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Reimagining DevOps & Hybrid Leadership
The Future of FSI

Agile methodologies and DevOps is accelerating and enabling the transformation of financial services — unlocking business value, promoting collaboration and helping teams achieve shared goals. Yet it's not without challenges. At a CXO roundtable hosted by **6 Degrees Media** and **Jade Software**, BPAY Group's (BPAY) CIO, **Angela Donohoe**, met with a group of senior IT, business and CXO leaders to discuss the key issues impacting — and driving — the DevOps movement, including tactics to overcome barriers; key leadership mindsets; value outcomes; and innovative customer experience strategies.

I n just over a decade, DevOps has become a transformational movement at the intersection of business strategy, IT operations and software development. Frustration with waterfall methodologies and organisational silos were among the issues serving as a catalyst from 2007 onwards, as the developer community rallied to forge a better way forward.

Chief among their concerns were the inefficiencies and performance limitations of functional silos within organisations — one department managed software development, while another took responsibility for software deployment and support.

Early discussions in the software community would go on to create today's agile development and IT operations environment.

In fact, it has matured to the point where CIOs, CXOs and executive teams now expect integrated DevOps teams to align activities with business goals, and

From bottom left (seated): Vilas Hirani, APAC Fixed Income & Currencies Technology Production Head, **Deutche Bank**; Brett Adler, Chief Digital Product Owner, Wealth Digital & Innovation, **BT Financial Group (Westpac)**; Mark Jones, Moderator; Gerard Smith, Chief Information Officer, **Teachers Mutual Bank**; Lilly Liu, Executive Manager of Mobile Platform, **IAG**; Andrew Ritchie, Engineering Executive, **86400**; Laura Phillips, Head of Consumer Product, **SocietyOne**; Kshira Saagar, Chief Data Officer, **Latitude Financial Services**; Saj Arachchillage, Senior Client Advisor, **Jade Software**; Angela Donohoe, Chief Information Officer, **BPAY Group**; Adam Thomas, Chief Technology Officer, **OFX**. **Standing (left to right):** Mike Rae, Client Lead, **Jade Software**; Wayne Dickinson, Head of Technology Delivery and Strategic Programs, **ING**.

respond quickly to customer needs, risk events or new strategic objectives. It is proving a dynamic new environment, enabled by powerful cloud platforms and collaboration tools. Yet, challenges remain. As with all movements and technology advances, business and technical professionals using DevOps still wrestle with complexity, roadblocks, and IT challenges.

These have given rise to interest in standout case studies and the seeking of critical lessons from industry leading peers, knowledge sharing and mentoring to support growth and sustained success.

BPAY's DevOps Success

Angela Donohoe's story began more than four years ago when she joined BPAY as CIO. At the time, BPAY's new CEO, John Banfield, was challenged by the board to execute an innovation agenda to deliver increased value to customers and shareholders.

The reason was no secret, or surprise. The global payments sector had, for years, been confronted by the need for change and transformation in response to technology and business model disruptions.

As an integral part of the Australian financial services landscape, BPAY needed to develop a series of new products and innovate to thrive in the emerging environment. With more than 150 financial institutions members of the BPAY scheme, and more than 60,000 businesses served through its infrastructure, it was no small task.

"The IT function had been quite fragmented at the time I joined," Donohoe explained.

"BPAY is actually not a very big company. We have only 120 people and it is predominantly a payments organisation. But without reliable and secure technology, we don't have a business."

More than 50 per cent of its workforce resides in the IT group, but when Donohoe joined these people were spread across different departments — an organisational issue that inhibited collaboration and innovation. Today, the IT group looks remarkably different. Now operating as a collective, it manages development strategy, architecture, operations, IT functions and IT services.

"I was brought in to help shape that and turn it around to actually help deliver on the innovation promise," Donohoe explained. Gaining clarity and organisational efficiencies was just one part of her task. Leaders had reported some dissatisfaction with IT, particularly with the perception IT instructed leaders rather than listening to them. The impact of these issues could be seen in BPAY's software release schedule, with just two rollouts per year.

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Out from Under the Waterfall

A barrier facing the IT group was its use of the waterfall software development methodology. Once popular, it is widely recognised to cause inefficiencies and headaches as it limits the ease with which developers and leaders can make revisions to previously approved stages of development. The solution was to embrace agile methodologies and begin the DevOps journey. Donohoe and her team set up a group of scrum masters and empowered teams to develop new approaches, supported by training and investment in tools.

Another important step was embracing the Spotify DevOps model. "We modelled ourselves on a Spotify model for agile team development, she explained. "We created tribes that were aligned to products and brought together product and technology teams under this structure so that the business and technology worked together with priorities set by product managers."

Importantly, the team adapted the Spotify model to suit the organisation's size and requirements in areas such as security, production and product requirements.

Delivering Results

In the first year these changes were implemented, BPAY shifted from two software releases to 16 releases. The following year that number jumped to 33 and at the time of writing in early 2021, the team already delivered 60 releases.

During the same period, BPAY migrated away from legacy platforms, proprietary technology and ageing data centres to a new private cloud platform with Macquarie Cloud Services and more recently, public cloud services with Amazon Web Services.

"We looked at our whole platform footprint. We saw services up to the hyper-visor level, but how we

managed what sat across the top of that became the fertile opportunity for really embracing automation and reinventing how we approached platform management."

For Donohoe, the redesigning teams, end-to-end processes, embracing agile DevOps and automation ultimately meant she could deliver on her CEO's mandate — innovation.

"We've created a significant amount of self-service so that our software engineers can deploy code or go through our cloud-based security testing and radically improve the velocity of release deployment and testing to deliver enhanced products, most recently BPAY's new API services."

