

Citi's digital chief binds together product and business processes

Article

Banking heads of digital are charged with efficient innovation built on internal partnerships. Agile has evolved above and beyond the project management flavor of the week—banks have been adopting it for product, technology, business, and marketing. The goal in many cases has been to operate at speed within the bounds of compliance and risk measures that a bank employs.

In our series of Q&As with banking heads of digital, we spoke with **Michael Naggar, chief digital officer of Citibank's US consumer bank**, about the challenges he faces accelerating Citi's digital efforts to meet evolving client needs.

Like many of his peers at major banks, Naggar told us that he's become his organization's resident expert on Agile ways of working.

The following has been edited for brevity and clarity.

II: In the last year and a half, what challenges have you faced, and how have those affected your priorities in your job?

MN: One big challenge is that I'm spending 50% of my time not just on product innovation but also on organizational process innovation, helping our business become Agile.

The organizational mindset doesn't change overnight. We're a bank, and customers expect us to be safe and secure. It's not easy to bring people on the legal and the risk-function side who are used to taking time to think through things and assess risks into the fold of working quickly. We call our solution "controls by design," which means that you're designing the risk function as part of the product design.

One effect of the COVID-19 pandemic is that anyone who wasn't thinking digital now is. Citi is evolving as a technology company, but so is everyone else, and the market is hot right now for digital talent everywhere. As I'm evolving our culture and bringing this talent up a notch, I'm thinking about how we retain that talent and knowledge. People don't leave just for money; they leave for culture or lack of culture and lack of leadership. And so our challenge is developing that culture, a leadership mentality, and ownership and accountability.

II: In five years, what does success in digital look like for Citi and for your group?

MN: In our five-year strategic planning, without going into too much detail, success is that the entire business is working in an Agile way—and that every product we deliver at Citi is digital first. Chase, Bank of America, and many of our other friends in the industry are heavily branch-based. We have to think differently in that environment. We have to create ideas and go to market with digitally led propositions.

Another part of success is breaking down barriers. Today, digital means taking transactions out of the call center and branch and digitizing them. But our goal is connecting analog and digital so that people can't see where one ends and the other begins. If we have a 360-degree view of the customer and we are wherever the customer is, then we'll be successful.

II: You talked about turnover as a potential issue. What other risks do you face in reaching your goals?

MN: The regulatory environment is another risk. Fintechs and technology companies that are coming after our business are not as highly regulated, and they can work at a much faster pace than any of the large financial institutions. While that's a challenge for us, it's also an opportunity. In polls, consumers say they still largely believe that banks are about trust and security. Fintechs are still trying to evolve to that point.

If we can adjust our thinking to drive forward rapidly and securely and then partner with fintechs and other firms where it makes sense, we can have the best of both worlds. We can stay safe and secure, but at the same time bring products to market quickly and adopt agile, innovative thinking within our digital ecosystem.

Read the full Q&A with Michael Naggar [here](#). For a deeper dive into thoughts from the heads of digital at a dozen of the largest financial institutions in the US, UK, and Canada, and the heads of product at three top neobanks, read [“The Banking Heads of Digital Report: 15 Leaders on Priorities, Challenges, and Opportunities.”](#)

	Agile	Waterfall
Definition	Iterative approach to project execution focused on incrementally releasing benefits throughout the process	Sequential approach to project execution with project phases that do not advance until a phase receives approval
Pros	<ul style="list-style-type: none"> Works well when detailed requirements are unknown or subject to change Gives teams flexibility to course correct and iterate Multifunctional, collaborative teams avoid siloed processes Faster time to market and earlier return on investment 	<ul style="list-style-type: none"> Well-suited for projects with defined requirements Works best in stable, regulated environments Creates process templates that can be applied to similar projects in the future
Cons	<ul style="list-style-type: none"> Little to no advantage for projects where scope and requirements are detailed and defined Flexibility around scope and timelines can make stakeholder buy-in difficult Difficult to manage when teams are distributed 	<ul style="list-style-type: none"> Requires investment before project begins to define scope and timelines Scope changes tend to be slow Risk of no payoff until the very end of the project Investment needed to develop strict change control processes to mitigate scope creep

Source: Association for Project Management, 2021; Atlassian, 2021; Cprime, 2021; Lucidchart, 2021; Insider Intelligence, 2021

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