

NEXT- GENERATION FINANCIAL SERVICES

HOSTED BY





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About Bridge Forum

Co-created by GIC and the Singapore Economic Development Board (EDB), Bridge Forum is a unique experience designed to guide businesses through technology disruption. Global business leaders and technology trailblazers come together to connect, share exclusive insights, and problem-solve through immersive one-on-one sessions.

As a platform, we believe that the biggest takeaway one can get is not a business card, but a plan to impact the future.

Next-Generation Financial Services

In 2018, Bridge Forum focused on real estate disruption. We convened more than 70 leading real estate developers at the C-suite level from Asia and 30 real estate-technology start-ups to discuss the way forward.

In 2019, we focused on next-generation financial services, bringing together business leaders from Asia and technology luminaries from Silicon Valley. We hosted nearly 120 financial services leaders, including more than 60 C-suites from the world's leading banks in Asia and the developed markets.

In Silicon Valley style, the forum ended with a networking event that introduced new approaches to art and entertainment, creating an electrifying atmosphere. Brought together by a host committee including prominent investors such as **Doug Leone**,

Divesh Makan, Keith Rabois, Jeremy Liew, and celebrity and technology investor **MC Hammer**, attendees were able to tap into the combined networks of investors, founders, and the broader Valley community.

Technology disruption in financial services is of deep interest for us. We have studied the data, information and trends to identify the business and technology intersections that will have material impact on each other, and tailored the program to help leaders think through ways to navigate such disruption. Our long history in the Valley has given us unique insight into the trends that disrupt industries and connections to the top innovators.

This publication

At Bridge Forum 2019, we heard from some of the most esteemed financial services and technology investing leaders, including **Reid Hoffman, Sir Michael Moritz, Ray Dalio, Doug Leone, Keith Rabois, Nicole Eagan, Patrick Collison, Alex Rampell, Rob Goldstein**, and Singapore's Deputy Prime Minister and Minister of Finance **Heng Swee Keat**.

Participants both gained from the sharing and enriched the discussion with their comments, and we put together a selection of key takeaways from the sessions.

We hope you will benefit from the perspectives presented as much as we did.

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Left to right: James Manyika (McKinsey & Co.), Reid Hoffman (Greylock Partners)

FIRESIDE CHAT AND Q&A WITH REID HOFFMAN OF GREYLOCK AND JAMES MANYIKA OF MCKINSEY

Blitzscaling: The Silicon Valley Secret to Starting and Scaling Massively Valuable Companies

*A good idea should stand up to being looked at from many perspectives, pushed in new directions, and occasionally given a sharp kick – which is what happened when a room full of technology and business leaders talked ‘blitzscaling’ with its creator, **Reid Hoffman**, Partner at Greylock Partners and Co-Founder of networking platform LinkedIn.*

Distilled to four words, ‘blitzscaling’ refers to the ultra-rapid growth by start-ups. It is a simple expression with contrarian logic, difficult to execute, but promises huge rewards for those who are able to execute it successfully. For those who are less familiar with the concept, Reid explains this on Medium, [“7 Counterintuitive Rules for Growing Your Business Super-Fast”](#).

In a candid Q&A moderated by James Manyika, Senior Partner at McKinsey & Chairman of the McKinsey Global Institute, Reid shared practical insights on how one might blitzscale in their respective workplaces. Here are three principles and some of our favourite exchanges:

Three principles we took away:



1. **Blitzscaling is deeply counter-intuitive.** To achieve blitzscaling, check your rationale preconceptions at the door – you will have to go against common sense.



2. **Blitzscaling is profoundly human** – it requires a very keen awareness of human nature and behavior to execute.



3. **There is something in blitzscaling for everyone.** While most know blitzscaling as the engine that helps start-ups scale, its basic principles can be applied to every type or organization, from small businesses to multinationals or even state-owned enterprises.