Managing Executive Expectations

Success by Donohoe and her team has also translated into more productive and meaningful conversations with senior executives across the organisation.

Leaders want to know how our IT team and systems are performing and how it is supporting individual products. "That practice, by being transparent — bringing opportunities and issues to executives' attention, bringing it to the board's attention — has proved to be valuable, because it allows us to have conversations."

As a result, business and IT teams are working together on a range of issues such as the strategic focus of a particular release, prioritisation of IT backlogs and how the IT team is addressing business risks.

The lesson for Donohoe in all this is one of leadership — empowering teams to make choices about what work is valuable. This has allowed the speed and quality of decision-making and technical work to increase.

"The team's doing a great job. We have had no issues with service levels, we've had no issues with projects, we've delivered on a challenging program across a business product delivery, across risk remediation, adoption of new platforms. It's really worked well. My biggest learning is I've had to adjust too."

The Cultural Imperative

For Jade Software's Senior Client Strategist, Saj Arachchillage, BPAY's DevOps story offers an insight into the holistic approach required to modernise IT systems. "DevOps is not a technology or a process on its own. The hardest part is culture and working together as a team. You could put the best tools in place, put great processes in place, but changing a culture and asking people to care about the outcomes takes time.

"If I rewind ten years, I was the guy thinking about this from a development and architecture point of view. I worked with operations and found I was butting heads when it came to production. Technology and operations were literally on the opposite sides of the road."

Today, he believes organisations must think about working across functions beyond operations — such as sales and marketing and customer service.

"You've really got to create that team culture from different parts of the organisations and bring in that from leadership from the start; and switch the mindset from technology to caring about the customer.

"In our DevOps we want to see customer feedback, and we also hold stand up meetings with the sales guys which is great. It's what brings it all together."

Leading with Customer Experience and UX

Executives who attended the roundtable reflected on BPAY's journey, particularly how DevOps supports customer experience and user experience (UX) — arguably one of the most strategically important items on board and C-suite agendas.

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One CIO guest reflected that for DevOps to succeed as an organisation-wide movement, customer experience goals and organisational culture must be aligned.

"When we get this right, we make the transition from traditional technology shops and business functions to the agile way of working. It becomes much easier because everybody's already thinking in that light. You're not just joining those teams together — everyone's working together."

According to Donohoe, this mindset underscores the importance of measurement tools such as a balanced scorecard, service levels and customer engagement scores. "I think it gives all the staff a bit of a north star. It's what we're all working on and the challenge for everybody is: how are you contributing to help achieve these results?"

Guardrails and Leadership Mindsets

The impact of this organisational harmony is felt when leaders take a closer look at the transformation and innovation agenda. BPAY's journey demonstrates that it takes a holistic approach. Innovation and experimentation can thrive when the right organisational, cultural and leadership structures are established.

For one of the attending CXOs, it is easier said than done. When faced with an organisation-wide transformation program, innovation easily falls off the radar.

"Trying something new while you are undergoing a back-end transformation program is hard. You generally don't innovate until that's gone through," she said.

That said, another CXO said innovation or proof of concept ideas can be progressed with the right guardrails in place. "If you don't have a bit of governance

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around it, you can have a proof of concept that in theory is heading in the right direction. The practicality of it can go horribly wrong. So have some rules around what you're trying to achieve."

BPAY's Donohoe agrees, noting the success of internal hackathons that explored new ways of approaching APIs, for example. When a successful result was achieved, executives were brought into assess the work and the concepts were given executive support for further development, and ultimately, deployment.

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"We're now looking at AI to drive insights for our financial advisers that use our platform."

Business Value, Customers and Success

Looking ahead, the roundtable CXO attendees agreed that embracing agile DevOps methodologies would continue to give them frameworks through which business value would continue to be created in faster, more efficient ways that balanced risk appetite with market opportunity. The warning came when considering how best to consider new or alternative approaches such as microservices, an approach to software architecture that splits an application into separate smaller services based on business components, or functions.

This level of composition happens between web services, with each service responsible for a piece of domain logic. One CXO attendee from a financial services company said software developers can be keen to embrace microservices, but it doesn't always make sense. "I'm looking at the price tag attached to it. I'm not so sure I want to go and sell that in the current climate. So, let's actually talk about the business benefits that would flow from that and is it justified?"

Decoupling services and breaking up databases is a challenging task. But equally, he conceded deploying software services as a distributed monolith can be very challenging over time. Another CXO disagreed.

"I think things like open banking though, makes the micro-services architecture a necessity. It is going to be so dynamic in terms of the different things we're going to be able to offer to, not only our customers, but to fintechs out there. We've got to be able to do it very quickly with agility and make changes on the fly to be competitive." The lesson for a different CXO was to remember DevOps methodologies and emerging practices require sustained focus. "There's still a lot of challenge for people to get used to the concept of scaling up and embracing this agile world."

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About Jade Software Corporation

Since 1978, Jade has been designing, building, and supporting innovative software as well as solving complex business problems for our clients in the financial services, telecommunications, utilities, retail and logistics industries. Jade has helped organisations accelerate their competitive advantage using technology as an enabler. Our expert, passionate people develop high performance enterprise solutions, create engaging customer experiences through digital strategy and design, and build advanced technology platforms used by companies all around the world. Will you be our next great success story? Learn more at jadeworld.com/cloud-services

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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. Together, they lead a team of Australia's most talented and driven conference producers, technology and business journalists and event managers to create content-driven experiences across C-level roundtables, custom events and large-scale conferences. For more information, please visit 6DegreesMedia.com.au