Introducing Investor Services' New CTO

john galante

Earlier this year, John Galante joined JPMorgan Investor Services (JPMIS) as Chief Technology Officer. Responsible for the day-to-day leadership in technology for JPMIS on a worldwide basis, he brings a wealth of experience to the position. His career includes an impressive array of technology positions in areas including clearing, settlement, asset servicing and accounting with some of the world's biggest global companies. Recently, Galante sat down with *Thought* magazine to discuss his plans for the JPMIS Technology organization, his ideas on global financial services in general, and his thoughts for the future.

***Thought* Magazine: Your career has included a number of important areas of the business, what are some of the major technological changes you've seen during your career?**

John Galante: Well, we've seen a wave of movement away from a mainframe, batch processing orientation to a distributed online orientation. Today the question is how do we web-enable applications, and how do we get the core processing to be more cost effective? What happened in the transition from mainframe to distributed processing is that much more of the control moved to the user communities. The number of platforms and applications has proliferated, and while the functionality improved in terms of decision support and processing, from a technological perspective the costs have increased dramatically. Along with the drive toward Web enablement, there has also been an increased emphasis on more timely access to accurate information and a focus on consolidation and more efficient core processing.

You mentioned "efficient delivery of core processing," is that your primary focus now at JPMorgan?

That's part of it. I feel very fortunate to have inherited an organization filled with so much talent, people with deep technical and business experience. Our work will focus on creating ways to leverage the skill of those talented people and instill best practices in terms of project delivery. The organization had become somewhat decentralized from a technology standpoint. As a result, currently there are multiple client facing applications and technological components. Now what we have to do is bring that back together in the form of a simple streamlined architecture, and standards in terms of the way we do things, the systems lifecycle we follow and the way we communicate with our customers.

JPMorgan is the most customer-focused organization I've ever seen, the best of any situation I've been in. Now we need to take that customer focus, the servicing of our customers, and work to align the technology in a way that's more efficient both internally and for our clients.

Providing customers with the products and services they need?

Right. It's giving customers what they need, but also doing it in a more simple way. As I said before, right now we've got multiple customer-facing applications, that we're working on standardizing and maintaining a best-in-breed approach. On the one hand we have our great culture of customer focus and then on the other hand we have the question of optimal design delivery and how we provide technology in the most efficient way.

For example, since I arrived here one of the things we've focused on is reducing our internal costs. Consultant fees is one example. We've driven that cost down dramatically by reducing the number of consultants and renegotiating rates and contracts. Now we have a model that recognizes the value of business and technology subject matter expertise and weighs more heavily toward internal resources. That's just one of the ways we've already dramatically improved efficiency and worked to leverage that in-house talent that I mentioned before.

Are there two or three areas in particular where you are focusing your efforts?

As I said before we're concentrating on reducing our internal costs overall and dramatically improving our ability to deliver projects in a timely, cost effective way.

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In addition, we're working at establishing clear business driven accountability for the Technology team. We've realigned the organization to directly support Investor Services businesses. In the past, the organization was split between production support and development, but there was no clear accountability to the individual businesses themselves. Consider technology for our Accounting team. Now we've combined the organization in such a way that each of our locations around the world, Dallas, Bournemouth, New York, etc., has someone dedicated to focusing on Accounting technology and that effort is coordinated by one global Technology team executive for the Accounting group. This structure ensures that there is a global strategy and consistency around the world no matter what the project. We're focused on clear accountability every step of the way for people, projects and applications.

That's what I keep reinforcing with my management team. Who and what do they manage? They manage people, they manage projects and they manage applications. Their job is to make sure people are motivated and developing everyday, they have to make sure projects are being developed on time and on budget throughout the lifecycle and they have to manage the applications in a way to make sure they can absorb additional business and volume. That is simplifying it in a way, but essentially that's how I frame it.

What do you see in the future for the JPMIS Technology organization?

I think Investor Services will continue to see more growth in terms of the types of products and services that our customers want us to provide and I think that will take two forms. First, it will take the form of existing activities that customers will decide they no longer want to do themselves and will want us to do, that's middle office processing, technology support, etc.

The second form is the amount of information that our customers will increasingly demand to make their day-to-day decisions. They will focus more and more on things like cost of execution and costs per transaction. I also think there will be a growing focus on regulatory compliance information, order management, trade management and an ability to provide MIS to support that. This will help customers to ensure audit trails and know that they are properly managing their portfolios. That's something we're beginning to provide more of now and an area where I think we have a tremendous growth opportunity in the future.

We're currently investing heavily in a new state-of-the-art information delivery solution that will add significant value to our clients with critical information and reporting provided in an intuitive and flexible way. The product also includes a new performance measurement system that offers customers advanced technology and capabilities. There's nothing like it in the industry, We've shown it to a few clients and the feedback has been very positive, so everyone should stay tuned to hear more about that.

Finally, how do you think the merger between JPMorgan and Bank One will impact the Technology team?

It brings another dimension and thought process to how we manage technology. Suddenly, we now have an entire set of additional resources in terms of technology, whether it be infrastructure, applications development or leading edge services. Like Investor Services, Bank One brings some very talented folks to the new organization. I can see an immediate impact from their wealth of experience in managing technology in terms of creating a more efficient infrastructure. For example, working to leverage vendors appropriately across the new combined organization. JPMorgan and Bank One are very complementary, whether we leverage one another's relationships or products, there is very little overlap from a JPMIS perspective. I think from both the Technology organization and the overall business's perspective the merger presents a tremendous opportunity. ○○○

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