



# *Mindset open to change*

**Making payments is the sort of banking that is supposed to be routine or almost boring. So it comes as a surprise to hear a payments banker advise her colleagues to flee from conventional wisdom, embrace new technology, turn regulation into a lever, and help staff understand how lucky they are, and how exciting their jobs can be. But then Lisa Lansdowne-Higgins, vice-president, payments and trade operations and product support at the Royal Bank of Canada (RBC) in Toronto, is not your average payments banker.**

“Why do I love payments?” asks Lisa Lansdowne-Higgins. “Because I learn something new every day. Payments challenge me in ways that keep everything fresh.” One reason why payments are bracing is that no area of banking is more obviously challenged by new entrants armed with disruptive technologies. Lansdowne-Higgins does not deny the payment business in the traditional sense is being challenged, but refuses to see the likes of virtual currencies

and technologies such as blockchain as the only solutions for the future. “New technology is not a threat but an opportunity,” she says. “Banks may still be figuring out what the opportunity is, but we are leveraging legacy infrastructures where appropriate, and embracing new technology. The new entrants have their own hurdles to clear, especially in terms of coping with volume, and delivering transparency. For us, the change continues to be about divining



what the customer really wants and needs.”

### The importance of taking the customer perspective

Lansdowne-Higgins has never forgotten the importance of adopting the client perspective in everything she does. It helps greatly that she started her career as a teller, with Guaranty Trust in Toronto. “Being a teller in a branch has always anchored me in the customer experience,” she says. “It is easy for me to walk in the customer’s shoes.” Counter-intuitively, Lansdowne-Higgins even believes that banks can replicate the relationship-building capabilities of a teller through digital channels. “On-line, resilience, availability and the ability to self-serve all become part of the relationship,” she explains. “As a teller, I learned a number of things I still use today, but the most important lesson was client service, and that means knowing what the customer needs really are.”

Take for example, real-time payments, a topical question now being raised by most central banks. “Are we trying to solve the problem in the same way

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we always have?” asks Lansdowne-Higgins. “The answer tends to be, ‘Yes.’ If we continue to do that, we will not win. We need to get outside the box, and think about the problem in a completely different way.” She recalls, as personal revelation, being invited by the speaker at a conference to retrieve her debit card, and then her cell phone. The fact it was far easier to retrieve her cell phone spoke volumes about which device would capture the future. “You could see, instantaneously, where we were moving as an industry,” she says.

To escape conventional thinking, Lansdowne-Higgins advises bankers not just to go to conferences, but to buy new technology, engage younger employees in decision-making, meet with corporations outside the financial industry and form partnerships with technology companies. SWIFT has long argued that another way to cope with the threat is to adopt the ISO 20022 standard: since they can carry more information, ISO 20022-compliant messages create room for banks to add value to payments services. As a SWIFT board member, Lansdowne-Higgins is completely convinced of the advantages. “I do think ISO 20022 is essential to any bank providing

payments services on a global scale,” she says. Yet Lansdowne-Higgins understands that banks must justify the investment. “Leveraging middleware, or new technologies to support ISO 20022, is a potential way forward,” she adds.

### **Seizing the opportunities hidden in data**

Lansdowne-Higgins nevertheless warns banks to resist the temptation to postpone ISO 20022 adoption, because it will limit their ability to seize a conspicuous opportunity: the curation and monetization of Big Data. Banks already know a great deal about consumer behaviour and spending, and ISO 20022 messages will provide even more insights. Suitably processed, that data has value to every business served by the banks as well. “We have seen how the telecommunications companies have mined their data to anticipate what customers want,” says Lansdowne-Higgins. “We are exploring what it can tell us, provided we are mindful not just of customer privacy, but of regulatory demands as well.”

Regulatory demands on banks, argues Lansdowne-Higgins, can be used to commercial advantage too. When she ran product development on the cash management side at HSBC Bank Canada, meeting regulatory requirements actually helped to secure internal funding for new product functionality. Lansdowne-Higgins says even mergers, which are so often disruptive, can divert threats into positive changes. Early in her career, when Central Trust and Guaranty Trust merged into a single company, she worked to integrate multiple technologies into a unitary platform. “For the first time, I had to work with people who were not always sitting next to me,” she says. “We had to merge not just technologies, but the different cultures of different banks. That was when I really learned how powerful change can be. Whether it is regulation, market disruptors or the introduction of new technologies, how you see it is your choice.”

### **How to keep employees engaged and motivated**

In her current role as vice president, head of payments and trade operations and product support, one



of the principal challenges is attracting and retaining new talent, especially in operational roles. “While some people prefer a predictable routine, because they know what to expect day in and day out, new graduates challenge us to think differently,” argues Lansdowne-Higgins. “Being in operations today is an exciting place to be. The type of transformation taking place provides every employee with the opportunity to identify more efficient ways to work, and understand the links between their own efforts and the profitability of the business.”

It sounds like a challenging place to work, but she insists the staff respond enthusiastically. “I want to make things easier,” explains Lansdowne-Higgins. “I want people to understand the connection between the work and the outcome. It is no longer just about processing the transaction. It is about understanding its linkages and its purpose, the customer behaviour behind the payment, and the risk it represents to the bank. This provides staff with greater depth, and an opportunity to grow, while still offering them a high degree of comfort.”