Select exchanges:

Q: Should public, listed companies, with potentially risk-averse investors, attempt to blitzscale?
– CEO of a leading regional telecommunications network in Asia

RH: “Absolutely, if everyone whose support is critical is prepared for it. Investors have to be patient and tolerate the demands of blitzscaling, and keep their focus on the long game, instead of paralyzing the process with dialogue. Large companies will also need to protect and ‘nurture’ their blitzscaling shock troops, and ensure that they have their own culture and rules, and ideally, their own location. This is so the ‘host body’ does not see their presence as being invasive and attempt to undermine them.”

Q: Are the principles of blitzscaling the same for a 100-to-500-person business as they are for a 10-person startup just beginning to scale?
– CEO of a leading online classified business in Southeast Asia

RH: “Yes – the key principles are the same, but for the start-up, the game will continually change along the way, so it is important to apply blitzscaling fundamentals at every stage of development. If after years of growth your processes and procedures are starting to take shape, you will need to continue honoring the first – and most important rule of blitzscaling, which is to embrace chaos.

It will be counter-intuitive to “disrupt” your own systems, but that is the essence of blitzscaling – being contrarian, and flying in the face of “best practices”. Consider the by-products of ongoing chaos: customer complaints, bad products, management crash-and-burns. It will require great discipline to persevere through these painful experiences, which most companies go to great lengths to avoid, but they cannot be avoided if one is determined to blitzscale.”

Q: Let’s also talk about the ethical dimensions of blitzscaling. Are the critics right when they call blitzscaling irresponsible? Can blitzscaling be approached responsibly?
– James Manyika, Senior Partner, McKinsey & Co., Chairman, McKinsey Global Institute

RH: “Indeed, many things go wrong when you blitzscale, but there are ways to reduce the trajectory of something significantly going wrong. You can, and should be able to, build in responsibility as you scale without reducing speed. Here are some ways:

1. Identify your risk sets, and distinguish between inconvenient failures and critical ones;
2. Constantly reinforce the expectation of change over stability;
3. Set and communicate company values early on

The last one is the most important, as when people know what they are working for and have a clear sense of the mission, they can better handle uncertainty and choose positive behaviors when things do get rough.”

What gives blitzscalers the edge

A common question is what gives Blitzscalers the edge over everyone else. Falling back on the principles, Reid offers what he concedes is a “potentially outrageous assertion given the vast human abilities”, but an equally poetic response:

“It is the willingness to embrace the irrational – to go against common sense and follow principles that are deeply counter-intuitive – that makes blitzscaling so unique.”

Blitzscaling can easily be confused with technology excellence, given the intersections with artificial intelligence, automation, and the other mass technological evolutions. However, at its core, technology is simply the vehicle – what blitzscaling requires the most is an explicit theory of human nature.

The best consumer technology companies have always scaled not to technology, but to the humanity that makes their technology possible, Reid reminded. That is why blitzscaling is so powerful, and ultimately, responsible – it only works if it serves our shared humanity. The chaos, disruptions, mistakes and burning fires are simply the price we pay along the way.

**FIRESIDE CHAT BETWEEN ALEX RAMPPELL, GENERAL PARTNER,
A16Z & A DISTINGUISHED TECHNOLOGY INVESTOR**

Software is Eating the World of Financial Services



*The leading FinTechs of today are vertically integrated software companies who are disrupting incumbents with new technologies, business models, and distribution networks. We list the qualities venture capital firms look for in FinTechs today, and how they are changing the dynamics of the financial services space, based on a fireside chat between **Alex Rampell** of Andreessen Horowitz and a distinguished technology investor.*

Expanding the opportunity set: new technologies, business models and distribution channels

According to research by VC Andreessen Horowitz – often represented by their numeronym *a16z* – approximately 4,000 start-ups are founded in the technology space in the US every year. While the major VCs may connect with more than half of these start-ups, they will ultimately only invest in a handful of these firms. Thereafter, only fewer than two percent of start-ups receive funding.¹

What then, are the qualities that VCs look for?

