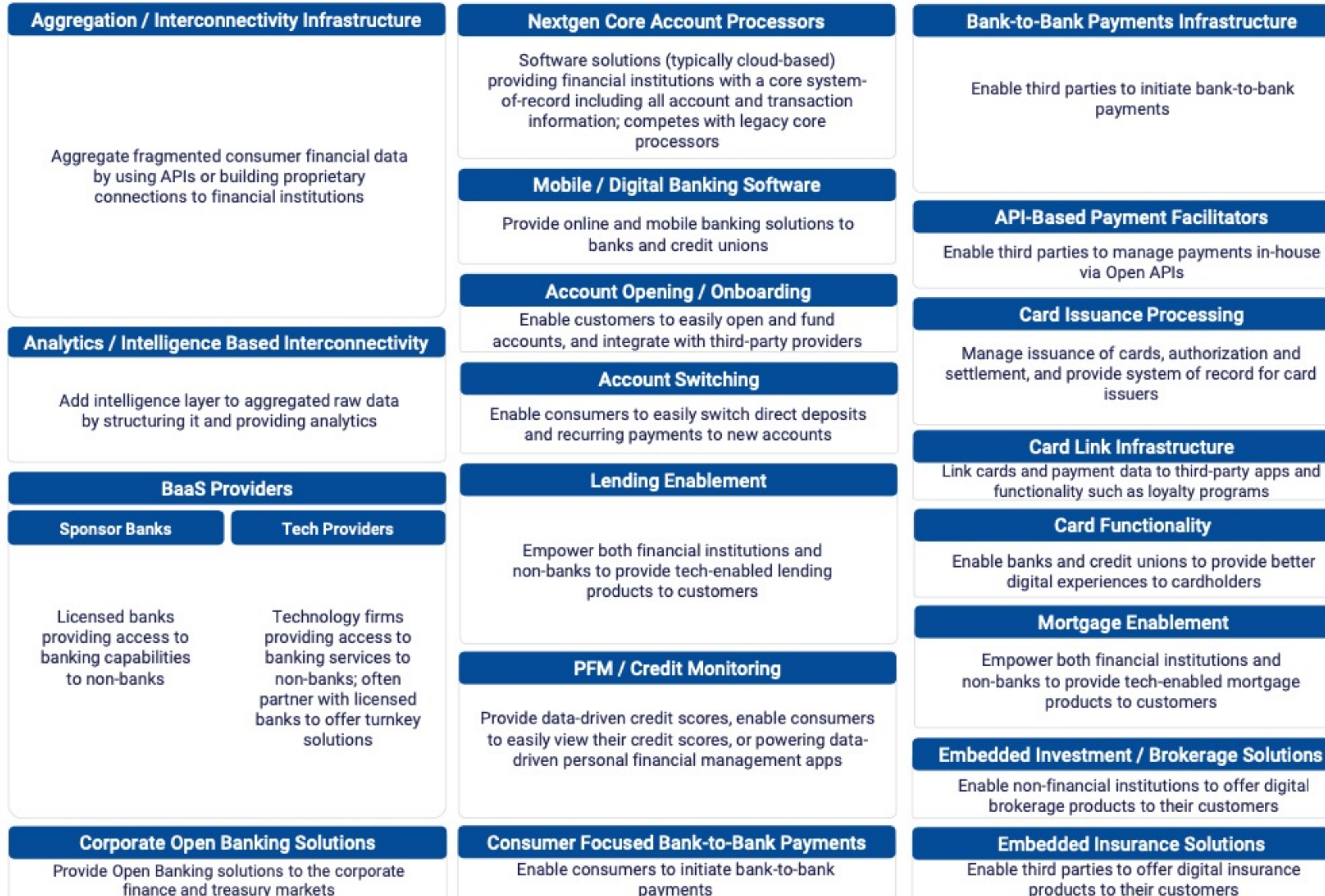
- Attracting VC investment
- Inclusion
- Enhancing Personal Finance Management
- Enhancing Access to Finance for MSMEs
- Creating a leading digital financial services ecosystem to attract inward investment and growth (sub-text - reduce dependency on oil revenues)
- Drive financial inclusion
- Increase innovation and improve services for consumers and businesses
- Drive increased digital connectivity and interoperability across the region (e.g. x-border payments)

Key Themes

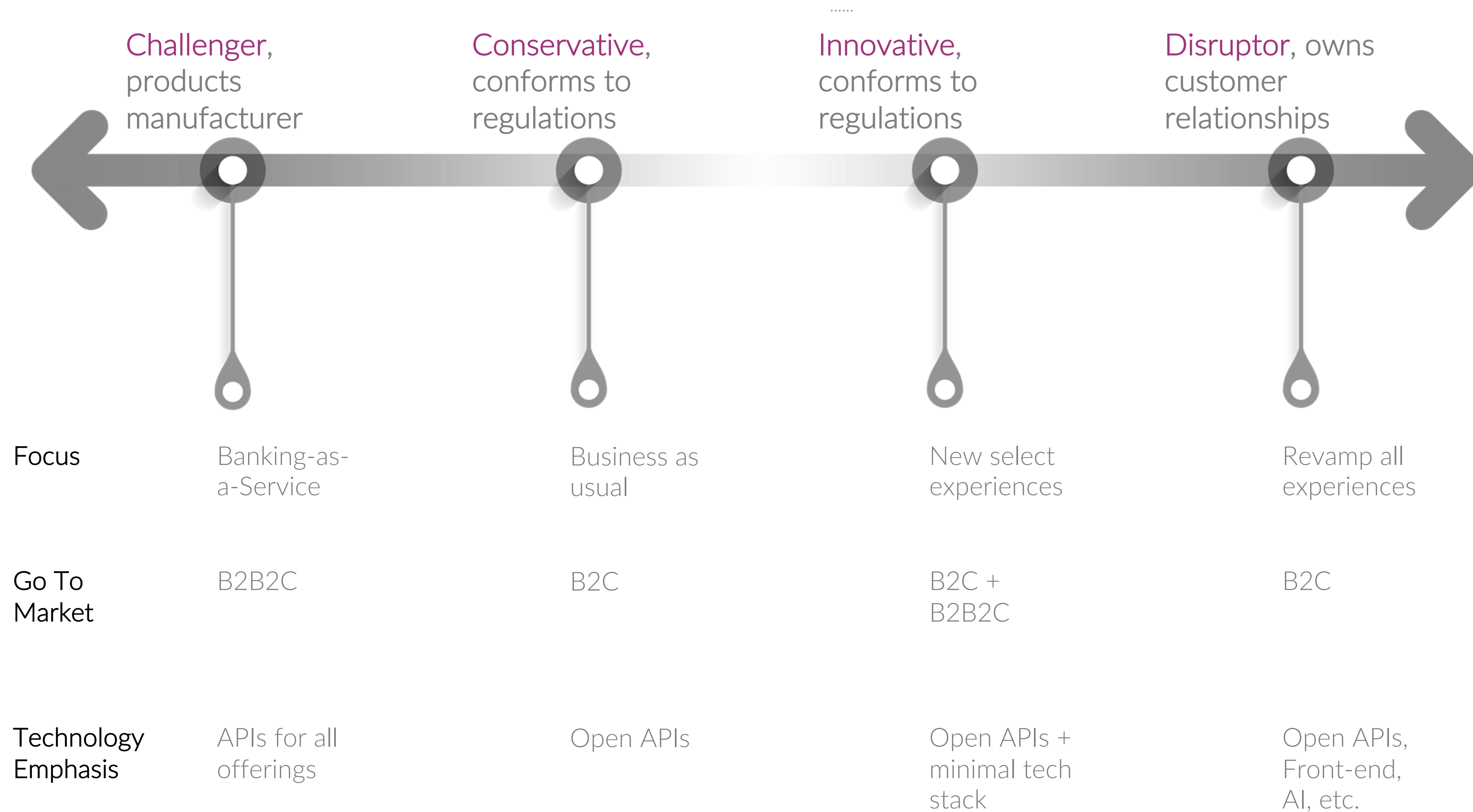
.....

- The Rise of APIs
- Embedded Finance
 - Investment & Brokerage Products
 - Insurance Products
- Enablers to the Enablers
- Bank to Bank Payments
- Growing Usage of Data
- Cloud-based Core Bank Processors
- Incumbent Core Processor's Open Banking-Related Services
- Open Banking Solutions for Corporate Banking
- Focused Point Solutions

