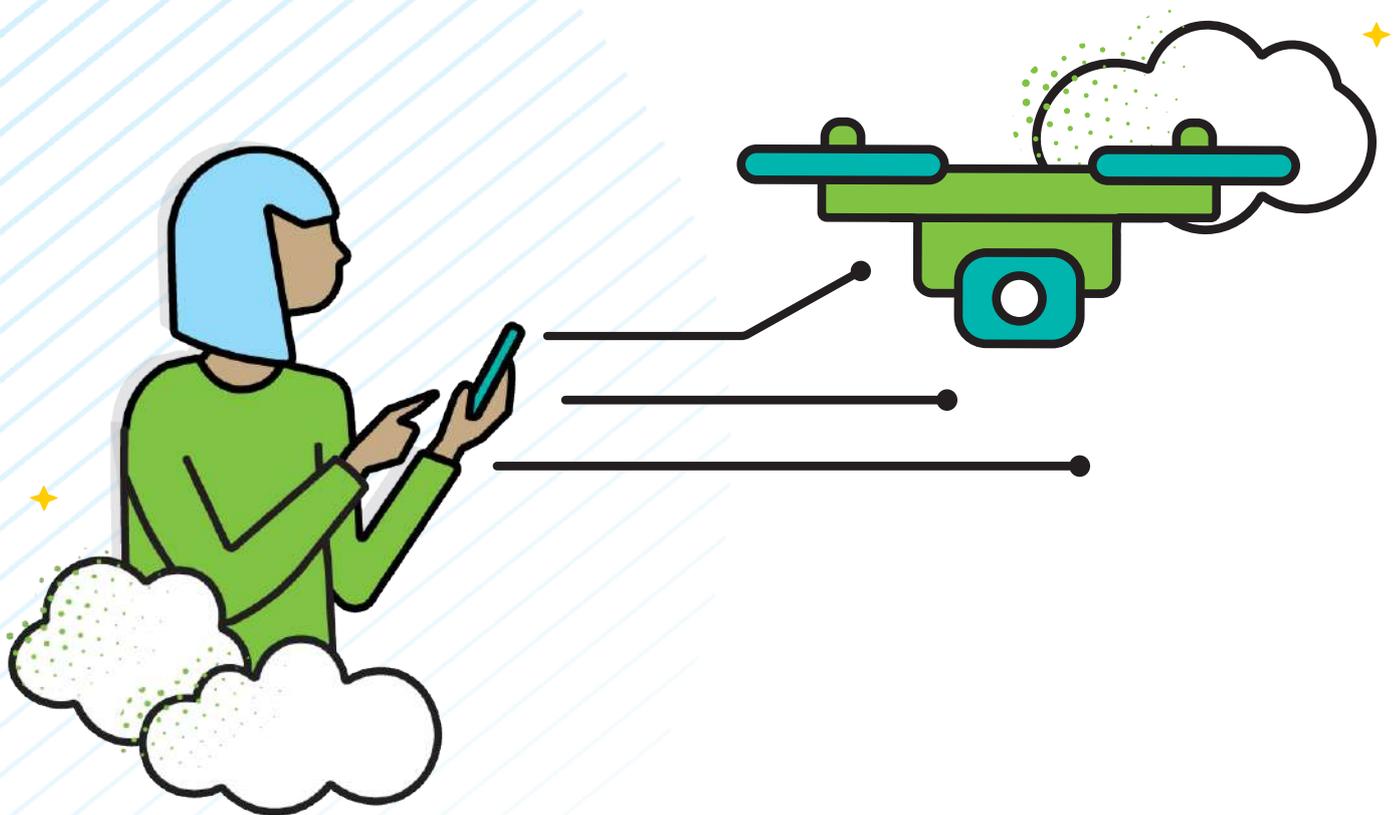
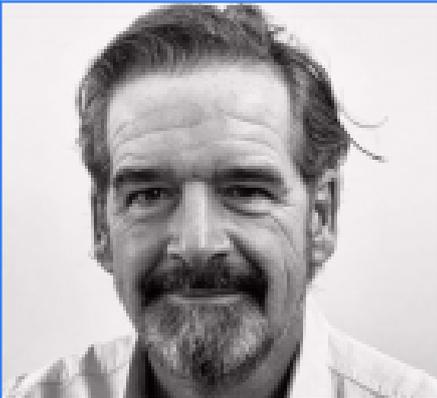


## FSI 2025

# The Cloud Ready, Digital Ready CXO





Michael Harte, MIT Research Fellow

Every great computing trend owes a debt to the pioneers who first embraced it. For cloud computing, that debt is owed to **Michael Harte**, the former CIO of the Commonwealth Bank of Australia, who championed the use of the cloud and paved the way for the adoption of AI and other advanced technologies. Harte was the guest of honour at a C-level roundtable hosted by 6 Degrees Media, Google Cloud and Deloitte. He joined Deloitte’s APAC Cloud Transformation Partner, **Dan Newman**; Google Cloud’s Director, Industry Solutions Practice Lead **Matt Pancino** and a group of leading CXOs from across the Australian financial services sector. Together, they discussed the ongoing evolution and impact of the cloud, AI and emerging technologies.