The panel highlighted three criteria VCs look for when they pipeline and narrow in on investment opportunities:

- 1. Access to a broad distribution network:** Including access to innovative distribution channels and partnerships in order to cost-effectively acquire new customers. Establishing this before the incumbents innovate is crucial to the success of early-stage companies.
- 2. Talented teams who are willing to run through walls:** Especially ones with deep understanding of the sector and regulatory environment. While this can often be hard to assess, it helps to spotlight those who can navigate repeated failures and adapt to constant change.
- 3. A large market opportunity:** The right solution must be coupled with a sizeable market opportunity

The battle between incumbents and disruptors

One panelist pointed out that a lot of what Silicon Valley is about and does well is the spirit to challenge the orthodoxy. Entrepreneurs often have to take an existing

business, identify how it has worked in a way endorsed by experts, and yet, still go ahead to say, “I’m going to start from first principles and see if I can do a better job.”

In some cases, the experts are right. In many instances, these entrepreneurs fail. But it is a fantastic spirit that is unique to the Valley – a certain style of innovation and fearlessness to go and change something that has been around for a long time, and in some cases for millennia.

A natural follow-up: “What is the key battle between these traditional heavyweights and rising upstarts?”

Given the focus on large market opportunities and distribution networks, companies today are expanding their opportunity sets and building vertically integrated software companies to increase customer value. For example, within the financial services, FinTechs no longer aspire to sell software to insurance companies, but instead seek to access the large market by deploying their own risk capital to become software-enabled insurance firms.

As one of the panelists succinctly stated, the battle between every start-up and incumbent is whether the start-ups get the distribution before the incumbent gets the innovation.

1. Andreessen Horowitz. 12 things I learned from Marc Andreessen

**FIRESIDE CHAT BETWEEN SIR MICHAEL MORITZ, PARTNER,
SEQUOIA CAPITAL & PATRICK COLLISON, CO-FOUNDER & CEO, STRIPE**

Patience: A VC's Unlikely Ally

*Big, transformative ideas, a clear investment horizon and the discipline to see it through, as well as vision – these are all key ingredients for building successful VCs and companies. The article below presents key insights from a fireside chat between renowned technology investor and author **Sir Michael Moritz** of Sequoia Capital and leading entrepreneur **Patrick Collison**, who founded global payments platform Stripe, as they discuss global trends, innovation, investments and leadership.*



Left to right: Patrick Collison (Stripe), Sir Michael Moritz (Sequoia Capital)

The technology leitmotif of today

"The ability to see 20 to 30 years down the line."

"With a long-enough timeframe, everything is possible."

That's what sets the best investors and start-up founders apart from the pack, and the leitmotif of Silicon Valley's major VCs, and the companies they invest in. The Bay Area is rooted in an infectious optimism that absolutely everything is possible, a quality apparent in thriving technology firms globally.

Technology firms such as Apple, Facebook, and Google dominate Silicon Valley's corporate landscape today. The question is: Will these same firms continue to lead the industry 10 to 20 years from now?

Disruptors of tomorrow

As the role of computing continues to extend its reach in everyday life, the possibilities it enables are likely to be bigger than before. This applies to ideas that will create the next generation of technology leaders and they are likely to be beyond the walls of today's technology giants. If history has taught us one thing in the space of innovation, it is that successful companies of tomorrow tend not to fit in today's pigeonholes. Stripe, Airbnb, and YouTube are firms who have formed their own niche categories and have gone on to lead them, even if the industry had not conceived of them before.

Yet, beyond new categories and companies, we are also contending with new geographies that are attempting to rival the dominance of Silicon Valley, or the US more broadly. Setting aside Sino-China tensions, one has to acknowledge the tremendous progress China has made in technology in recent years – today, it has a BAT (Baidu, Alibaba, and Tencent) that is not dissimilar to the

US' FANG (Facebook, Amazon, Netflix, and Google / Alphabet).

Leading VCs have also ventured outside to look for the technology companies of the future, making large investments in China, India, and Southeast Asia.

Getting there: patience a virtue

Across geographies VCs are seeking companies with a clear long-term vision. This has been a hallmark of Silicon Valley where successful companies have been given the runway to scale and innovate. This requires long-term, disciplined investors who are able and willing to see beyond typical short-term time horizons, not an easy feat given technology's ever-quickenning strides and cycles. Ultimately, technology companies do not spring up overnight, so VCs need to think, act and plan in longer-term increments.

