

# THE NEW ROLE OF OPERATIONS

Exploring Channels, Talent,  
Innovation, Collaboration,  
And Risk in a Complex World

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**NEACH**



# New Role of Operations Work Group White Paper

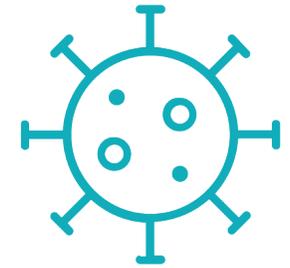


- *The New Role of Operations: Exploring Channels, Talent, Innovation, Collaboration, and Risk in a Complex World.*
  - Examines shifts in operations accelerated by the disruption caused by the COVID-19 pandemic
  - Defines the new role of operations
  - Identifies the challenges facing operations today
  - Highlights new opportunities in operations
  - Identifies actions financial institutions may want to consider as they navigate the “new normal.”



# COVID-19's Impact on Operations

- The disruption caused by COVID-19 accelerated operational shifts already underway, most notably in 5 specific categories:



**Delivery  
channels and  
technologies**

**Talent and  
Staffing**

**Innovation**

**Collaboration**

**Risk**

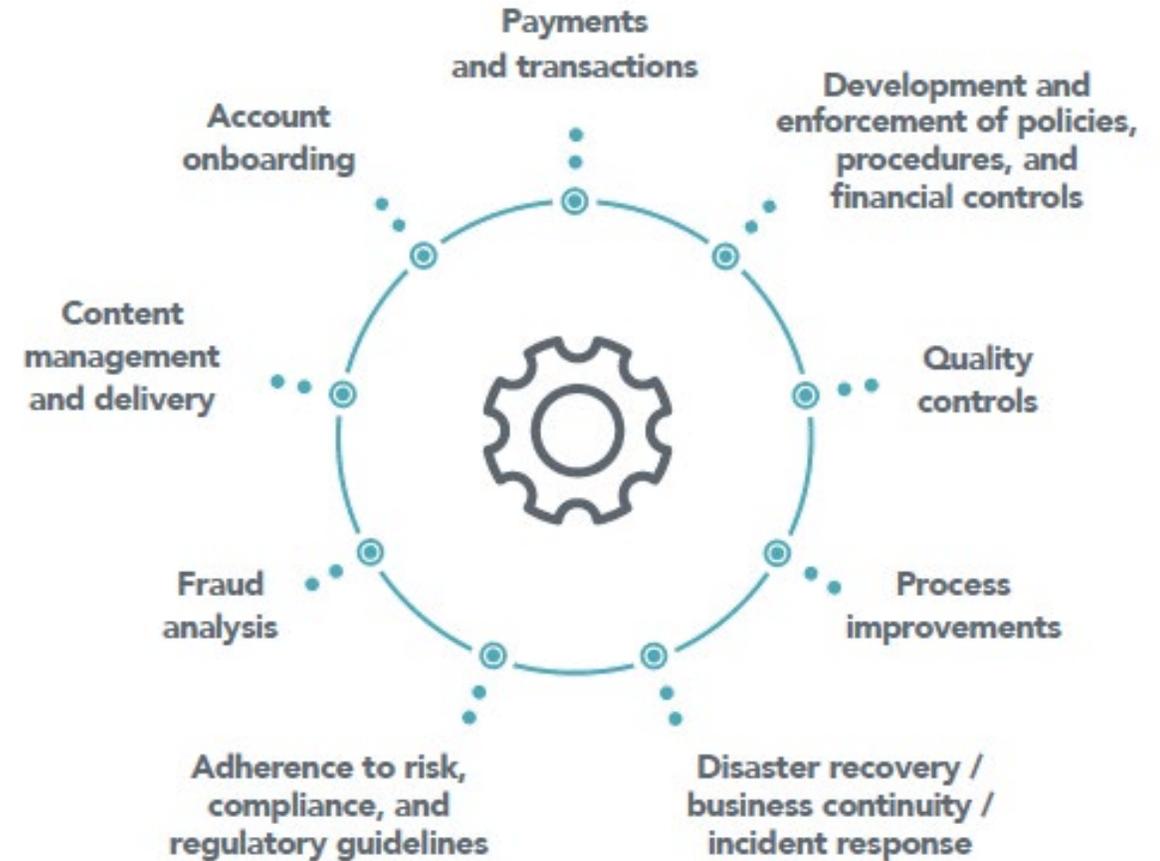
# Defining Operations in the New World



## Operations Definition:

Operations is the hub of every organization. Financial institutions define operations as a set of functions, processes, and systems that support internal teams and external customers/members and run the organization.

It's what makes product deployment and support possible. Because of this operations are foundational to the success of every financial institution.



# Operations: The “New Normal”

- New payment types with a heightened focus on digitization
- A need for knowledge workers with critical thinking skills
- Operations’ role in a financial institution’s innovation strategy and implementation
- Traditional silos, e.g., compliance and fraud monitoring, are breaking down with increased involvement in technology, analysis, and exception handling.
- Evolving complexity can present increased risk.



# Operational Challenges

- COVID-19 restrictions resulted in widespread adoption of electronic banking options, but attitudes and actions vary by generation.
- FIs may need to replace traditional data entry workers with knowledge workers. This may include training existing staff or reassigning staff.
- FinTech partners require a thorough vetting and FI alignment.
- FIs must be intentional about cultivating a collaborative environment in a digital world.
- Operational risk has increased due to increased digitization and as employees work remotely.



# Opportunities in Operations

- In a digital-first world, opportunities in process improvements abound, including electronic signatures, interactive teller machines, and more.
- Increased staff and the larger appetite of financial institutions and customers/members for technology solutions creates a prime environment for innovation.
- The focus on technology and changing processes creates all sorts of new opportunities for existing and new staff.
- Opportunities for collaboration are enhanced by increased digitalization.
- The creative use of technology can help mitigate operational risk.



# Recommendations for Operations



- **Delivery Channels and Technology:** Consider exploring new technologies and delivery channels to differentiate your organization from the competition.
- **Staffing and Talent:** Think about cross-training staff or hiring new staff with strategic skill sets to meet today's marketplace challenges.
- **Innovation:** Assess your organization's needs and consider the value proposition before investing in new technologies or solutions.
- **Collaboration:** Consider ways to increase collaboration organization-wide, including opportunities for operations to contribute to strategic planning.
- **Risk:** Determine whether partnering with other financial institutions or organizations can help better to identify and mitigate new fraud trends.

