

Preface

by *Simon Freakly**

Change and instability increasingly characterize today's business environment. Technologies are evolving at an unprecedented rate. Patterns of consumer behavior have become less predictable. Geopolitical structures that provided stability and a basis for economic growth around the world have become progressively more uncertain. And today's business leaders must process more information around all of these developments at a greater pace and under greater scrutiny than ever before.

In a world so in flux, businesses across industries must move fast to stay ahead. As Claudio shows in this compelling new book, this is particularly true for the financial services industry. Banking has already been transformed significantly by technology, but artificial intelligence and other new technologies are driving even more profound changes. The picture that he paints is a future for banking that is much less asset-intensive, and perhaps less human-intensive, than today. Many core functions, such as credit extension, insurance underwriting, and investment management, could be disintermediated or, at very least, fundamentally reshaped over time. And like in other industries, banks are also faced with a new set of competitors in technology companies that have fewer regulatory or legacy issues than they do.

Complacency, or institutional paralysis, in the face of such threats can lead to value destruction. Ultimately, in the absence of swift and dramatic action, external forces may even take over and affect change outside an organization's control.

Those banks that move quickly and decisively to confront these challenges will be best positioned to lead the industry into this new future that Claudio has so ably outlined for us.

* Chief Executive Officer of AlixPartners.