

JPMorgan reorganizes its tech teams to nurture ‘that lean, startup kind of mindset’

Article

The news: JPMorgan’s IT teams will reorganize along product lines, enabling them to operate more like startups, per Business Insider.

That includes the addition of 25 “mini-CEOs” who will lead their shares of **the bank’s 50,000 technologists** “like heads of startups.”

What’s the plan? In an interview with Business Insider, Monika Panpaliya, the head of JPMorgan's global technology-product office, **contrasted** “banks encumbered by legacy systems and hierarchy” with the “**customer-centric, agile organization**” that JPMorgan’s IT org wants to become.

- Instead of organizing around channels or underlying technologies, the bank is reorganizing around its “product catalog” across 25 tech areas.
- It’s taking an agile approach to tech development.
- It’s focusing on product, design, and engineering skills.
- It’s training tech teams to be more adept at product management.
- Tech tools will be shared across the organization.
- The bank’s budget will be realigned with its products.

Panpaliya expects the reorganization will take two to three years.

- Centralized teams that oversee cloud, data, AI, and machine learning—collectively known as tech enablement platforms—are leading the change.
- A group of tech advisors conducts quarterly reviews of each product line.
- The “mini-CEOs”—really, general managers—own the products, are highly knowledgeable about them, and direct incremental updates to them and strategic decisions.
- The general managers are **encouraged to exhibit “a lean startup kind of mindset,”** Panpaliya said.

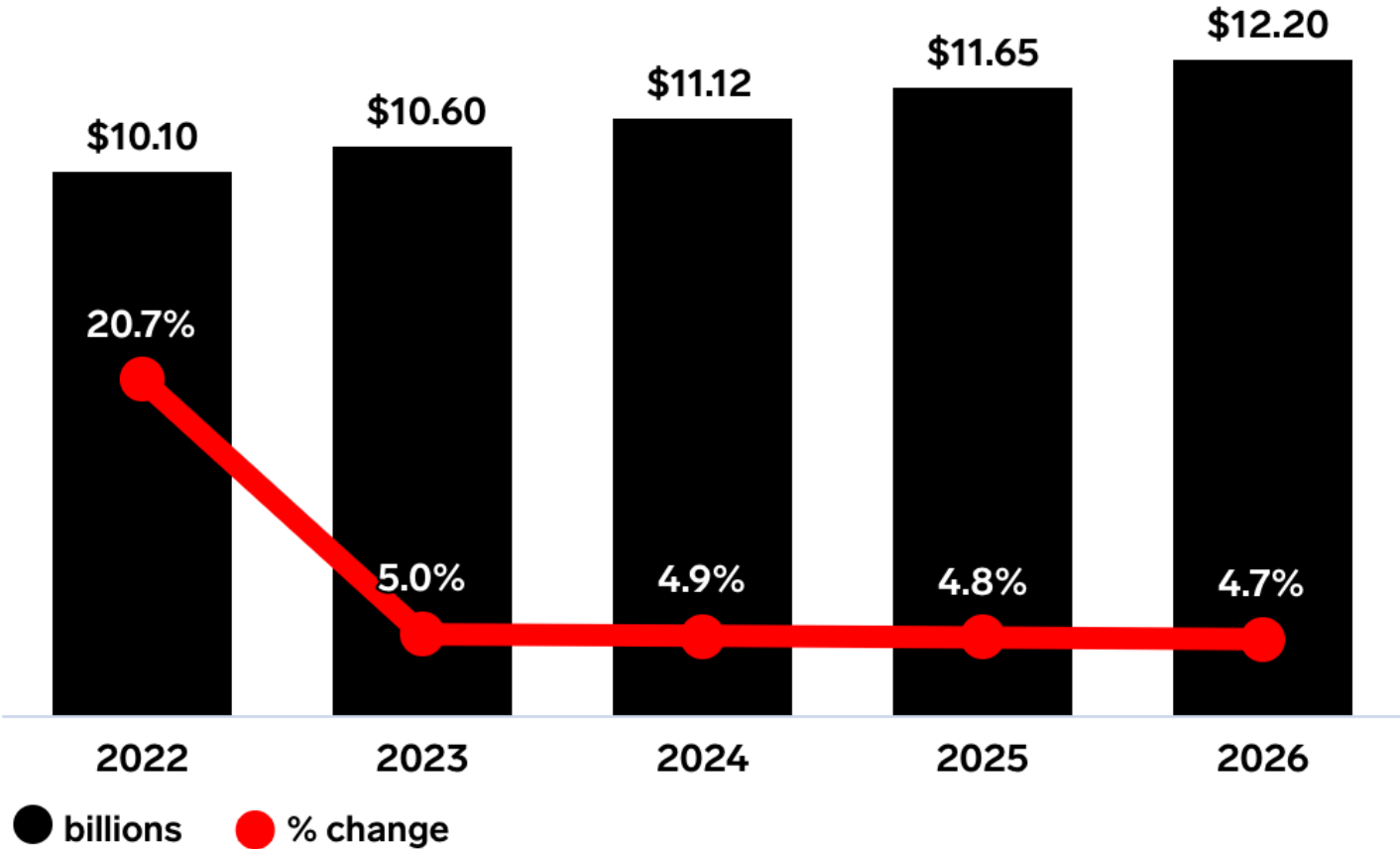
Context: In the competitive landscape surrounding financial services—**crowded** with fintechs, Big Tech, and nonbanking brands making innovative use of tech—JPMorgan’s adoption of agile processes and prioritization of tech updates is necessary for continued innovation and growth.

Will it work? Like independent startups, many internal startups also **fail** at a rate of between 50% to up to 90%. And internal startups **require protection** to maintain their separate identity and their desirable startup mentality. The control-focused culture of a large, well-established incumbent firm tends to absorb or reject any competing counterculture.

Also unlike a startup, JPMorgan answers to shareholders. Their recent [criticism](#) of the firm's massive tech spending and opacity about line items likely put CEO Jamie Dimon on the [defensive](#) in his annual letter to shareholders. It will take more than a few letters to appease that crowd for the entire two- to three-year reorg rollout.

JPMorgan Chase IT/Technology Expenses

US, 2022-2026



Source: eMarketer, March 2022

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