Interestingly, out-of-date technology is the major deterrent to new recruits.

“You mean I cannot move between fields without touching the screen?,” jokes Lansdowne-Higgins. “I have to use the Tab key?” “What is the Tab key?” A legacy infrastructure usually means there is nothing cool and exciting to work with. When we do employ new systems, employees are immediately on-board to make the change. They are waiting for it. They become my leaders of change.”

But then Lansdowne-Higgins knows a lot about technology. She studied computer science alongside mathematics in high school and university. In fact, it was developing a “compare routine” to automate ATM reconciliation at Guaranty Trust that first alerted the management to the possibility that Lisa Lansdowne-Higgins was no ordinary banker.

In retrospect, it is not hard to trace the origins of her determination to find a better way. She had a difficult upbringing in Mimico, a community just outside Toronto. Her parents separated when she was nine years old and she was raised by a single mother, who supported the family by working full-time. “I learned from my mother that working was really important to my independence,” she



explains. There came a time when Lansdowne-Higgins took a job because she needed it. It was the good fortune of Guaranty Trust that she responded to an advertisement she saw from the window of a bus she was riding on Eglinton Avenue in Toronto.

### **Banks are rising to the challenge of new entrants**

Far from being held back by these experiences, Lansdowne-Higgins reckons she has reached the position she is in today largely because of them. “It forces you to look at things differently,” she says. “You hope for change. My childhood taught me to embrace change. In some ways, I always look forward to change.” This is a valuable attribute in an industry facing a string of existential threats, but Lansdowne-Higgins thinks she is not alone in possessing it. “The leaders of the payments industry are standing up and paying attention,” she says. “In the last three or four years, the conversation has been elevated. In the past, we talked about new entrants as being on the fringe. Now we see them as impactful. We are getting the message.” The most

obvious symptom of that change of attitude, she says, is the willingness of banks to adapt to the threats created by changing customer behaviour, balancing proprietary technology projects with technology partnerships.

### **The advancement of women as leaders in the banking industry**

But some familiar things have hardly changed at all in the last 30 or 40 years. Ever since she was the only woman taking the computer science course at university, Lansdowne-Higgins has operated in male-dominated environments. Today, she finds herself the only woman on the 25-member SWIFT board, Lieve Mostrey having stepped down at the end of 2014. She accepts that her position reflects the continuing male dominance of the banking industry, rather than any implicit or explicit barriers, but Lansdowne-Higgins still thinks the industry could do more. As she points out, nominations to the SWIFT board come from the membership of SWIFT, rather than SWIFT itself. “There is a lot of dialogue about the advancement of women in the industry, both through

the executive ranks and at board level, but we have to consider putting some measures in place to get traction,” says Lansdowne-Higgins. “What I have learned throughout my career is what you do not measure, you do not succeed in changing.”

She advises women to share success with colleagues more readily, take more risk in putting themselves forward, be more direct about how management could better support their development, and always have an up-to-date curriculum vitae at hand - not just to seize unforeseen opportunities, but to insulate themselves against the vicissitudes of corporate life. “In general, women do a good job, and think that they will be recognized,” says Lansdowne-Higgins. “Men are more vocal about their next step. Men ask for more money, whereas women are very grateful.” She disputes the idea that the pioneers in female leadership of the industry have in any way damaged potential opportunities for other women. “Those that have led the way had to find their way in a very difficult position,” she says. “They had to adapt to the realities of the situation. Because we are the beneficiaries of their success, we

have the opportunity to be better balanced, allowing us to stay true to who we are as female leaders.”

Lansdowne-Higgins is confident women can be more demanding at work, without sacrificing their natural strengths of nurturing relationships and team-building. Certainly, her life outside the office, as well as within it, is proof of that. Although her mother no longer lives in Mimico, she returns there regularly. Her son is a professional lacrosse player, and they go back together, not just for matches against local teams, but because Lansdowne-Higgins has not forgotten where she came from. “I have often told my son that I was raising him not just to be a good man, but a great one, and that greatness consists in being able to build and sustain strong and healthy family relationships, and to give back to the communities you come from,” she says. For a time she considered a political career as the best way to give back, even nursing an ambition to be the first female prime minister of Canada. “Kim Campbell beat me to it,” she jokes.

A successful career in banking, and a family, ultimately left no room for politics. But if Lansdowne-Higgins



has abandoned public life, she is far from cynical about the public sphere. "Having had the opportunity to travel in my life, it has made me appreciate how lucky I am to live in Canada," she says. "Growing up, I knew I had the freedom to do anything that was within my grasp, whether I was a female or not. Not everybody has that freedom."

### Where banking is ahead

She has also learned how fortunate she is to work in the banking industry. Her husband is a general foreman on commercial building sites. Though his ability to deliver projects on time and to budget would be more than useful in the banking industry, construction otherwise remains (no pun intended) completely unreconstructed. "It is so dramatically different, it makes me appreciate the banking world so much more," says Lansdowne-Higgins. "The codes of conduct which govern how bankers interact, the strategic thinking, the talent management. None of that exists in his world - other than what he is able to give to the crews that he works with. We bankers are very lucky people."

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