Did the panelists have one piece of advice to start-up founders and investors today?

"Patience, because it will happen."

"You just need a long-term view."

KEYNOTE BY RAY DALIO, FOUNDER, CO-CHAIRMAN & CO-CHIEF INVESTMENT OFFICER, BRIDGEWATER ASSOCIATES

Principles to Algos to Success

*Distinguished investor **Ray Dalio**, who founded one of the largest and most successful hedge funds globally, Bridgewater Associates, shares his systemized approach to decision-making. This has helped Ray, who wrote the best-seller *Principles*, achieve significant success in work and life. Here are some of our key takeaways from his keynote.*



Artificial Intelligence (AI) is evolving rapidly, but it is not new. Professional investors first used AI in 1953 and various forms of AI have been employed since. The same principles that historically have driven successful investing have been applied to AI at every step of the way. Each time, we have developed better collective decision-making, with outcomes stronger than those that would have resulted from individual decision-making.

Computational clarity: Asking the right questions

Making decisions with algorithms means having better tools to manage the same elements that have guided successful investor strategy. It also means asking the right questions, including:

Q: Is there a deeper understanding of the market?

RD: "This is arguably the key question. Applying AI needs to be derived from a deep understanding of the market, otherwise issues will arise. It is not a matter of using algorithms to make decisions, but converting decisions based on a deep understanding of the market into algorithms."

Q: Next, is there an iterative process?

RD: "Decades ago, investors would literally write down their reasons for making each investment decision. They would then follow how each trade performed relative to expectations, and over time build a decision set to guide future investing. Today, we still need to make our investment rationales as explicit as possible — and even more so. With the right clarity, computers can then make the decisions."

Deciding on the decision-making criteria

The most important element of any decision-making process is not the decision itself, but the thinking about the decision-making criteria. When one focuses on the criteria, one will begin to see the same things happening over and over. Thereafter, when similar situations develop,

one will have gained the right perspective and criteria to act on it.

Computers can do much more than the human brain can and at scale. That is irrefutable. Concurrently, there are plenty of smart, experienced people, who not only have clarity of thought, but the ability to code these decisions and processes into machine language.

Humans can play in parallel with computers. Machine learning can make superior decisions in ways the human mind cannot grapple with, but they require a clarity that they cannot themselves derive. The human mind understands and invents, while algorithms process and execute. By reconciling machine and man, both sides continually correct and improve each other. That is the basic upshot.

Lifetimes of experience

The top, experienced investors are the ones who have seen the same thing happen over and over again, and are able to act on them. When they are surprised by events, it often is not because these incidents have not happened before but because these events have yet to take place in these investors' lifetimes.

While the human body has its inherent limits, technology and machines do not. The rules are timeless and universal, and the rules have to inform our algorithms. We need to take our historic thinking, and with the processing power of AI, run its cause-and-effect relationships through time. That way we can provide unexpected clarity for investors, know exactly what our game plans are on the front end, and deal with anomalies more quickly on the back end. A side benefit to this powerful approach is that reduces emotional stress for everyone involved.

KEYNOTE BY NICOLE EAGAN, CEO, DARKTRACE

The Next Paradigm Shift: AI-Driven Cyber-Attacks



As AI continues to transform global industries, it is also adopted by cyber criminals to strengthen and scale up cyberattacks. **Nicole Eagan**, CEO of Darktrace, a leading AI cyber defense company with over 2,500 customers globally, discussed the latest cyberwarfare and cybersecurity trends at the Bridge Forum in San Francisco. Below is a compilation of the key takeaways from her sharing, including today's landscape, case studies, and best practices on muzzling threats.

Cyberwarfare is becoming a battle of algorithm against algorithm. The majority of cyberattacks today is still human-generated, but what lies ahead are increasingly deadly assaults by attackers using AI. Cyberwarfare driven by AI will move at machine speed, outstripping the ability of human defenders to respond.

How quickly do these attacks take place?

