

BMO's digital chief on how an Agile mindset helps to break down barriers to digital innovation

Article

Heads of digital need to maintain a delicate balance between innovating, navigating legacy systems, and ensuring the safety and security required to maintain customers' trust.

In our series of Q&As with banking heads of digital, we spoke with **Mathew Mehrotra, chief digital officer at BMO Financial Group**, about how to recalibrate strategy and mindset to digitally transform a bank burdened with legacy technology and outdated processes.

In his product and strategy roles, Mehrotra experienced what incumbent banks are up against as they try to modernize their systems and their culture.

The following has been edited for brevity and clarity.

Insider Intelligence (II): How would you define digital transformation within your organization?

Mat Mehrotra (MM): For a bank, it's about becoming digital-first—not digital-only. Digital transformation is really about the journey to delivering a client experience that aligns with what you would deliver if you were designing the experience from scratch today. And that is a very long journey. It's never-ending because expectations are always changing.

II: What challenges have you faced over the last year and a half, and how have those affected your priorities?

MM: The pandemic has been a tailwind to digital transformation. It's redefined client expectations and accelerated adoption at a rate we would not have seen otherwise. But our priorities and expectations haven't changed materially. We still know where we're going, but now the pace has to pick up.

The biggest challenge at a bank is that the experience still reflects all sorts of legacy technology, processes, products—all these decisions that have been made over the course of time. You have to redesign the experience and simplify it. That's hard to do, especially within those constraints.

Banks have to be safe, secure, and stable. That's different from being a fintech with all-new technology, where it's all about how fast you can move. Banks have to be very mindful of our legacy and those expectations.

II: Which skills and experiences have been most important to your success in your role?

MM: Learning to appreciate the complexity of technical delivery. I'm not an engineer by trade, but from a digital perspective, driving technical change is a big part of what you do. You've

really got to understand technology to do this work. Digital and technology are two sides of the same coin.

My experience getting the Agile transformation at BMO off the ground has been important. Agile means being flexible and iterative and empowering teams at the right level to get the work done. Applying that in digital very broadly has really sped up our pace.

II: Can you tell us more about that? Other heads of digital have told us that Agile transformation in banks is really hard.

MM: It *is* really hard. Waterfall is a very supplier/buyer mindset. Agile is about using a distributed model through a team united by the purpose of delivering for clients. Agile is also about breaking down barriers between the business and technology, and the client and their experience. That means changing everything—mindsets, funding models, and a lot of processes that have built up over time and made a very transactional relationship out of what should have been a super-collaborative, easy relationship between peers and colleagues. We can't move at the pace that our clients expect if we don't bust through some of that process.

Read the full Q&A with Mathew Mehrotra [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.”](#)

Leading Digital Priorities According to US Financial Services Executives, Jan 2021

% of respondents

Introducing new digital revenue streams	51%
Pursuing enterprise agility	51%
Joining or expanding a digital partner ecosystem	49%
Digitizing the supply chain	45%
Adding new payment models	44%
Expanding into new markets or customer segments	43%

Note: over the next 12 months

Source: BDO, "2021 Financial Services Digital Transformation Survey," May 18, 2021

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