OF Market Segments



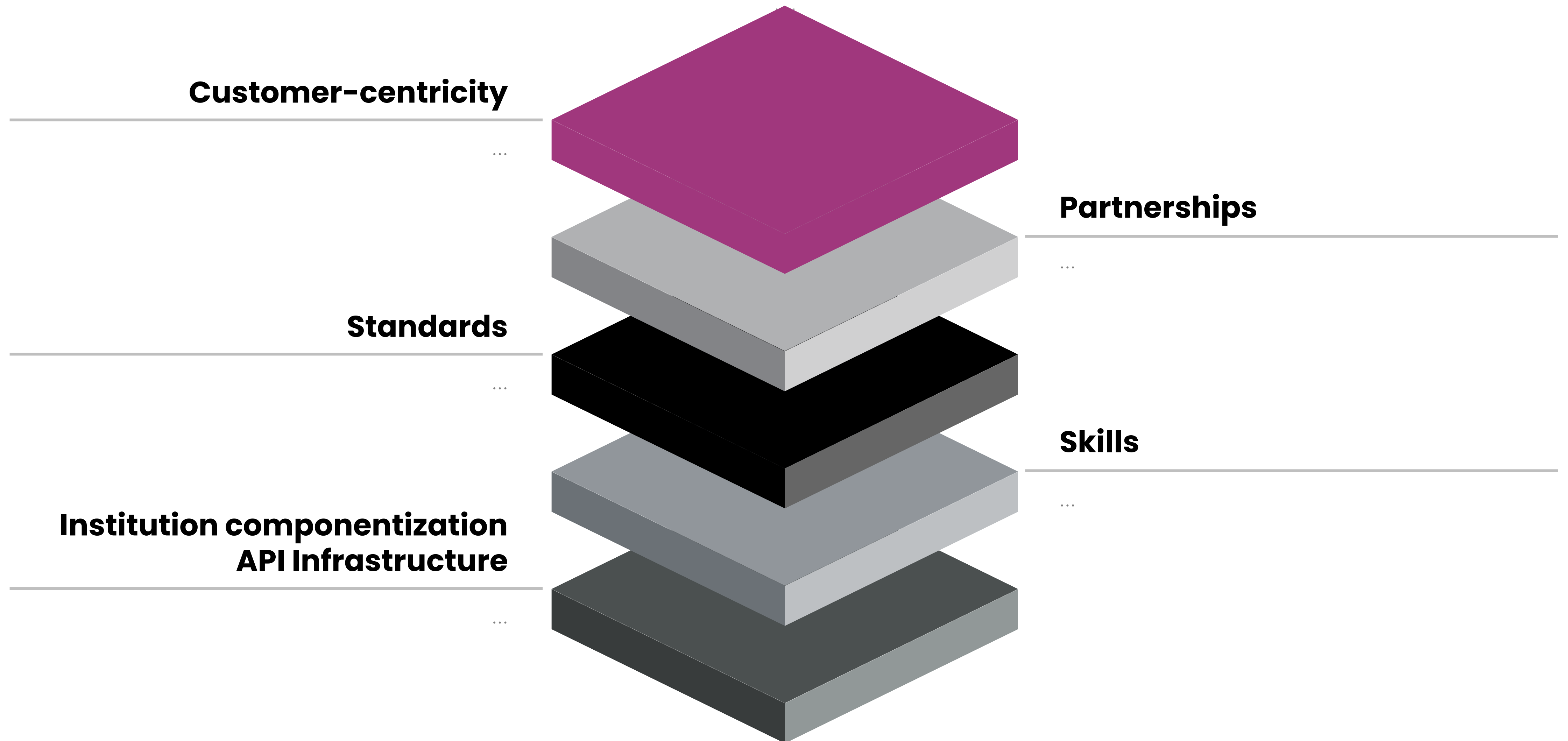
The Design Choices



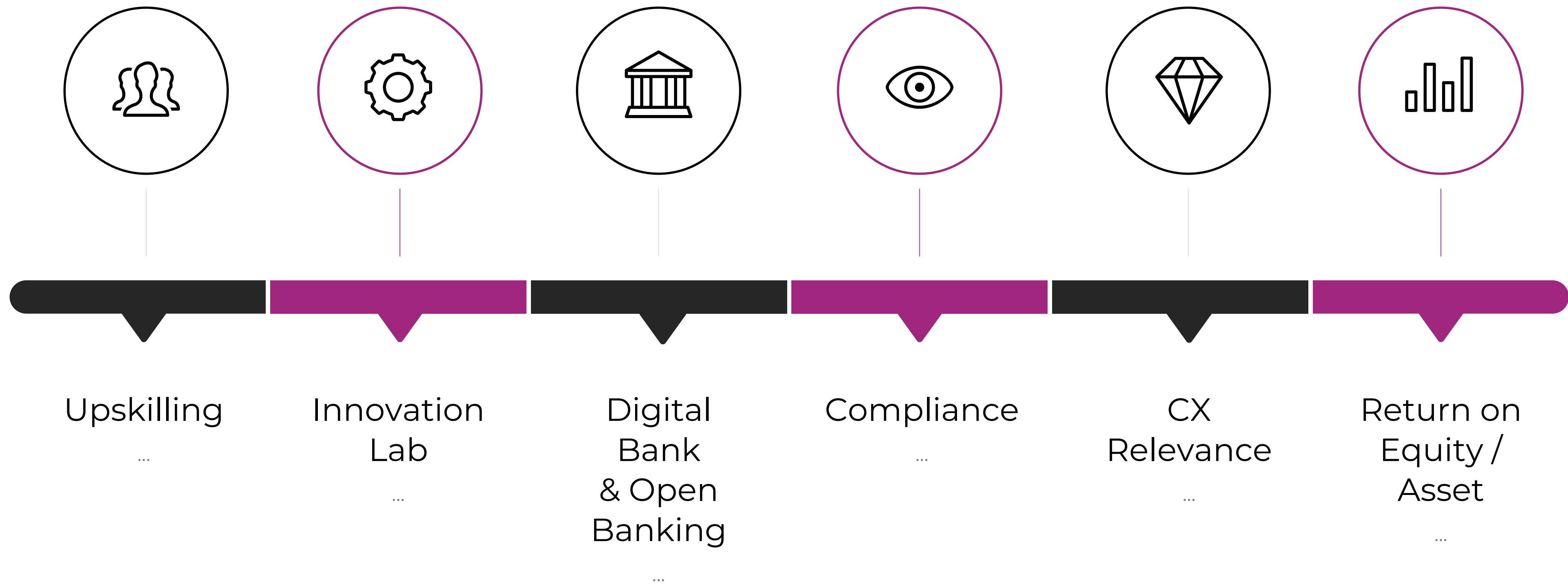
How to design for inclusion

Product	Required Data Holder	Required Data Scope	Required Service Scope	Required Functionality	Required Data Request Frequency
Savings trackers/ automatic sweepers	Banks, EMIs, PSPs, other FSPs	Customer transaction data	Banking, payments	Recurring payment initiation	Requires real time, continuous data calls
Utility switching	Utilities, banks, EMIs, PSPs, other FSPs	Customer transaction data, customer utility data	Banking, payments, utilities	Payment initiation	Requires a limited number of real time data calls
Collaborative customer due diligence ^a	Banks, EMIs, PSPs, other FSPs (pensions, insurance, investments), mobile network operators, utilities, other alternative providers that can identify an individual	Customer registration data, including identification	Banking, utilities, telecoms, pensions, insurance, investment	Legal framework to allow digital copies of ID to be used for KYC	Requires a limited number of real time data calls
Budgeting apps with payment initiation	Banks, EMIs, PSPs, other FSPs (pensions, insurance, investments), utilities, credit providers	Customer transaction data, customer data concerning other financial services (credit, pensions, insurance, investments)	Banking, payments, credit, pensions, insurance, investment	Account information services, payment initiation, other types of transaction initiation/customer acquisition, e.g., ability to enter into credit agreements	Requires real time, continuous data calls
Credit	Banks, EMIs, PSPs, other FSPs, credit providers, other providers of alternative data (utilities, telecoms, etc.)	Customer transaction data, customer credit data, access to alternative data	Banking, payments, credit, further sectors that provide alternative data (utilities, telecoms, etc.)	Recurrent payment initiation, other types of transaction initiation/customer acquisition, e.g., ability to enter into credit agreements on behalf of customer, ability to undertake debt rehabilitation	Service dependent: for a one-time credit switch, limited data calls; for pre-approved credit to reduce reliance on overdraft, requires real-time continuous data calls

The Pre-requisites



Competing Priorities



S t r a t e g y t o E x e c u t i o n

Business Architecture Guided

Having a strategy in place for digital transformation within the banking sector is only enough to warm an organization up and establish leadership alignment.

Agility in Strategy Execution is a necessary organizational characteristic in the digital era. It takes a holistic approach, discipline, and strong buy in to drive change in a sustainable manner and to ensure alignment and will power so the change cascades to every level and each stakeholder in order to become responsive.

“

“No organization can win if its parts are not all aligned to execute the same strategy and achieve the same goals. Even the “perfect” strategy within a competitively advantaged business model will ultimately fail if the organization is not fully aligned internally and does not understand how to execute the strategy, or if it works at cross-purposes.””

– Rick Kash and David Calhoun in How Companies Win

What Strategy Execution Means for Employees



66% of HR and IT organizations develop strategic plans that are not linked to the enterprise strategy.

Source: Robert Kaplan, Harvard Business Review



95% of employees in most organizations do not understand their organization's strategy.

Source: Robert Kaplan, Harvard Business Review

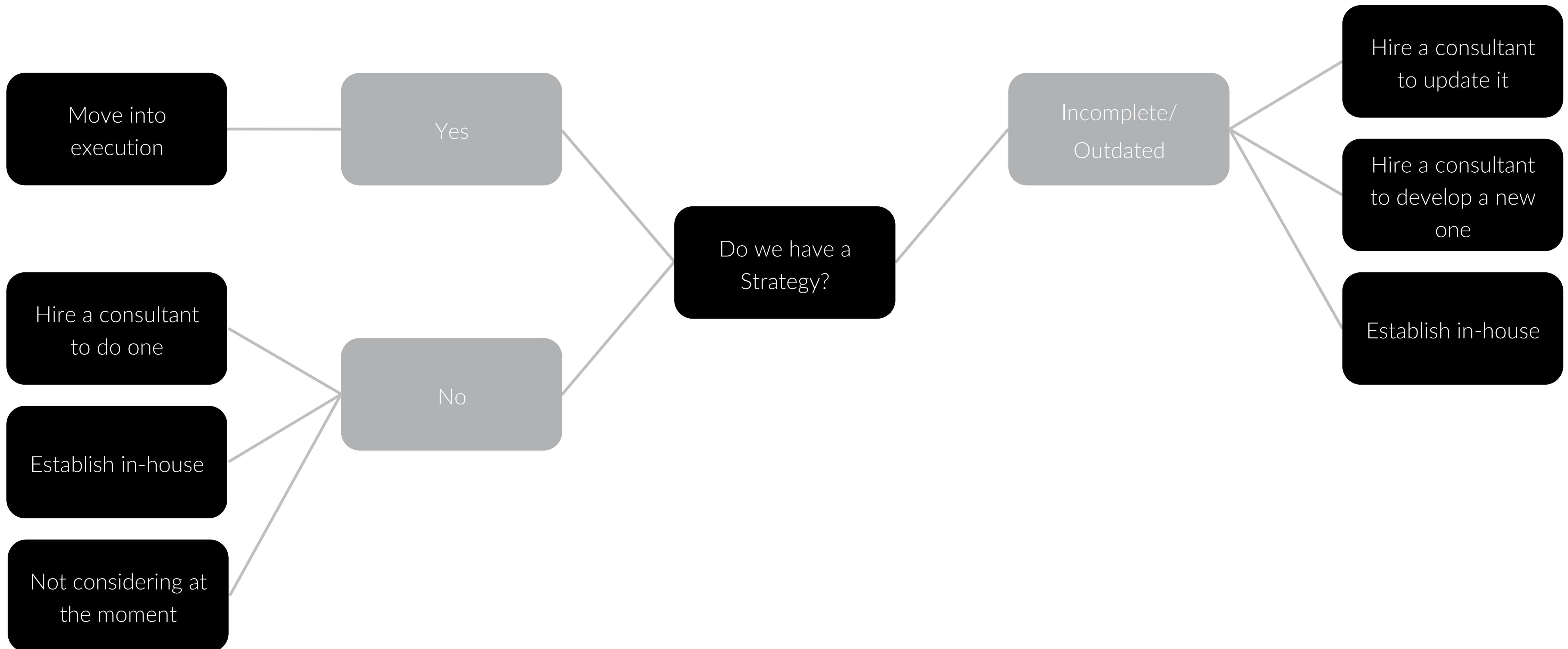
The Top Challenge

FROM

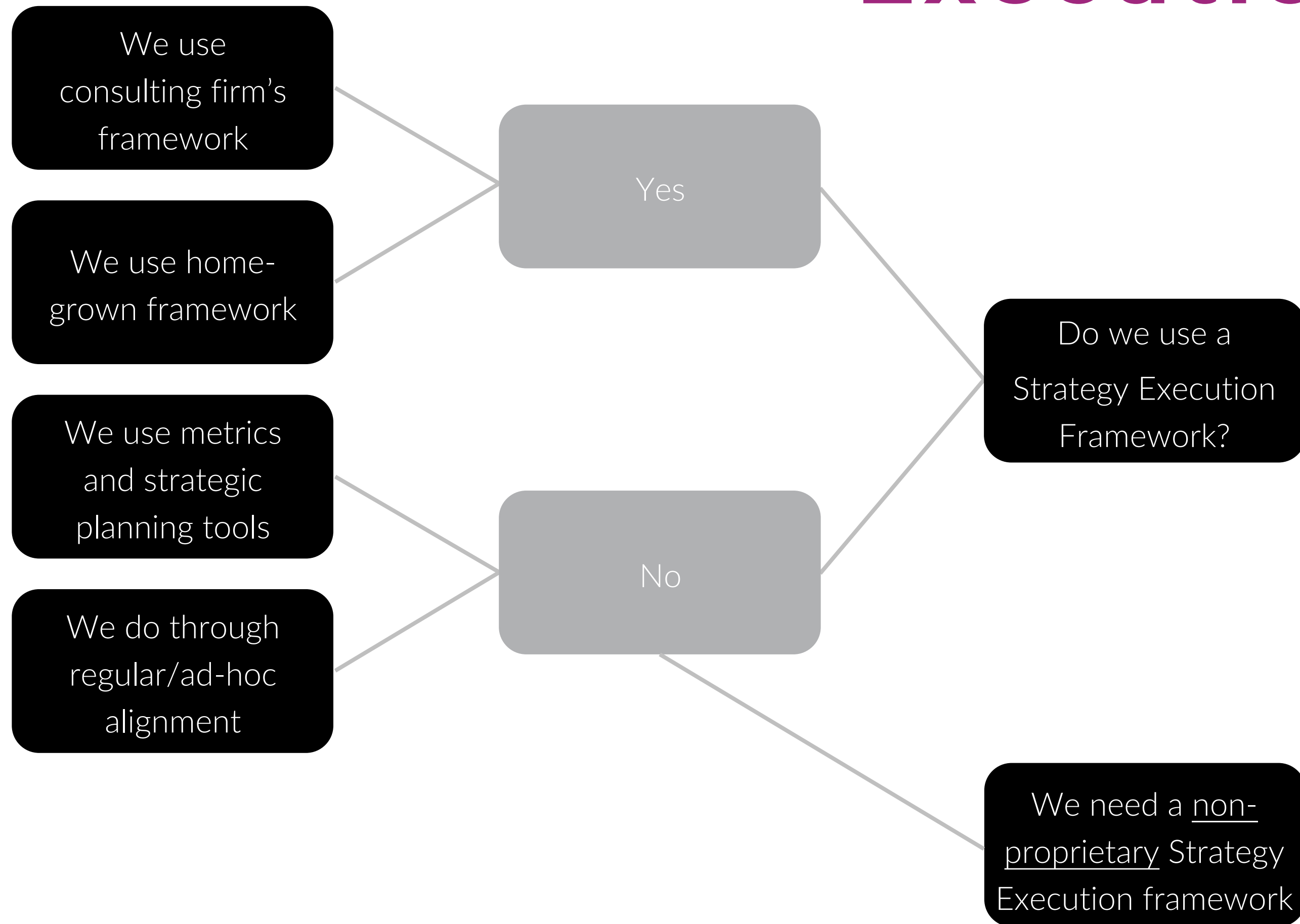
TO

Silo Orientation	➔	Enterprise Optimization and Cross-Business Unit Collaboration
Narrow Focuses	➔	Systemic, Big Picture Thinking
Internal Focus ("Inside Out")	➔	Value and Customer / Stakeholder Focus ("Outside In")
Technology and Solution Focus	➔	Business Focus
Execution Focus, Do Things	➔	Slow Down to Speed Up, Do the Right Things

Where do we stand on Open Finance Strategy?