The time taken to get a cup of coffee, or to chat with your desktop neighbor. That is the amount of time needed for a cyberattack to take place. As networks compete with each other, they will continue to become smarter, more powerful, and accelerate constantly. Human teams working to protect their organizations and data from cyberattacks will need the strength and sophistication of AI to stand any chance of gaining the upper hand.

The threat of cyberwarfare

Our most advanced industries are well ahead on the technology curve, and pay close attention to the threat of cyberattacks. Their boards of directors recognize the danger and the C-suites are engaged. Yet, breaches continue to happen. There are two reasons for this:

1. Cyberattacks are ever-evolving. Today, a very large global crime ring exists, one that has links to nation-states and that is infiltrating into cloud systems and corporate networks. This is a new, different level of threat, well beyond what companies were contending with a decade ago.
2. Companies are evolving their underlying business

models, moving rapidly into digital transformation, AI and the cloud. What happens is that every time a company connects more devices and more customers connect with a company's network, the "attack surface" is increased. Coupled by the urgency of digital transformation, companies can sometimes overlook building in the necessary security measures from the start. This opens them up to vulnerabilities, which hackers can exploit and prowl unnoticed for long periods before or as they wreak havoc.

Taking inspiration from the human body

The increasing speed and sophistication of cyberattacks requires a new approach to cyber defense. Inspiration is coming from an unlikely but highly instructive place — the human body, and its extraordinary ability to detect and defeat external threats.

Our immune system is constantly under attack from viruses and bacteria, and has over time evolved an innate sense of self to understand what belongs within the body and what the foreign bodies are, and most importantly, how to mount a precise and rapid response to harmful, invasive elements.

Cyber defense with AI works in pretty much the same way. It analyses thousands of data features across a company's network, from email and cloud to applications such as Office and Salesforce in order to build a "pattern of life," with an in-depth understanding of the specific and unique complexities of every user and device connected to that network. Once it understands a network's regular

life pattern, intrusions of any kind are more readily identified and defeated.

Best practices in adopting AI for cybersecurity

The overwhelming reality of cyberattacks today is that they can come from anywhere, attack any point of entry at any time, and infiltrate a network in seconds. For AI to achieve its full potential in fighting cyberwarfare, best practices are key. Our key lessons are:

- **Ensure visibility:** No one wants to rely on a black box, without any understanding of what goes on inside the box — that is what makes humans nervous about AI. For people to trust AI, it needs to be visible. The most human-friendly AI solutions deploy 3D visual guides with graphic elements to depict the cloud and illustrate how data flows through the network.
- **Make it mobile:** Cyberattacks are not desk-bound, so the protections against them cannot be either. AI defenses need to be mobile, with apps, real-time alerts, and flexible decision trees that enable IT teams to evaluate and respond quickly from any location.
- **Know yourself:** Like the body's own finely-tuned immune system, AI works best when it is grounded in comprehensive understanding of all aspects of its physical operations. For AI to shield from cyberattacks fully it first must be deployed fully, and not introduced piecemeal.

Without a doubt, AI is necessary if we want to win this cyberwar. Human teams that battle cyberattacks without AI will more often than not be overwhelmed. In the war of algorithm against algorithm, AI can and should be on our side, slowing cyberattacks and, ideally, stopping them in their tracks.



Case studies: Omnipresent threats and the use of AI

Nicole shared three case studies that demonstrated the breadth of vulnerabilities in corporate networks today, and how AI can defeat them.

1. Fish tank in casino lobby

Hackers infiltrated the thermostat in a high-end fish tank located as an attraction in a casino lobby made vulnerable through its individual VPN. The hackers' intent was to upload personal data on the casino's high rollers to a private cloud in Finland. The casino's legacy security systems missed the intrusion, but AI found it by identifying both the fish tank's data upload and its transfer to a private cloud in Finland as system outliers.

2. Mobile banking app

A developer enhancing the bank's mobile app accidentally changed its security protocols such that its previously encrypted data would now travel unencrypted. Although unintentional, the error could have exposed customer data to attackers. AI detected the anomaly of unencrypted data transfer over a File Transfer Protocol (FTP) port in less than two seconds and a patch fixing the misconfiguration was quickly put in place.