Matt Pancino, Google Cloud

**D**ata analytics, artificial intelligence, and machine learning are all having a huge impact on the financial services sector, helping providers uncover new insights and enabling better and more personalised products and services for customers.

These capabilities are only possible however due to the foundations that underpin them, and many of those are built on cloud technologies.



Dan Newman, Deloitte

Michael Harte was one of the first Australian technology leaders to embrace the cloud in an enterprise setting. In his various roles at the Commonwealth Bank between 2006 and 2014, including that of CIO, Harte became a challenger of traditional thinking and a pioneer in the use of cloud computing and agile development methods within banking.

“The Commonwealth Bank was adventurous, and it was making enormous investments,” Harte said. “By 2009 cloud was already in our parlance. It looked like pure madness to go to the cloud early, and we were vilified in many quarters for that. There was many an engineer that would say this was madness, and there were even big household name tech companies that said that we’d be vulnerable to hacking and insecurity.

“So cloud in the beginning was seen as a mistake. We were happy I guess, eventually, to be proven right by going early, so it was my happiest mistake.”



Brad Howarth, Moderator

Today Harte is as a London-based Industry Research Fellow with the Massachusetts Institute of Technology (MIT) Centre Information Systems Research (CISR) and a research partner at the investment firm United Ventures, and he spends his time challenging the thinking of his colleagues regarding the valuations of early-stage startups and how to help them grow.

While he missed the lifestyle that Australia offers, he said he also missed the cut and thrust of the ‘lucky country’ and its innovation.

“We saw the advent of amazing companies like Atlassian that are Australian born, and I miss seeing a lot more of those sorts of companies and that sort of mentality in the business world,” Harte said.

## Life in the Cloud

Harte’s ground-breaking work at the Commonwealth Bank paved the way for a group of executives who are now considered the leaders in cloud computing in Australia. One of those is Matt Pancino, who took on the role of the Commonwealth Bank’s CIO at its retail bank in 2016.

Now working as Google’s Industry Solutions Practice Lead, Pancino has watched other sectors fully embrace the cloud. One of the most active now is the telecommunications sector, where telcos are using their networking and location data and to build new revenue opportunities.

He said that it was the financial services organisations that were continuing to perform the role of pioneers, however.

“A lot of capital markets are using the cloud to create enhanced ecosystems,” Pancino said.

“In Vietnam, we’re working with a large bank who is partnering with a large retail consumer business to redefine their channel model by embedding banking services in third-party businesses. They can only do that with data and cloud.”

Deloitte Access Economics’ Partner John O’Mahony joined the conversation to share the results of a recent study which showed the benefits of cloud technology adoption.

“We find financial services in general are up the curve and find strong financial results,” O’Mahony said. “Businesses that are leading in the cloud have doubled the revenue growth of businesses that are lagging in the cloud.”

He added that the benefits of the cloud now went beyond pure commercial considerations.

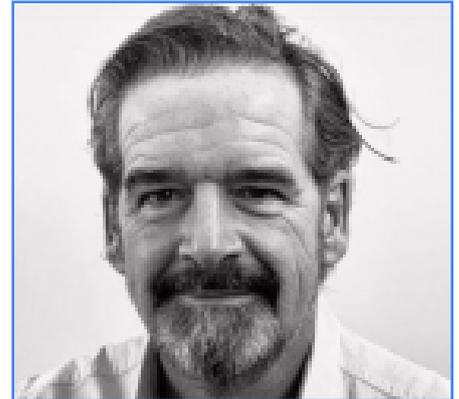
“Firms that are looking to shift to ‘clean’ cloud are starting a conversation with Google or with others about ways they can achieve their broader social and governance responsibilities,” O’Mahony said.

Pancino said this aligned well with Google’s ambitions, as the company had been carbon neutral since 2007 and would be completely carbon free from an energy point of view by 2030.

## The Next Disruptions

Harte’s support for the cloud is an outgrowth of his general appreciation for early-stage technology, with his interest currently captured by the possibilities of quantum technology as a long-term capability. In the near term, he has been examining the possibilities of low-code and container solutions that enable organisations to deploy code very quickly.

