



A New Governance Council Helps the Financial Leader Become 'Best Bank for Innovation'

In the wake of the 2008-2009 financial crisis, Citi embarked on a strategy to return to its heritage as an innovator in financial services. The global bank instituted new enterprise-wide innovation capabilities aimed at building a reliable flow of new growth ventures.

GETTING INNOVATION BACK

Over its 200-year history, Citi had established a long history as an innovator in global banking, from funding the transatlantic cable to establishing the first Foreign Exchange Network to the pioneering of ATMs. But senior leadership acknowledged that the company had lost its footing in the years leading up to 2008 as it focused more on growth through mergers and acquisitions. “We’ve lost innovation” one senior executive concluded. To that, Citi’s CEO replied, “Get it back!”

“We’re creating the systems and culture that makes innovation repeatable and sustainable. The methods and lessons from Innosight have helped take us a long way toward that goal.”

– Debby Hopkins, Citi’s Chief Innovation Officer

By the end of 2009, Citi was focused on rebuilding its innovation capabilities in a deliberate way. And it engaged Innosight to help design and implement a custom version of the “growth factory” system that had been successful at Procter & Gamble in the early 2000s.

INTEGRATING INNOVATION WITH STRATEGY

Innovation projects tend to stall without leadership support and clear guidelines for making decisions. With help from Innosight, Citi designed and built a new, more robust approach to governing its innovation efforts. A Global Innovation Council of senior leaders across all lines of business, geographies, and key functions was charged with allocating resources and prioritizing innovation initiatives companywide.

Led by Citi’s chief innovation officer Debby Hopkins, the council identified six areas of innovation that would be critical to the future of finance: data analytics, data monetization, mobility, security & authentication, emerging IT, and next-generation fintech services.

To seize these opportunities, the team reached out across the organization to

crowdsource thousands of ideas for improving the customer experience and growing the company.

The team prioritized the highest-potential initiatives into three portfolios that would yield different kinds of growth (see video):

1. Core innovation – improvements to existing offerings in existing markets. The “Citi for Cities” initiative, for example, helped make governments from San Francisco to Mumbai to Singapore thrive by improving service levels, efficiency, and security.
2. Adjacent innovation – “new to Citi” innovations that either extend existing products to new markets or leverage existing assets. Citi Velocity, for instance, allows traders and clients to have instant access to research and real-time market information.
3. Disruptive innovation – “new to the world” innovations that reframe markets and create new ones. In this area, Citi Ventures, the bank’s corporate venturing arm, partnered with dozens of Silicon Valley fintech start-ups.

One high-priority initiative cut across all three portfolios—bringing Citi’s private banking group into the digital age. The idea was to create new customer experiences for high net worth clients that went beyond face-to-face meetings in posh physical locations. Designed for mobile devices, Citi Private Bank’s “In View” platform offers clients a single point of contact with their personal banker from anywhere in the world—all wrapped in a streamlined, real-time wealth management interface with a new level of security.



BUILDING LONG-TERM IMPACT

Instituting a new innovation plan and culture across such a large global enterprise takes time. But many of the initiatives launched in the marketplace have begun to bear fruit and have positioned Citi for resurgence and long-term growth. In naming Citi the “2013 Global Bank of the Year,” The Banker Magazine cited the company’s “winning strategy for the future.” Citing the “cutting-edge relationship management” of its In View platform, Euromoney magazine named Citi Private Bank as its “2014 Best Overall Bank for Innovation.”