Where do we stand on Open Finance Strategy Execution



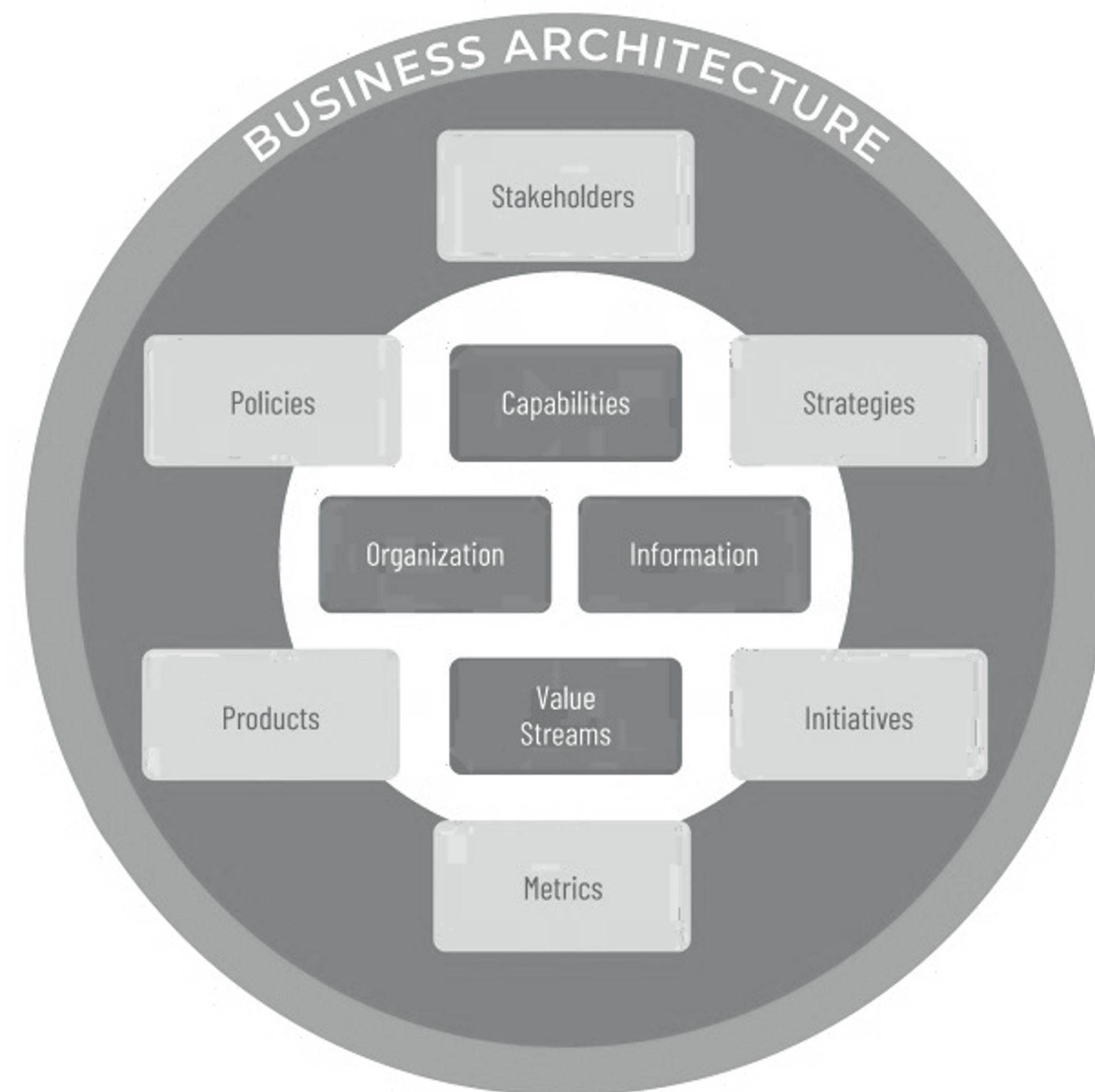
... we need a framework which

- Is robust, holistic, proven, and comes with reference models
- Is the keystone for digital readiness
- Provides institutional guidance for reimagining and rearchitecting the business model and ecosystem
- Shows us where we are, where we are going, the impacts of doing so and how to get there in the most effective way
- Builds an intentional end-to-end strategy execution capacity (muscle) within the organization that will continue to deliver and provide organizational agility
- Puts emerging technologies into a business and value context
- Is agnostic to business scenarios
- Is internally sustainable with minimal outside consulting assistance
- Is supported by tooling vendors to visualize and automate strategy execution

An Introduction to Business Architecture

Business architecture represents holistic, multidimensional business views of: capabilities, end-to-end value delivery, information, and organizational structure; and the relationships among these business views and strategies, products, policies, initiatives, and stakeholders.

Source: Federation of Enterprise Architecture Professional Organizations (FEAPO), www.feapo.org



Key Concepts

Bridges Strategy and Execution – Business architecture is used to translate business direction and architect and plan top-down, across business units; it is upstream from planning and projects

Works in an Ecosystem – To be effective, business architecture / business architects connect to all other related domains / teams

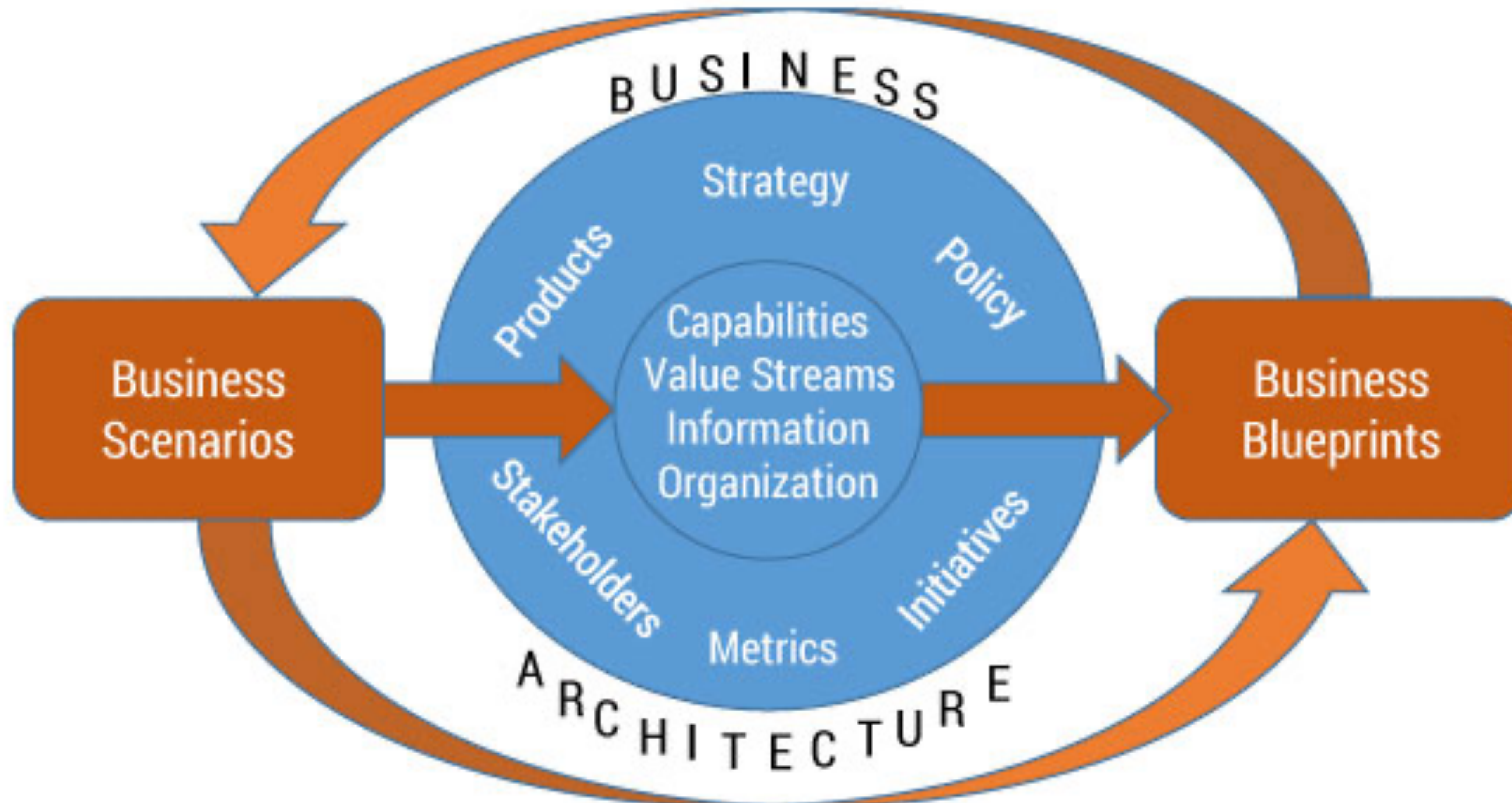
Connects to the Operating Model – Business architecture connects to people, process and technology, but does not encompass it

Value Streams and Capabilities are Key – Capabilities cross-mapped to value stream stages provide the lens into business architecture and the operating model

What Bus Arch resolves in Strategy Execution

- Competing or misaligned strategies
- Gaps in strategy communication and translation
- Translating, designing and planning in siloes leading to conflicting and redundant solutions and poor customer experience
- Difficulty prioritizing
- Disconnected disciplines and teams
- Lack of enterprise collaboration
- Dependence on tribal knowledge
- Inability to align initiative results with objectives