3. CCTV at a financial services firm

Hackers entered an Internet-connected CCTV system at a financial services company in Japan, attempting to port private video footage to an offsite facility for analysis, and potentially compromising content from the CEO's office, executive conference rooms, whiteboards, and more. AI detected the anomaly of data moving to and from the CCTV server, and surgically blocked the data transfer, while sustaining normal camera functions.

**KEYNOTE BY ROB GOLDSTEIN, CHIEF OPERATING OFFICER,
BLACKROCK, GLOBAL HEAD OF BLACKROCK SOLUTIONS**

Driving Innovation through Partnership

*Through internally driven innovation, leaders in the financial services have been able to drive industry-wide change. An example is BlackRock, whose Aladdin platform sets the standard in investment management technology by combining sophisticated risk analytics, exposure, and performance analyses with portfolio management functions. Find out how BlackRock grew from a team of eight to become the largest asset manager in the world in the below piece, based on a presentation by **Rob Goldstein**, Chief Operating Officer at BlackRock and Global Head of its BlackRock Solutions.*



A new playing field: today's financial ecosystem

No matter where you are in the financial ecosystem, one thing is clear - a whole new playing field has emerged as clients expect significantly more transparency today. Regulators have changed the way they engage with companies, and political developments are fundamentally challenging the notion and perceived benefits of globalization. More than ever, the concept of scale is taking on increased and outsized importance. The trailblazers in financial services today are the ones who are able to capitalize on these industry trends to drive their organizations forward.

The next frontier: open platforms, scale and competition

One pervasive and disruptive industry trend in the financial services sector has been the blurring of the understanding of wealth or asset managers and what a technology firm is. Driven by the need for integrated wealth management solutions, the leaders in asset management today are companies who have managed to evolve themselves with technology at their core, alongside investing in people, process, and infrastructure.

Even then, the future of technology hinges on open technology platforms as firms work together in a state of 'coopetition' to achieve success and scale. To enable and integrate such open technology platforms across the industry well, a common language is needed. While people have traditionally been the connective tissue reconciling distinct systems, a common technology infrastructure that serves as the *lingua franca* across the ecosystem is what is needed moving forward. For that to happen, technology needs to be even more broadly available than it is today.

Scaling innovation

As the biggest players in financial technology continue to grow, the ability to stay agile and innovative becomes increasingly crucial. However, innovating as a large, incumbent organization is easier said than done - the reality is that having a labour-intensive, massive operation can both enable and derail innovation. Indeed, leading management consultancy McKinsey acknowledged that innovation is a high order for well-established companies as they are "better executors than innovators, and most succeed less through game-changing creativity than by optimizing their existing business."¹

How does one innovate as a mature company then?

The deciding factor is the company's leadership team. Leaders should consider piecing together cross-functional and diverse 'SWAT' teams as this provides talent with the space to develop new ideas while maintaining clarity of objectives and goals, as well as accountability. It is also a deceptively simple idea that has more often than not proven difficult for companies to execute.

Leaders who want to successfully drive technology adoption and innovation in their organization and across the financial services industry should work together to invest in scale. There are big gains to be had too, as those who can tackle the industry's future needs while capitalizing on these trends will be the ones who will lead the industry going forward.

1. McKinsey & Co. The eight essentials of innovation.

FIRESIDE CHAT BETWEEN KEITH RABOIS, GENERAL PARTNER, FOUNDERS FUND & JEREMY KRANZ, CO-HEAD TECHNOLOGY INVESTMENT GROUP, GIC

The Evolution of Fintech

*In the US, banks arguably do not have strong brand affinity with their consumers. Most customers would have at least some unaddressed pain points with them. As a result, converting this customer unhappiness into happiness has become a major opportunity for FinTech start-ups. But what are some of the other qualities that would make for successful firms? The article below presents key takeaways from a fireside chat between **Keith Rabois**, General Partner at Founders Fund, and **Jeremy Kranz**, Co-Head of GIC's Technology Investment Group as they discuss the future of FinTech.*

The future is mobile

The banking industry's future is mobile. Beyond that, there are not many macro trends you can just tap into. It is more a matter of bringing many of fragmented innovations to bear. It is a matter of taking advantage of data to serve customers better, and asking questions about stitching innovations together better, using data better, and turning customer disappointment into loyalty.

