

The future of trade and supply chain finance

Featuring

Geoff Brady, Head of Global Trade & Supply Chain Finance, Bank of America
Madhav Goparaju, Head of Digital Transformation - Trade and Supply Chain Finance, Bank of America
Chris Doroszczyk, Head of Strategy & Business Development - Cloud, IBM

Moderator

Deepesh Patel, Editorial Director, Trade Finance Global

Deepesh Patel

So, now on to our last section, and a kind of a feature view here, and we encourage you to send through your questions. To the audience, I mean, I'm surprised no one's asked a question about cryptography yet, but I'm sure that will that will come. Geoff, BofA have recently decided to research the coverage of cryptocurrency and digital assets. What motivated this decision?

Geoff Brady

I think for us a priority is being on the forefront of being informed, and not just sort of being a passive sort of being informed party, but also leading the conversation to some extent. And I think that's why without making any definitive step one way or another, I think the idea of research and information is very important. We always want to make sure that that conversation is a part of something that we're thinking about.

Obviously, it's something that is relevant in the world today, so we're going to do our due diligence around it. We're going to make sure that we have a view on it one way or another, and if it is going to come into play as something that will impact the financial community in a way that we need to react to, then we'll be ready to do that. But I think that's the nature of that now, Deepesh. We'll see how it progresses.

Deepesh Patel

And, Chris, what's your view on digital assets and cryptocurrency within the trade and SCF space?

Chris Doroszczyk

I look at a number of evolving topics that have to be considered constantly - whether it's crypto, blockchain - and how do we accommodate that in an evolving world? From an IBM perspective, I look to make sure that our platforms are able to be resilient and provide that. Number two, that they are redundant, so that we don't have any massive outages. And if, God forbid, something happens, that we can restore stuff. So, really those three things - the triple Rs - are really what the regulators, that Geoff described, really look at.

How can you make sure that you provide a platform and anything new? Because today it's crypto, blockchain, but if you look at the evolution, how far we've come on the digital journey, there'll be a number of new next steps, number of new ISVs, ideas, and we really need that to continue to grow in trade finance. And we, from an IBM perspective, need to continue to keep up with that. And again, to borrow Geoff's words, we want to be boring. We want to be secure, resilient, redundant, and we want to make sure that we restore if anything goes poorly, or anything happens, that we're always there. So, from our perspective: bring on the innovation, and we'll keep up with the pace.

Deepesh Patel

Thank you very much, Chris, and I think that's a really good roundup of many of the topics we've discussed here, and also many of the things we should look forward to and be prepared for - the boring stuff, really. And, Madhav, what's next for the trade and SCF team?

Madhav Goparaju

Look, for us, it's exciting times because we are laying the digital foundation for what's to come next, and we touched on a lot of these pieces - whether that is leveraging, picking up on these digital assets; or leveraging the blockchain technology to drive and solve for some of the challenges that our corporate clients are looking for us to solve for; leveraging the digital bridge between pure paper to the acceleration to all digital.

Actually, getting to a world where the supply chain procure-to-pay network is much more driven by digital data because, once you get there, I think you're much more evolved from being a pure transactional processor to really being able to advise our clients, being able to take advantage of decision-making and financing needs completely evolved. So, I think we're at the beginning stages of that journey, and as a key global player, I think we look to shape how that space is going to evolve. So, from where I'm sitting, and the direction that Geoff has shared with us, I think we're super-charged about where this is all leading to over the next couple of years. And how we can kind of shape because, lastly, you touched on earlier what are some of the other financial institutions who are not maybe at the scale of what we are at, and at Sibos many of them are looking to hear the lessons learnt, what to get, what we are paving the path for, I hope, obviously can help shape and bring many more players into the space to kind of address the various financing needs for the corporate clients at large globally. So, exciting times.

Deepesh Patel

Absolutely exciting, exciting times ahead. And, Geoff, just one final closing question for you. For those listening in that are looking to explore digital transformation, which means many things to different people, what are the key considerations, Geoff, you would advise others and things that they should think about and prepare for over the next 12 months when it comes to digital transformation?

Geoff Brady

That's a really good question. I think, be prepared to discuss data. I think that's really important - access to data. Be prepared to work with multiple parties. I think we need to be collaborative. So, if it's a digitisation journey, then I think an old school view of 'I just want one person in front of me, and then let you handle the rest of it', is probably not going to work here. You're going to want a table that's filled with different perspectives, and different people that bring different expertise.

So, whether it's an IBM or whether it's a fintech and a bank, whether it's consultants, or whomever, we're looking for that intelligence wherever we can find it. And I think if you're a corporate client, or you're a bank, and you're going to go on a digitisation journey, that's the important thing. Go make yourself smarter and be more informed. And I think the way to do that is to be prepared to work with a number of different counterparties, really smart people that are doing smart things, and to be pretty agnostic about where that comes from, it's certainly not territorial. That would be my piece of advice, Deepesh.

Deepesh Patel

Thank you. Thank you very much, and I think on some of the key things we've discussed about, always on, open excellence, and data-in-motion really resonates well with those those key points. So, just to summarise, it's been really good to have the three of you on on today, and I think I'm going to go back to those six words that we discussed and were brought up by Chris at the start of the session, which is really around 'elasticity', thinking about many to many, and thinking about how we can adapt quite quickly to the ever changing market.

We talked about 'capacity', so the ability to collaborate with others and think about things from that perspective. There's the 'economics' of, not only does this work from a business model perspective, there's also how do we create an environment that's open to everyone to use and open to everyone to benefit?

Then there's 'connectivity', and we talked about some of the key facets and the key good features of blockchain and distributed ledger technology and also APIs. The importance of 'security', and I think that really comes with good partnerships. We've seen lots of cyber attacks and various bits there, and we need to be able to respond quickly. There's 'ecosystem' as well in terms of access to technology,



and access to finance, and we talked about the need for building standards, preventing the digital Island problem that we talk about lots and the idea of that multi-bank solution.

So, Geoff, Madhav, Chris, thank you very much for joining us on this Tradecast - it's been an absolute pleasure. And, to our audience, please do send us questions by email to tradecast@tradefinanceglobal.com, and we will endeavour to get back to you with answers from the panel, if we've missed anything. Thank you, good evening, and good night.