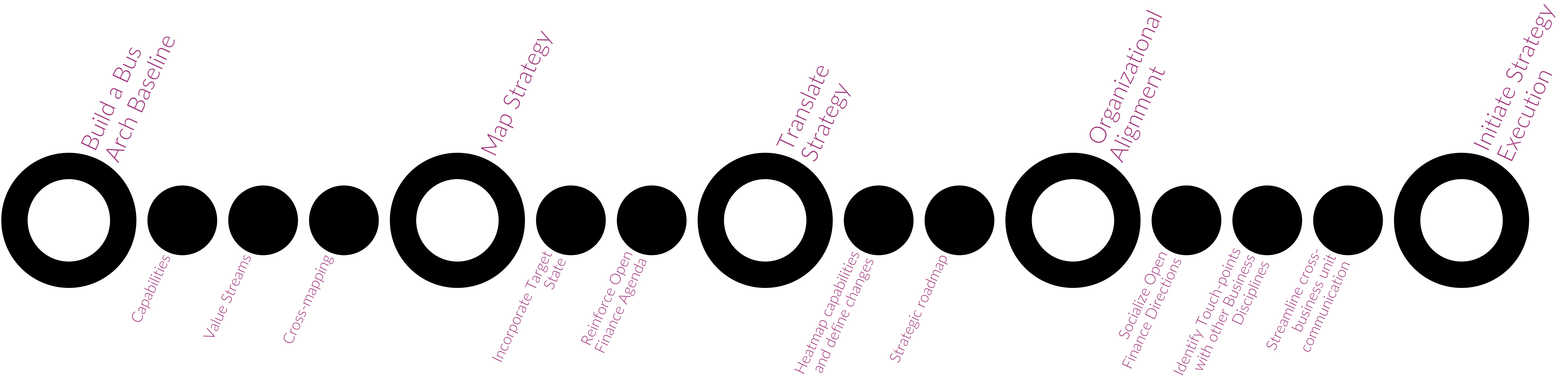
Business Architecture Framework



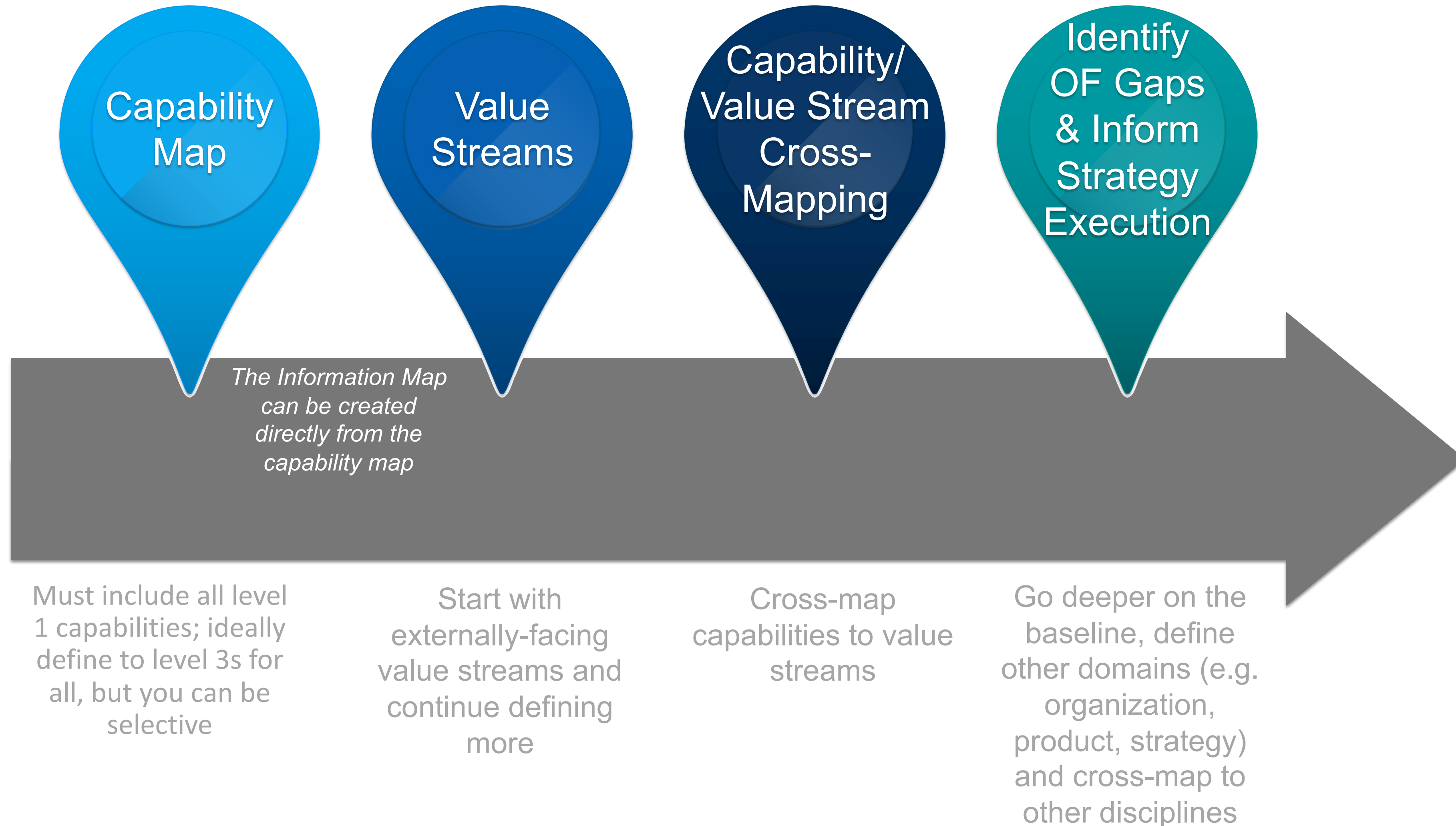
Examples of Business Scenarios

- Investment Analysis
- Shift to Customer Centric Business Model
- Merger & Acquisition Analysis
- New Product/Service Rollout
- Globalization
- Business Capability Outsourcing
- Supply Chain Streamlining
- Divestiture
- Regulatory Compliance
- Change Management
- Operational Cost Reduction
- Joint Venture Deployment

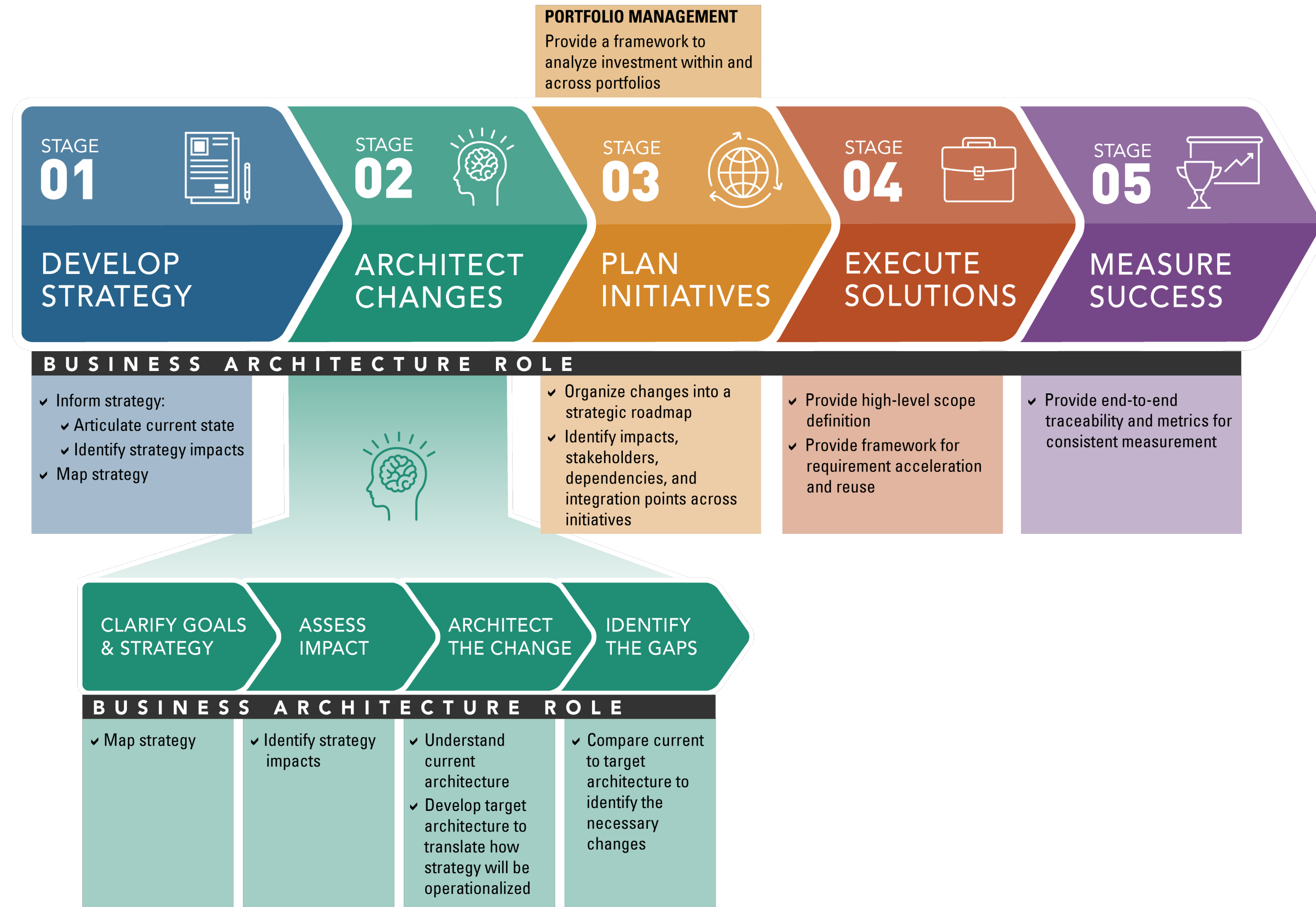
Prepping for Open Finance Strategy Execution



Building a Bus Arch Baseline that Enables Open Finance



Business Architecture-guided Strategy Execution



New questions we can answer



Capabilities: What They Look Like

Partial Capability Map (Generic)

STRATEGIC CAPABILITIES	PLAN MGMT	INVESTMENT MGMT	MESSAGE MGMT	RESEARCH MGMT	POLICY MGMT	MARKET MGMT	
	Plan Optimization	Investment Identification	Message Definition	Research Definition	Policy Definition	Market Definition	
	Plan Definition	Investment Portfolio Mgmt	Message Validation	Research Identification	Policy Interpretation	Market Prioritization	
	Plan Development	Investment Targeting	Message Structuring	Research Interpretation	Policy Dissemination	Market Targeting	
	Plan Validation	Investment Performance Determination	Message Matching	Research Structuring	Policy Validation	Market/Message Matching	
			Message Dissemination	Research Dissemination	Policy Information Mgmt		
CORE / CUSTOMER-FACING CAPABILITIES	CUSTOMER MGMT	AGREEMENT MGMT	CHANNEL MGMT	PARTNER MGMT	PRODUCT MGMT	WORK MGMT	
	Customer Definition	Agreement Definition	Channel Definition	Partner Definition	Product Conceptualization	Submission Mgmt	
	Customer Portfolio Mgmt	Agreement Offering	Channel Design	Partner Risk Management	Product Design	Work Item Mgmt	
	Customer Information Management	Agreement Structuring	Channel Access Management	Partner Performance Management	Product Creation	Work Queue Mgmt	
	Agreement Matching	Channel Performance Management	Partner Information Mgmt	Product Deployment	Work Item Routing		
	Customer Performance Management	Agreement Information Management		Product Lifecycle Mgmt	Time Mgmt		
					Work Event Mgmt		
SUPPORTING CAPABILITIES	FINANCE MGMT	HUMAN RESOURCE MGMT	INFORMATION MGMT	ASSET MGMT	PROGRAM MGMT	EVENT MGMT	LEARNING CONTENT MGMT
	Financial Account Management	HR Definition	Information Definition	Asset Definition	Program Definition	Event Definition	Learning Content Definition
	Currency Mgmt	HR Authentication & Authorization	Information Organization	Asset Inventory Mgmt	Program/Schedule Matching	Event/Schedule Matching	Learning Content Development
	Financial Transaction Mgmt	HR Hierarchy Mgmt	Information Aggregation	Asset Design	Program/Human Resource Matching	Event/Asset Matching	Learning Content Packaging
	Payment Mgmt	HR Information Mgmt	Analytics Management	Asset Creation	Program Information Mgmt	Event/Location Matching	
Finance Information Mgmt	HR Performance Determination	Information Dissemination	Asset Matching				
		Information Packaging					