For young companies, it can be easy to overdo innovation. Most of the start-ups that receive venture capital today are not going to work or change the financial services industry. The ability to be both contrarian and right simultaneously is rare. Yet, a few have ventured and succeeded. There is a lot of innovation in a handful of companies, including Square, Stripe, and Shopify, which has led to success.

Tolerating failure for success

If the CEO of a traditional bank walked into a successful FinTech today, what would they see that their own company needs to do differently? Three things would stand out: (1) a willingness to experiment, (2) a focus on the customer relationship; and (3) – the most important of them all – a tolerance for failure.

The future of consumer banking and the future of banking itself are one and the same. A few of the most successful companies have created mechanisms to enable such innovation. One example is Square, where the product team is protected from criticism from the CEO. While this was initially met with opposition, the idea eventually blossomed. One of its projects, the Square Wallet, failed but the company quickly moved on to a cash app. It was this tolerance for failure that allowed the company to experiment and eventually find the ideal formula. Banks



Left to Right: Jeremy Kranz (GIC), Keith Rabois (Founders Fund)

will do well to learn from this as the general sentiment is that they have not been able to catch or act on market signals early or quickly enough.

New frontiers

Today, the conventional wisdom is that there is not one trendy platform that will transform an industry. What this narrative neglects is the widespread opportunity to tap into different technologies, to create meaningful innovation and experiences for consumers, even if they are not visible to the naked eye.

Take satellites for example, which today orbit at a fraction of their previous costs, and the role robotics plays in many organizations. Place this alongside machine learning and AI, and an entire universe of opportunities in autonomous driving, manufacturing, and logistics springs to life.

While AI today receives a significant amount of VC funding, it also creates potential pitfalls for young companies. Many start-ups today make the mistake of pitching themselves as AI companies without explaining how the technology strengthens their offering. As the panel shares, AI companies who lead the industry are the ones where the inputs and the outputs of using AI are clear, where an economic transformation or an accuracy improvement can be clearly demonstrated. One example is Opendoor, which uses AI for its core operations – customers care little for the AI technicalities, but significantly for the instant liquidity it provides for real estate sellers.

The future of venture capital

Moving on to how the VC space will evolve, the panel suggested that the most logical change would be decoupling advice and mentorship from capital. There is no inherent reason that the ability to counsel and be of service to an entrepreneur needs to be bundled with capital.

What will be important will be one's ability to unearth raw – and often young – talent and turning them into stars. In many ways, this is key to building truly strong companies and where start-ups may have an edge over more established, larger companies, who will be looking for different qualities. While the Valley often focuses on products and technology, success ultimately boils down to team and talent.

After all, the team you build is the company you build.



Global Asia 101

DIALOGUE BETWEEN SINGAPORE DEPUTY PRIME MINISTER HENG SWEE KEAT AND DOUG LEONE, GLOBAL MANAGING PARTNER, SEQUOIA CAPITAL

*Optimism about Singapore as an investment destination. A vision and comprehensive plan to serve as Asia's economic gateway. A commitment to the rule of law and protection of intellectual property. These are the essentials that guide Singapore's evolution as a global investment center, as described by **Heng Swee Keat**, Deputy Prime Minister and Minister of Finance of Singapore, in a cross-cultural exchange with **Doug Leone**, Global Managing Partner at Sequoia Capital moderated by **Chng Kai Fong**, Managing Director of the Singapore EDB at the Bridge Forum. Here are a few of our key takeaways.*

In the words of Doug Leone, Global Managing Partner, Sequoia Capital, "take the path of cannibalising yourself – that, in my opinion, is the lowest-risk path one can take."

Change is accelerating worldwide, and Singaporean firms, like companies everywhere, need to change more rapidly. Singapore's business sector must embrace innovation to evolve and compete, or risk being left behind. Singapore's investment model recognizes as well that as change accelerates, not just companies, but their workers too must understand the need for continuous evolution.

