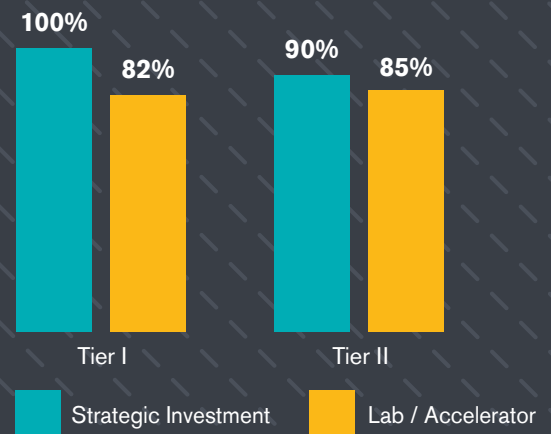


# DIGITAL TRANSFORMATION: EMERGENT FINTECH ENGAGEMENT TRENDS 2018

THE WHAT & HOW OF SUCCESSFUL INVESTMENT BANK ENGAGEMENTS WITH INNOVATIVE FINTECH COMPANIES

ALTHOUGH FINTECH VENDORS WERE PART OF THE FINANCIAL SERVICES ECOSYSTEM FOR DECADES, THE DELUGE OF EMERGENT FINTECH FIRMS – FOR WHOM TRADITIONAL PROCUREMENT PROCESSES ARE NOT APPROPRIATE – LED BANKS TO BROADEN THEIR FINTECH VENDOR ENGAGEMENT MECHANISMS TO INCLUDE STRATEGIC INVESTMENT, INNOVATION LABS AND TECHNOLOGY ACCELERATORS.

Bank Fintech Engagements (n=30)



The new engagement mechanisms focus on two types of fintech vendors:

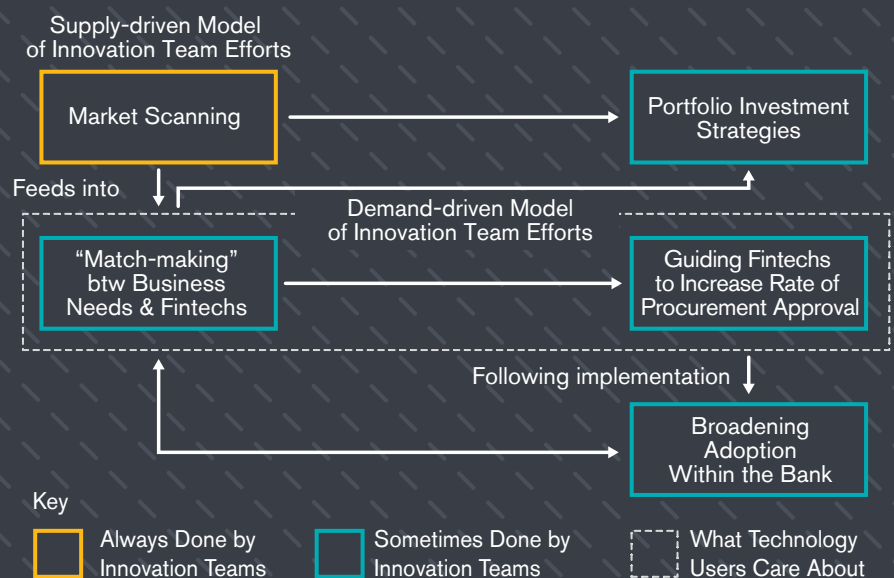
**SILO-BUSTERS:** VENDORS NEWLY EXPANDING INTO FINANCIAL SERVICES OR THOSE ADAPTING AN ESTABLISHED TECHNOLOGY FROM OTHER INDUSTRIES.

**DISRUPTORS:** VENDORS THAT SEEK TO CHANGE THE NATURE OF HOW PARTICULAR FUNCTIONS OR OPERATIONS WITHIN FINANCIAL MARKETS AND FINANCIAL SERVICES FIRMS ARE UNDERTAKEN.

Bank Fintech engagements - facilitated by innovation teams - can be either:

## SUPPLY-DRIVEN OR DEMAND-DRIVEN

Both approaches commonly interact in successful Fintech engagements:



GreySpark Partners believes that the key to bank success in 2018 in capturing external innovation for their own benefit depends on meeting business-user demand and positioning innovation teams as facilitators rather than clients. These qualitative criteria supersede the structure of the engagement in ensuring successful fintech adoption and diffusion within the bank.

For more information please visit:  
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