“The reason why that’s exciting is that people matter,” Harte says. “If a company wants to be agile, it’s just trying to make better products faster, available to customers sooner, and in better customer-consumable format. We need people to be product developers, and be able to instantiate code hourly or daily, and interact with customers and improve the services, every single day. Low code is very exciting for applications for both early stage and legacy companies.”



Michael Harte, MIT Research Fellow, former Group CIO of Commonwealth Bank of Australia

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– Michael Harte, MIT Research Fellow



Dan Newman, APAC Cloud Transformation Partner, Deloitte

**“That’s [digital twin technology] is something that we’re starting to see become mainstream, particularly in the areas of contact centres, conversational AI, and new native services that are coming along.”**

– Dan Newman, Deloitte

Harte said adopting prebuilt applications would enable organisations to get to the benefits of cloud native technologies faster, while avoiding the cost of re-platforming or the risk of bringing agile processes and microservices architectures into legacy environments.

“Any off-the-shelf capability around containerised services that can be quickly deployed by developers seems to create the greatest value first, and can give teams a competitive edge,” Harte said. “Assembling’ is what most new companies are doing. The most extreme formats are the decentralised autonomous organisations (DAO). DAO has been in the economist parlance for over a decade and a half, but we’re only just seeing the emergence of those.”

Harte said his other area of interest was the rise of Blockchain-related technologies and processes, and their potential to bring new capabilities to the internet.

“We’re in the next iteration of the internet, whilst the classic TCP-IP world splinters into regional internets,” Harte said. “There are trillions of dollars going through the Blockchain, and so if companies haven’t got experiments running, they’re falling behind.”

Another emerging technology that the cloud made possible was Digital Twin technology. According to Deloitte’s APAC Cloud Transformation Partner Dan Newman, Digital Twins provided a safe way for financial services organisations to run simulation environments to test and trial the impact of new services.

“That’s something that we’re starting to see become mainstream, particularly in the areas of contact centres, conversational AI, and new native services that are coming along,” Newman said.

### Beyond the Cloud

With the cloud now mainstream in Australian financial services organisations, speakers agreed it was time to look beyond simple infrastructure considerations. Newman said a recent study by Deloitte of 600 organisations across the Asia Pacific found the financial services was by far the most able when it came to cloud adoption.

“Many now ask, what’s next, where is this promise of the cloud and where’s the benefits?” Newman said. “Now they’re very much pivoting their cloud journey to modernisation. It means re-architecting applications to leverage native cloud services, and using the inherent innovation and billions of dollars of research in the hyperscale (providers) to add business value through democratising data, and then really using all the innovative capabilities that are now available through consumption based models, rather than having to build them yourselves.”

However, Newman added there were still 35 per cent of organisations that were either hesitant or had experienced issues in adopting the cloud, such as having plateaued. As a remedy for this, he cited the example of a client that had overcome hesitancy in its cloud migration by creating new career paths for the infrastructure staff who felt threatened, and then demonstrating to business users what they would be able to do in the cloud.

“Bringing these together, we created an immersion day of business-led use cases, where people could immerse themselves in the ‘art of the possible’ now that the cloud was available,” Newman said.

Pancino added that for today’s cloud pioneers, the conversation had shifted from project to product-based thinking.

“Are you going to use cloud to transform the way you work, or are you going to use cloud as another form of IT and keep the same way of working?” Pancino said. “Because if you’re going to do the latter, you’re probably missing a lot of opportunities.”

Harte said there were now hundreds of early-stage companies that were succeeding by taking a product-based approach to development, by sharing open, configurable, containerised micro-services.

“You don’t have to build your own stuff anymore,” Harte said. “You don’t hear any of this talk of cloud or agile in early-stage companies. They are native and they just use services through an infrastructure provider. They take the services that are already built and use those.”

### AI and Smart Data Analytics in the Cloud

According to Pancino, these shifts in thinking were changing the dynamics of the roles of technology CXOs, especially in relation to the management of data.

“The CIO will be critical to building the underlying mechanics or the infrastructure to support the controlled environment that will be needed to create true data democratisation – to have the controls in place that is going to unlock AI not just for the data scientist,” Pancino said.

“Many organisations have still got a long way to go, just with their basic data maturity of being able to get it right in the first place. I would argue most traditional organisations aren’t actually truly harnessing the power of their data yet.”

What they needed was the ability to move data to where it could be exposed to the people who needed it, beyond just senior management.

“If you get that bit right then you can start thinking about the AI/ML fancy stuff that’s coming down the pipe,” Pancino said. “But if you don’t sort your data out, you’re not going to get good quality results.”

As all pioneers know however, winning support for these initiatives would come down to the ability of proponents to win over other stakeholders. Harte said that meant educating them in cutting-edge concepts.