"In the accounts of successful transformations around the world, what you have in common is not only change, but people believing that change is good for them," Deputy Prime Minister Heng said. "When you look at backlash, it's where workers have felt compromised, where they haven't been taken care of. We can't leave our companies behind, and we can't leave our workers behind either."

Government x Unions x Business: Singapore's unique tripartite model

Since its independence, Singapore has adopted a unique tripartite model that interweaves government, unions, and business in collaborative partnership. It is one that has worked very well for the city-state, propelling it from third-world to first-world status within one generation.

Each of the three sectors has a distinct-yet-complementary role to play:

- **Government:** The enabler that provides education, R&D, and the stability of the rule of law;
- **Unions:** The means to protect not jobs, but the workers who need them, and employability;
- **Business:** The leader and driver of change, with CEOs being agents of transformation to continually re-

engineer their organizations through innovation and enterprise

One additional advantage for Singapore is its multiracial and multicultural urban environment, with a thriving expatriate community, attracting talent from around the world.

“As we reposition Singapore’s economy, our concept is to create Global Asia 101,” Deputy Prime Minister Heng said. “We’re bringing together technology, innovation and enterprise, linking all the keynotes in the world where the most entrepreneurial activities are happening, where the most innovative activities are happening, and bringing the most talented people together here.”

Doug offered another perspective, drawing from his experience running one of the world’s most successful VCs, “How do you bring capital? Money is the tail of the dog. The real question is: How do you bring the founders and talent? If you bring that, everything follows.”

Global Asia 101: A vision for the future

With Global Asia 101, Singapore is pursuing a comprehensive initiative across government, business and talent development, all designed to boost investment competitiveness. Singapore’s vision is to be Asia’s investment destination of choice — a hub both for Asia-based companies globalizing and moving out into the world, and for global companies that are seeking to expand and grow within Asia.

Singapore’s Research, Innovation and Enterprise Council (RIEC), chaired by the Prime Minister of Singapore, recently set new and more ambitious research priorities. The country’s universities are moving up rapidly in international rankings, as are its advanced medical centers. Its public sector was founded on fighting corruption and has a long history of respect for the rule of law, highly competitive tax rates, and one-stop facilitation of technology and business investment.

Optimism for the economic future of Asia overall is high. Since the Association of Southeast Asian Nations (ASEAN) was founded 50 years ago, its GDP has increased 100 times. Southeast Asia is the fastest-growing region for Internet investment and business and consumer adoption. Asia’s economies are increasingly more open and more fully integrated.

Question for the future

Turning a question on how to drive Singapore forward on its head, Deputy Prime Minister Heng suggested that the question to consider instead is how to make Singapore more vibrant, both within Asia and globally.

“The world is really more spikey than it is flat, with innovative places everywhere such as Silicon Valley, New York and Chicago, which, like Singapore, are exciting urban centers, cities where so many essential things are happening.”



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Established in 1981 to manage Singapore's foreign reserves, GIC is a long-term investor with well over \$100 billion in assets in more than 40 countries worldwide.

We work to secure Singapore's financial future by investing across a range of asset classes in the public and private market.

TECHNOLOGY INVESTMENT GROUP

GIC's Technology Investment Group (TIG) is a global team with offices in Silicon Valley, China, and India. TIG invests directly in private and public technology companies and also serves as a limited partner in top-tier technology funds.

TIG's mission is to forge long-term financial and strategic relationships with its global partners. The team is particularly focused on helping its portfolio companies, entrepreneurs, and fellow asset managers navigate opportunities associated with technological disruption.

The Bridge Forum was developed as a part of TIG's continuous efforts to deliver strategic value to our partners. Leveraging our global networks, we hope to spark new conversations and collaborations by connecting C-suite executives from across Asia with innovative entrepreneurs and thought leaders in Silicon Valley.

SINGAPORE EDB

The Singapore Economic Development Board (EDB), a government agency under the Ministry of Trade & Industry, is responsible for strategies that enhance Singapore's position as a global centre for business, innovation and talent.

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