BIZBOK® Guide Financial Services Capability Map

FINANCIAL SERVICES REFERENCE MODEL – STRATEGIC AND CUSTOMER-FACING TIERS

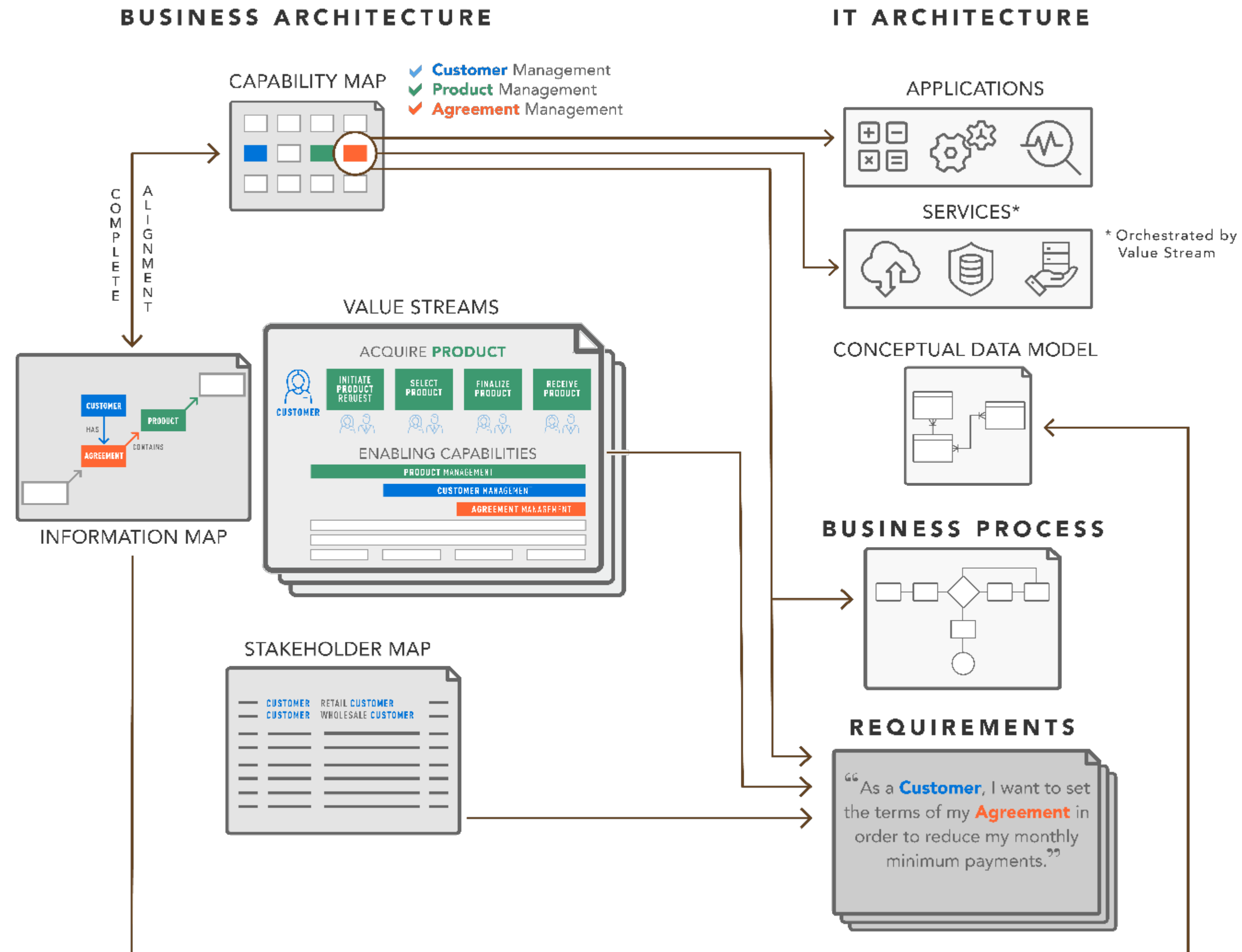


BIZBOK® Guide Financial Services Capability Map

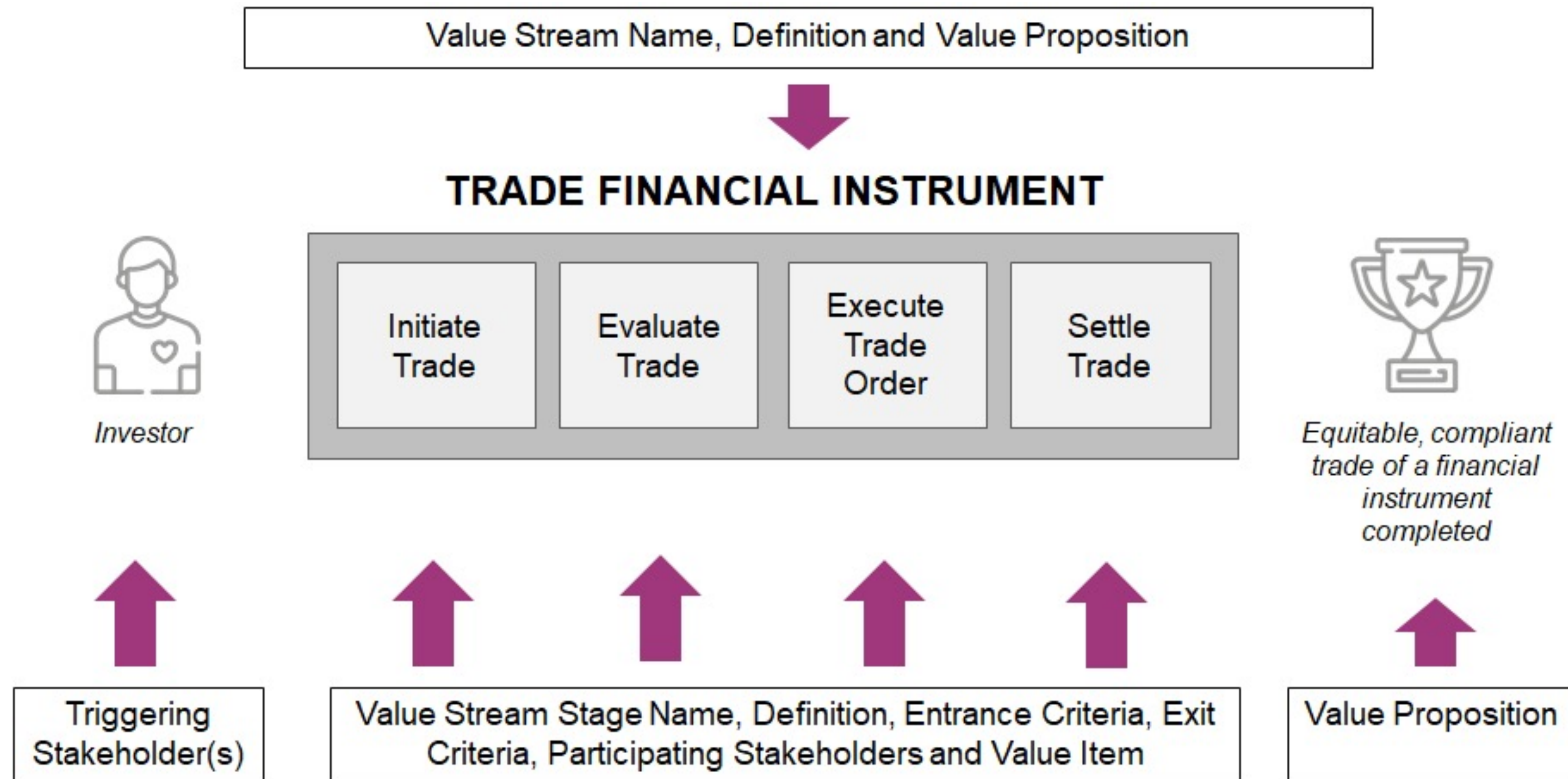
FINANCIAL SERVICES REFERENCE MODEL – STRATEGIC AND CUSTOMER-FACING TIERS



Information Concepts Are the “Glue” of Business Architecture



Value Streams: What They Look Like?



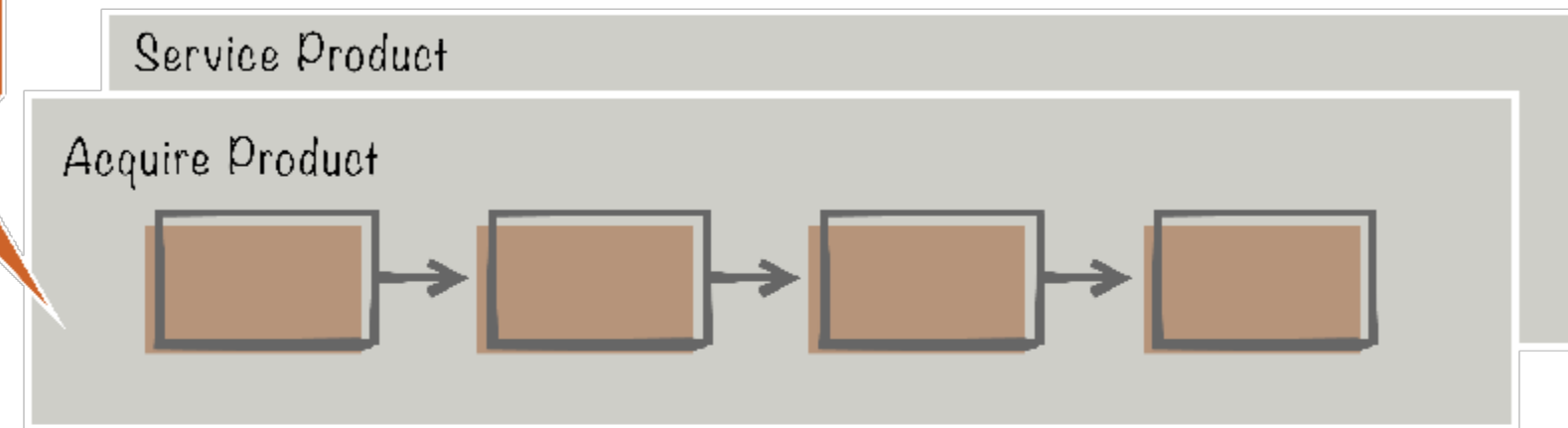
Source: Derived From BIZBOK® Guide

Value Streams + Capabilities: The Enterprise Connectors

When there is a change to the organization (e.g. a new strategy, product, regulation), if we know...

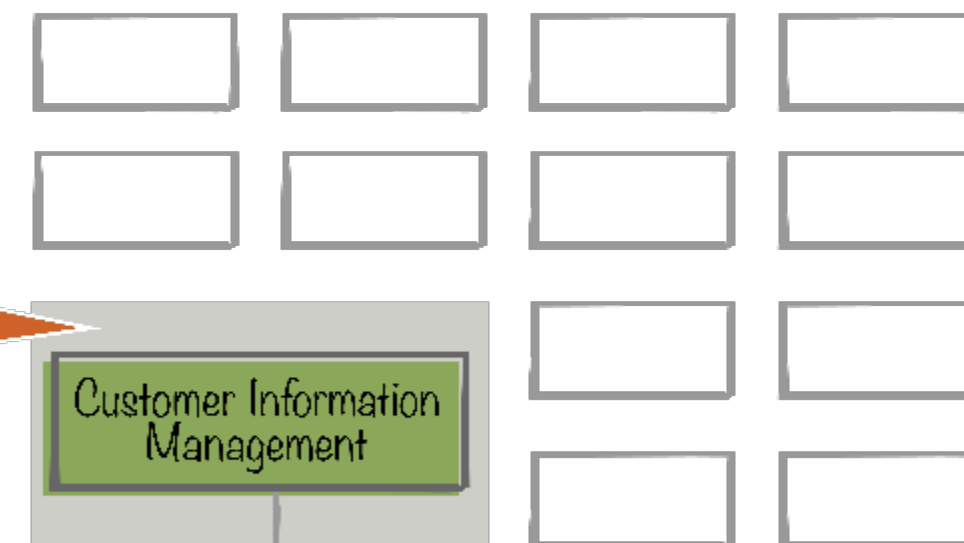
...which **value streams** are impacted and the stages within them...