“MIT looked at 6,000 boards and they realised that the savvy boards actually performed between 35 to 50 per cent better, from both the customer measures, and from the efficiency or productivity,” Harte said.

“You have to put it back into a practical business language and ensure the people right through the organisation, all the way up to the board, are able to make large product and digitisation and data decisions.

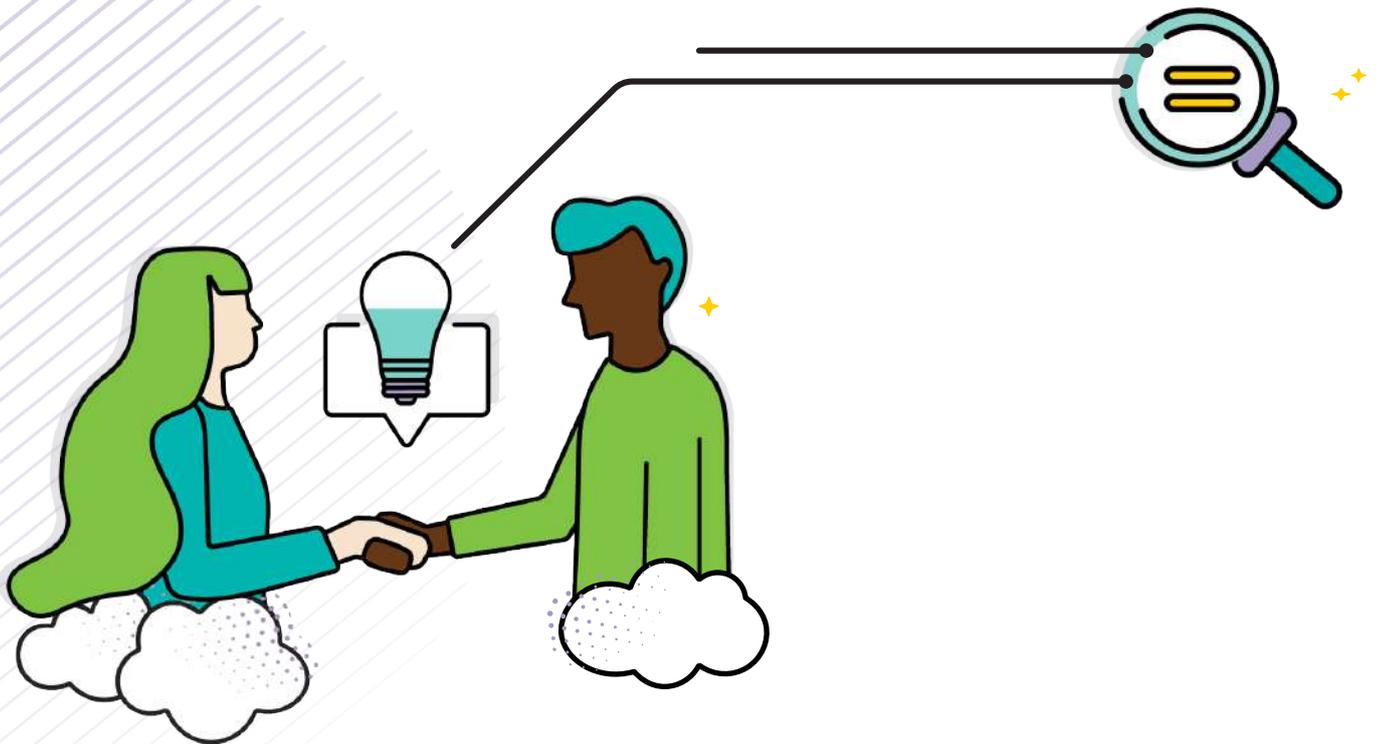
“It’s those firms again that make good decisions and execute them faster that outperform.”



Matt Pancino, Director, Industry Solutions Practice Lead, Asia Pacific, Google Cloud

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### About Google Cloud

Google Cloud accelerates organisations’ ability to digitally transform their business with the best infrastructure, platform, industry solutions and expertise. We deliver enterprise-grade solutions that leverage Google’s cutting-edge technology – all on the cleanest cloud in the industry. Customers in more than 200 countries and territories turn to Google Cloud as their trusted partner to enable growth and solve their most critical business problems.

### About 6 Degrees Media

6 Degrees Media was established by Angela Horvat, former Editor and Publisher of award-winning publications including *Computerworld*, *Information Age*, *My Business*, *The Who’s Who of Financial Services* and Founder of FST Media; and Emma Charter, one of Australia’s most connected and respected media and events strategists with more than 15 years’ experience in delivering C-Level engagement strategies for clients in Australia and the UK. For more information, please visit [6DegreesMedia.com.au](https://6DegreesMedia.com.au).

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