VALUE STREAMS

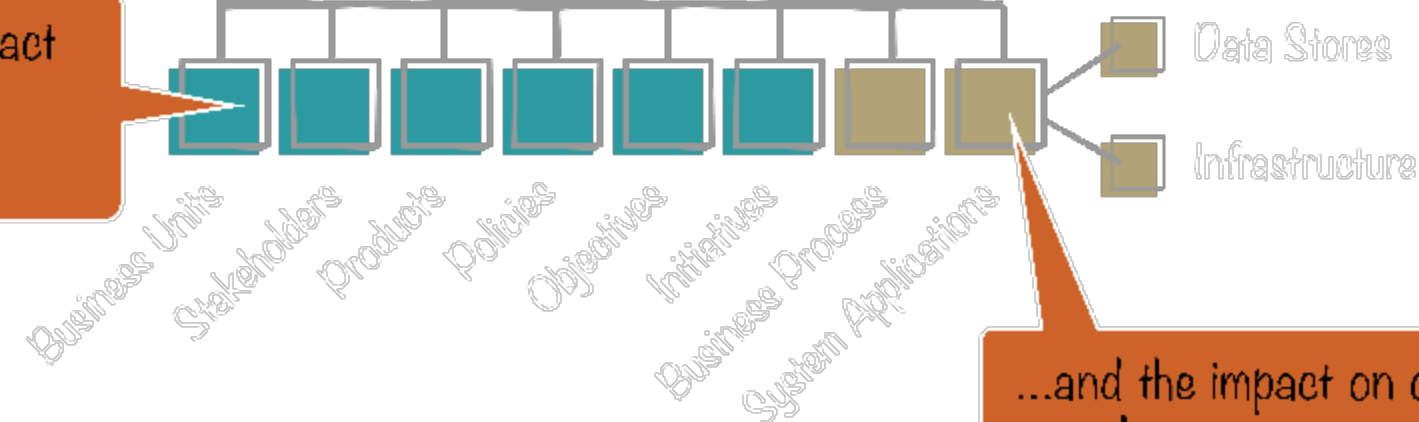


...and the **capabilities** impacted within those stages...

CAPABILITIES

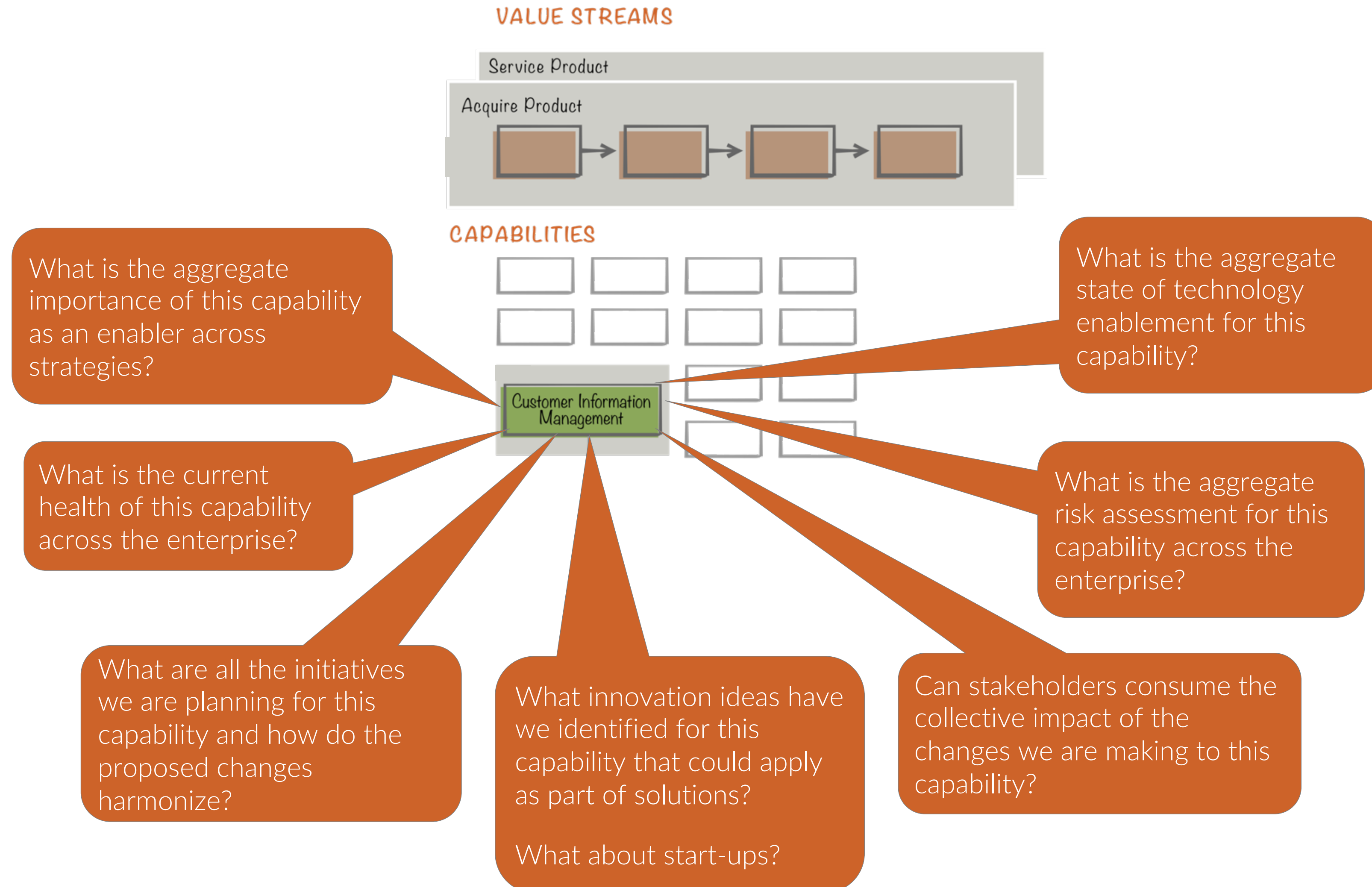


...then we can understand the impact on the rest of the **business architecture**...



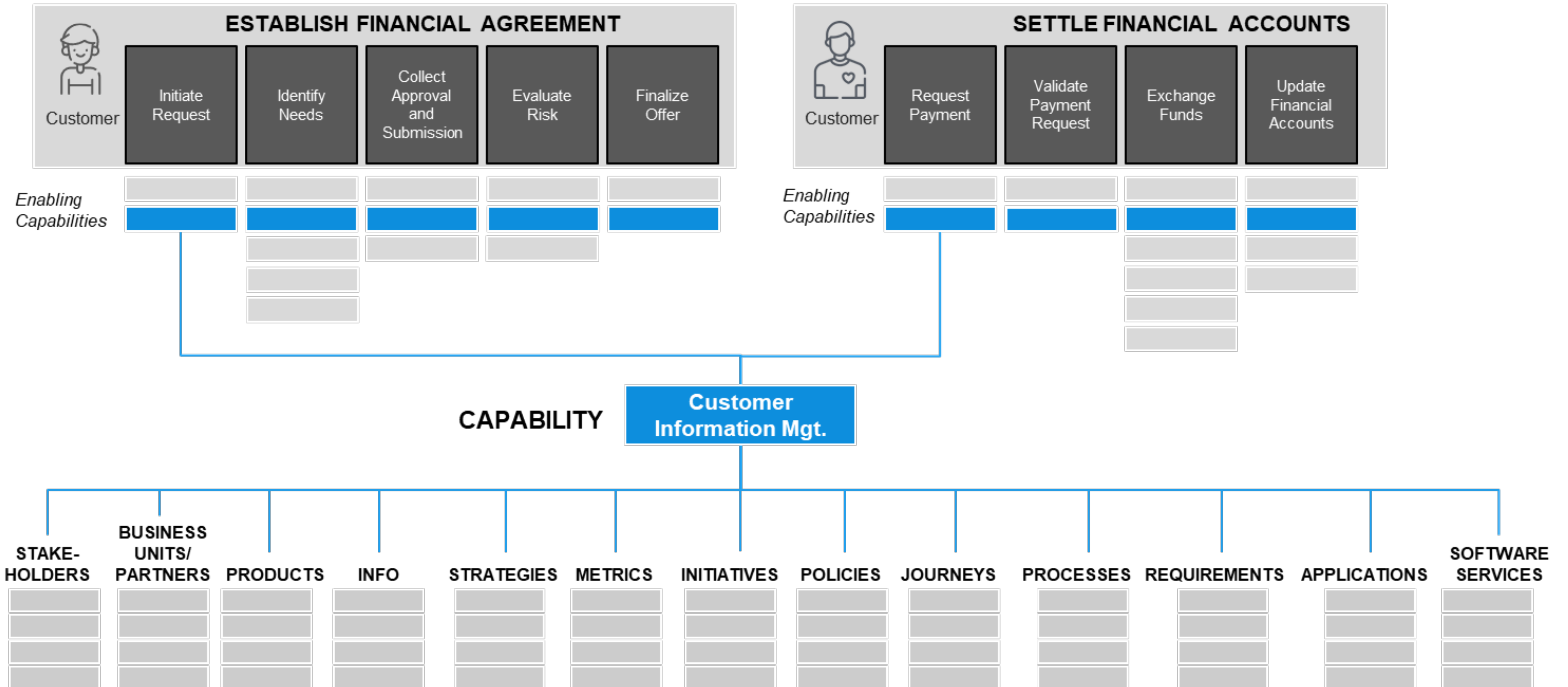
...and the impact on operational **people, process and technology**.

Value Streams + Capabilities: The Enterprise Connectors

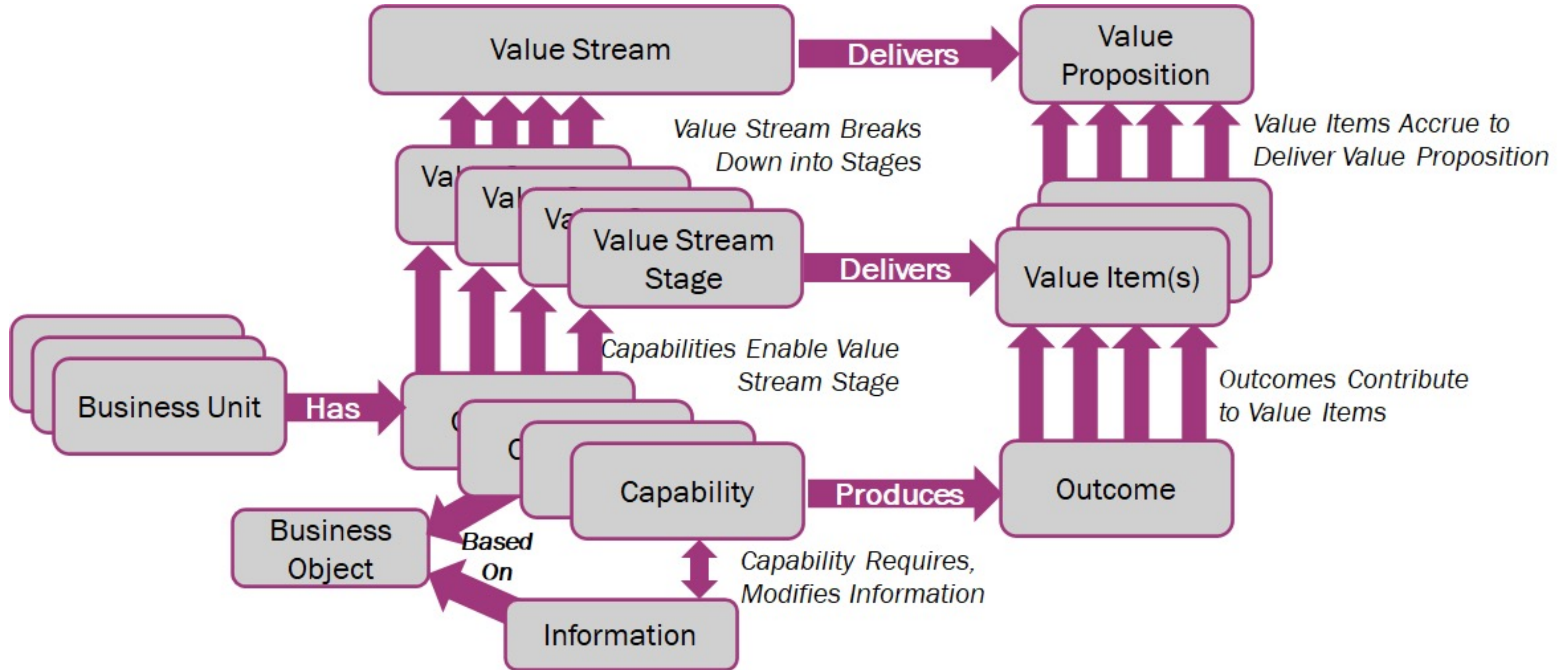


Framework Example

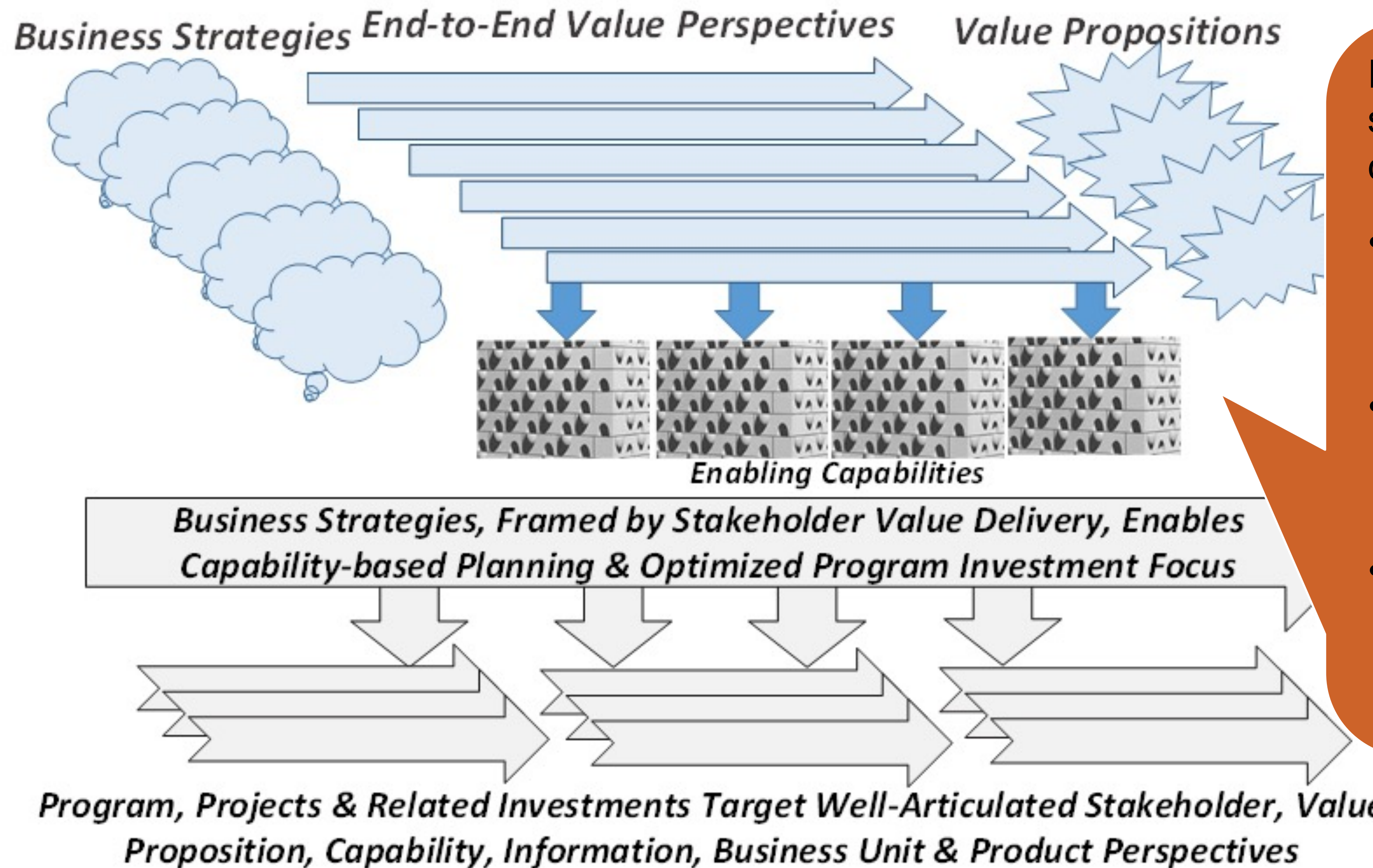
VALUE STREAMS



How the Core Domains Interact



Business Architecture Frames Initiatives

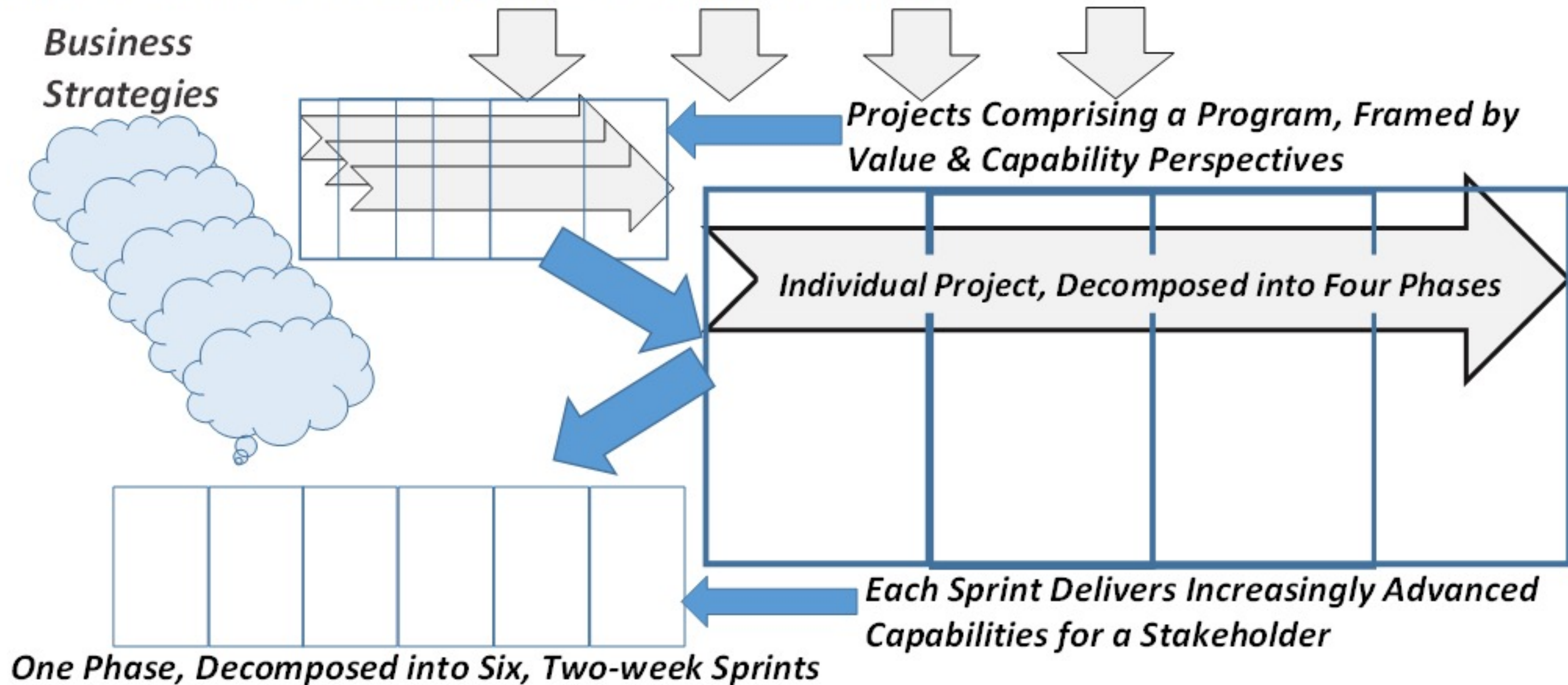


If these are the value stream and capability changes needed...

- How do we logically bundle them into initiatives?
- Frame each initiative through business architecture?
- Ensure reuse of capabilities, requirements and software services?

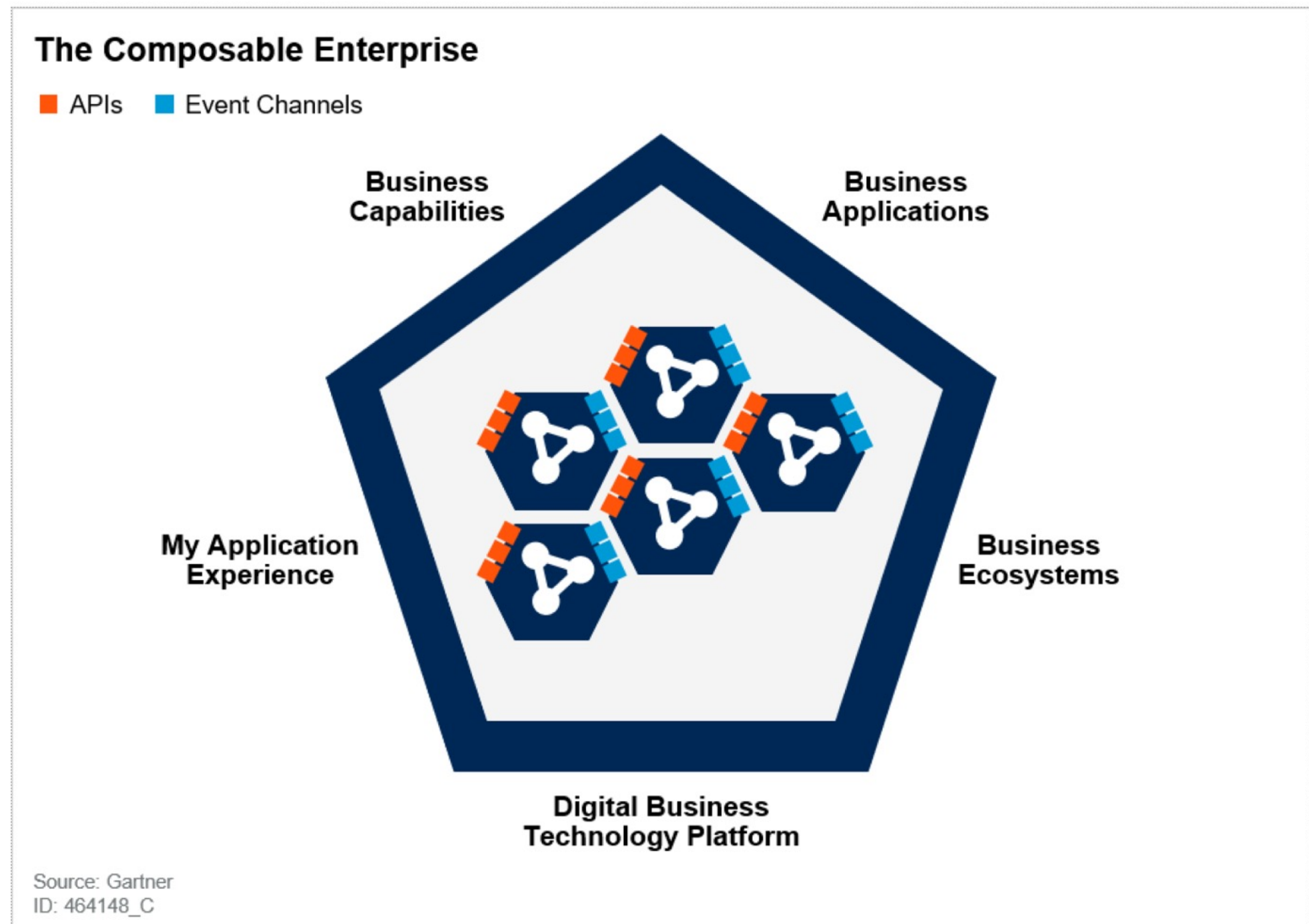
(Regardless of Size)

Program decomposed into projects, phases and two-week sprints, providing an unambiguous frame of reference for analyst and development teams



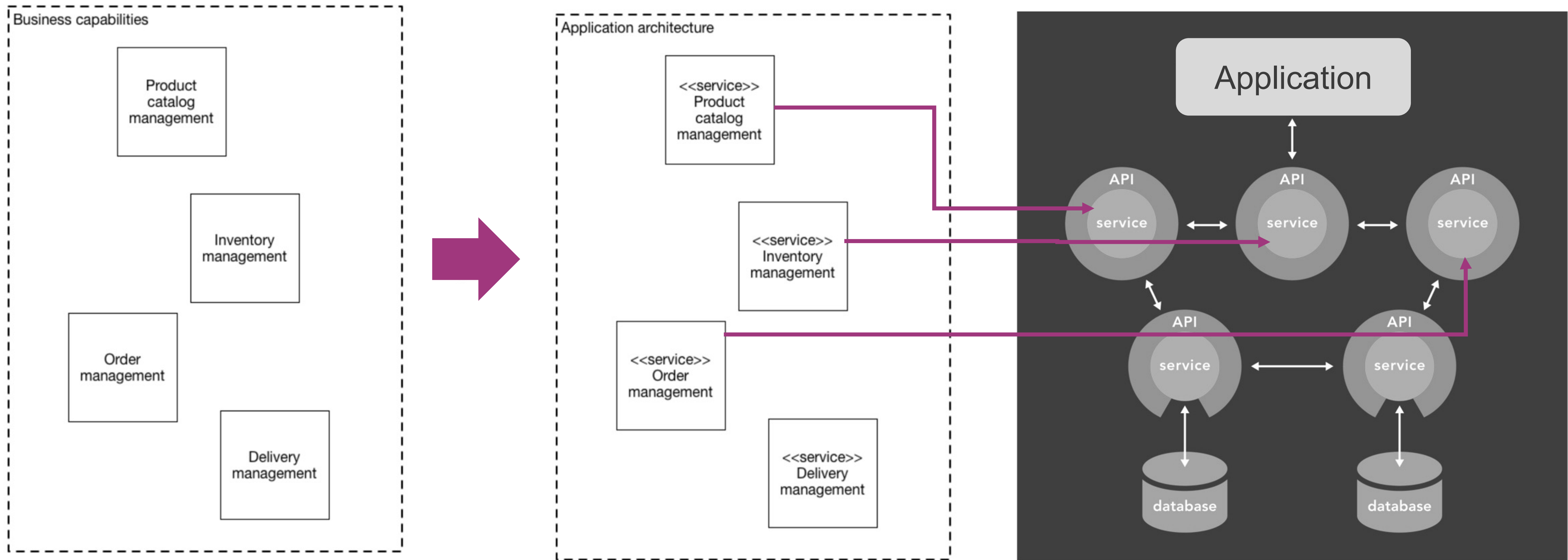
Business Architecture Enables a Composable Business

“ As business needs change, organizations must be able to deliver innovation quickly and adapt applications dynamically — reassembling capabilities from inside and outside the enterprise. To do this, organizations must understand and implement the “composable enterprise.” ”

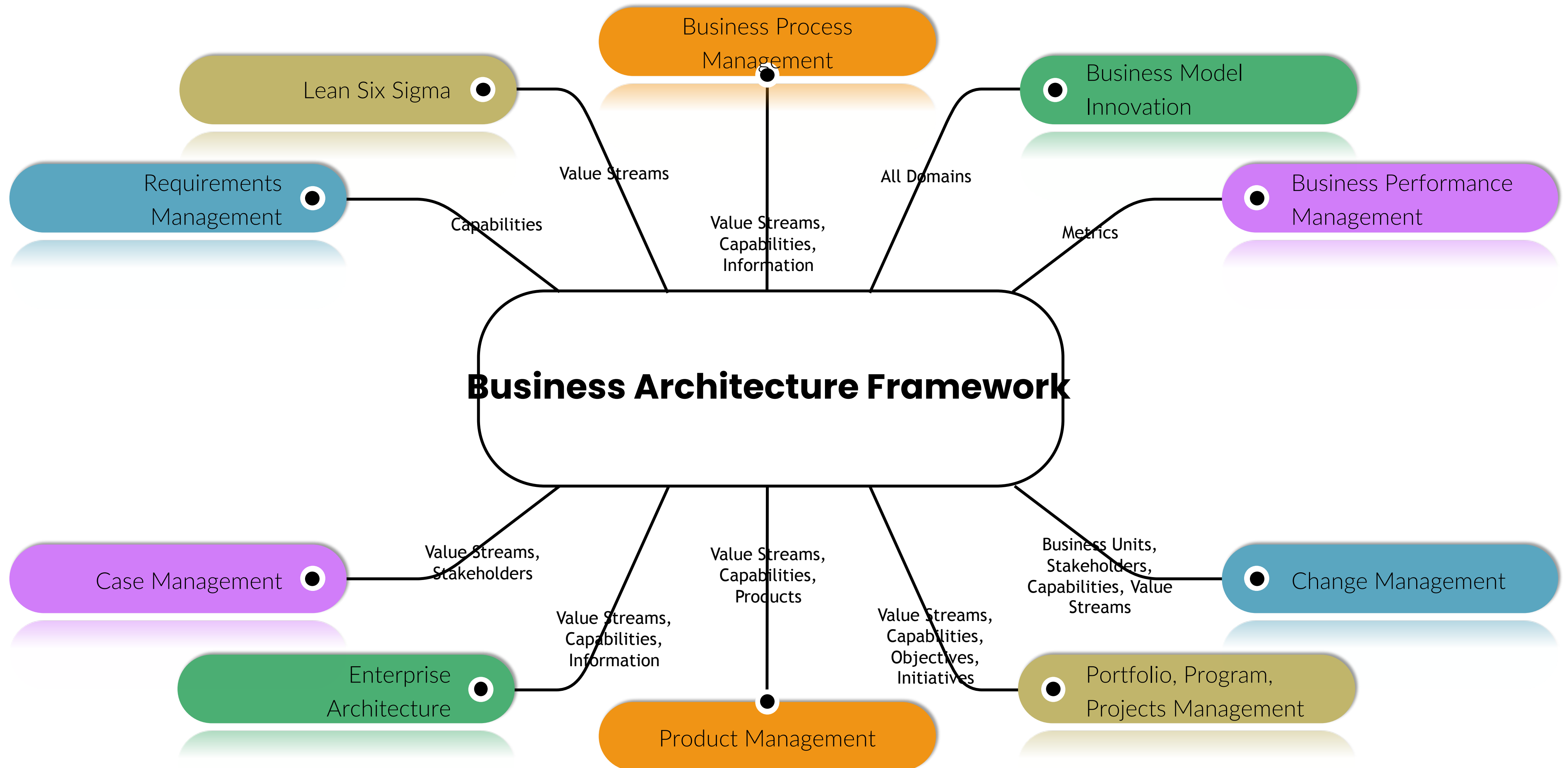


Business Architecture Enables a Composable Business

Capabilities define an organization's reusable building blocks that can be automated and exchanged.



Touchpoints with Business Disciplines



E s t a b l i s h i n g T h e
P r a c t i c e

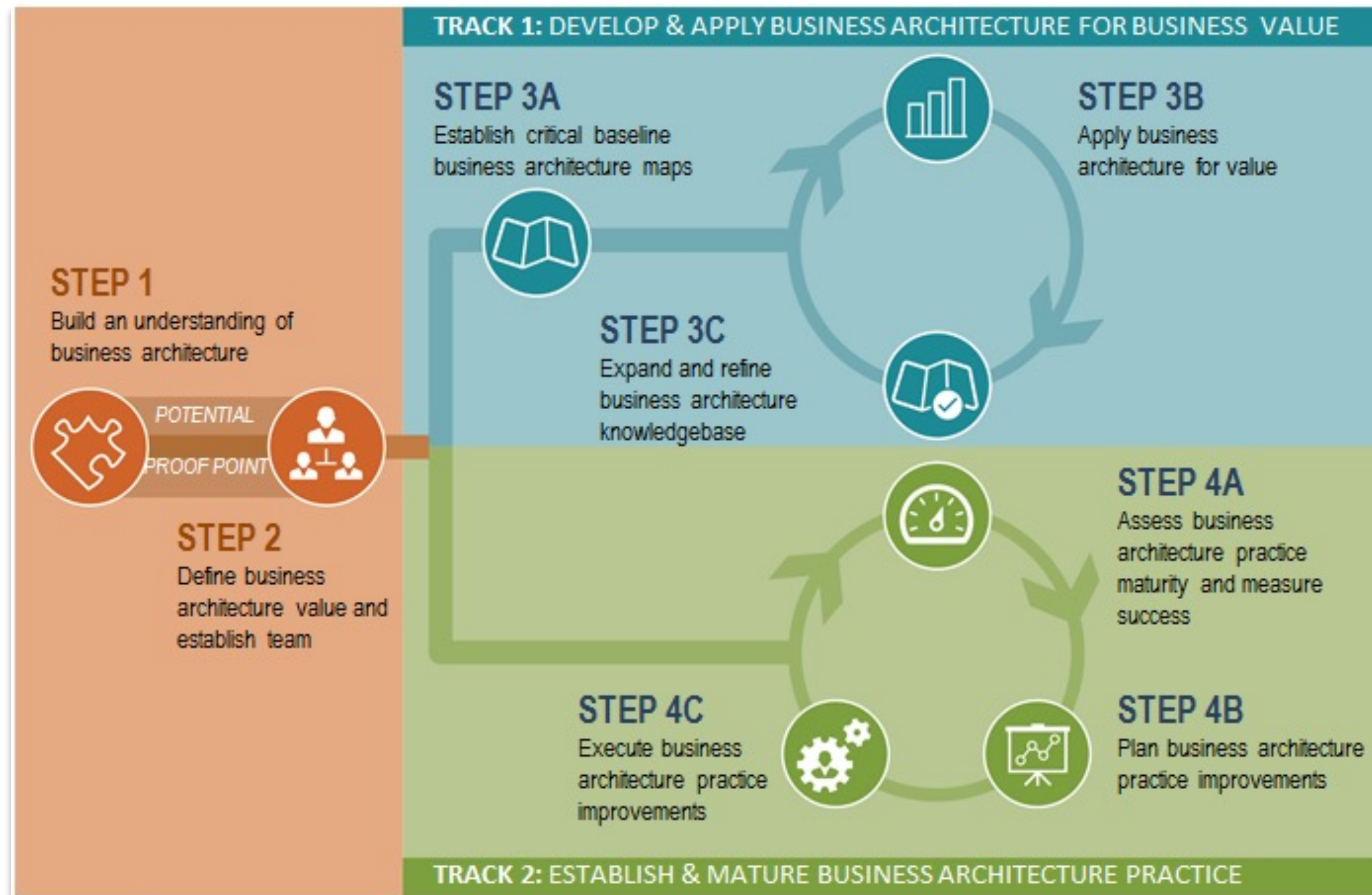
...

...

...

Business Architecture Practice Roadmap

Work along two tracks, guided by delivering business value and developing just enough practice infrastructure just in time to support it.



CONTACT US

Open Finance is here to stay, regardless how fast we move, we shall embrace it early, master it and use it as an opportunity to help shape your strategy for the new era of financial services.

We can help from strategy through execution.



Mob/WA
[+961 3 005523](tel:+9613005523)



EMAIL

suleiman.Barada@uab.digital
inquiries@uab.digital



WEBSITE

www.uab.digital



THANK YOU