Transformation in Technology
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Investor Day 2018
Key Takeaways

1. **Transformation in Technology** driving out cost, supporting a more technology-enabled business

2. Our **new business model** is giving us unprecedented **insight** into our business partners

3. Gaining **efficiency** through **automation** and enabling a faster, smarter and more secure way of doing business

4. Investments in **cyber** fortifying defenses, protections and reducing risk
By delivering superior value for our clients, associates and shareholders by providing technology services that create a WOW experience
BB&T’s Technology Horizons Envision a More Technology-Enabled Business

Horizon 1 –

Stability and risk mitigation

- Ensuring platform stability and performance
- Stewarding large project investments to completion
- Managing all aspects of technology risk

Horizon 2 –

Setting the foundation for the future

- Creating a scalable, flexible foundation to serve the business’ changing needs, efficient and future-proof
- Exploring key technologies that are new to the industry (e.g., cloud)
- Creating a talent magnet for the types of skills we will need

Horizon 3 –

Enabling the company to stay at the forefront of the industry

- Assuring the company’s competitive position in the face of industry trends and competitive investments at scale
- Leveraging our platforms to open up and capture new business opportunities

Adapted from McKinsey
Transformation in Technology and Continuing Investments Drive Digital Transformation

- New Business Model
- New Delivery Model
- Cost Optimization
- Lean and Process Optimization

Results

- Technology-enabled business
- Business line focused organization
Driving Transformation

Baseline and assess current state performance and effectiveness

- Cost performance
- Organizational structure
- Operations process efficiency

Design, implement and test changes

- Develop customized approach to improve IT performance and cost efficiencies
- Workforce management and governance
- New BIO org and revised spans of control
- App maintenance workflow optimization
- Software productivity

Scale up the future operating model by building out capabilities

- Holistic labor strategy
- Sustainable Lean operations
- Governance processes
- Demand management & prioritization
- High-quality output
- Continued innovation
- Agile delivery

Adapted from McKinsey
New Business Model

- Digital Services
- Retail Banking
- Commercial Banking & Financial Services
- Operations Shared Services
- Insurance Services
- Enterprise Services

- Easier to do business with
- Shorter lead times, faster speed to value
- Able to ‘listen’ to our clients more closely
- Operate more nimbly and efficiently
- Full access to D&TS Organization through BIO

Supported by Data & Technology Shared Services Groups
New Delivery Model

- Leveraging the Agile development methodology utilizing small teams in short development “sprints” to quickly turn out deployable code, delivering value faster

- Embracing DevOps operations methodology allowing D&TS developers and operations to more closely collaborate and deliver automated testing and deployment of code

- Building out Internal Cloud capabilities to provide substantial efficiency gains and speed-to-market benefits, combined with the DevOps pipeline and increasing automation
The Big Idea

Research big ideas and decompose them within a BIO, validating them as early as possible, and eventually iterate to predictably deliver them as "Little Big Ideas."

Enable BB&T to discover products, align teams, and prioritize backlogs.

Empowered, small teams
Deliver the Thing Right

Frequent delivery through an automated pipeline that ensures security, stability, quality, and safety.

Train teams...

Empowered, small teams

...to build pipelines.

Create

Validate

Deliver

Teams cannot build their own pipelines without Infrastructure as a Service

DevOps and IaaS
**Enhancement of identification, estimation, prioritization, funding and initiation of work within the new Operating Model**

**Focus on reducing process waste, inefficiencies, non-value add activities, mapping, measuring and driving automated solutions where possible and appropriate. Key initial process identified:**

- **Assess change governance process for opportunities**
- **Ensure process operates within Continuous Delivery environment**
- **Define roles, responsibilities and operational processes for the adoption of DevOps and Cloud**
Enhancing and Leveraging Data-Driven Capabilities

Automate Everything

- Increase data quality and speed of delivery, while reducing costs
- Simplify data model pipeline

Democratize Data

- Responsibly empower the right people and every associate to create business (and client) value for the data
- Unlock insights and drive innovation

Optimize Operations

- Integrate analytics, data and business processes
- Streamline operations to maximize how we know, understand and serve our clients
Investments in Cyber Security

**Tightly Controlled Access**
- Consistent client experience across channels with enhanced authentication capabilities
- Reduced security risk
- Consistent and secure configuration and maintenance of security infrastructure, managed and monitored

**Fortified Cyber Defenses and Protections**
- Consistent and timely remediation of vulnerabilities
- Secure, consistent configuration & maintenance of IT infrastructure; monitoring of secure configurations
- Proactive reduction in malware and phishing threats

**Advanced Security Skill Sets in Critical Areas**
- Critical positions aligned to ensure consistent visibility and focus on information security tasks
Investments in Cyber Security – Trends: 2013-2018

- Corporate Information Security has continued to grow to further advance BB&T’s cybersecurity protections.

**Information Security Investment Trend**

- **2013:** Total $23.0
- **2014:** Total $29.7
- **2015:** Total $34.3
- **2016:** Total $34.3
- **2017:** Total $59.5
- **2018 (Forecast):** Total $104.2

**Corporate Information Security Staffing Trend**

- CIS Baseline
- CIS Projects
- CIS Staffing
- Other Groups

**CIS Associates**

- 2009: 49
- 2010: 54
- 2011: 59
- 2012: 73
- 2013: 78
- 2014: 94
- 2015: 129
- 2016: 178
- 2017: 204
- 2018 (Forecast): 269
Investing Strategically in Systems and Innovation

Corporate Technology Spend

- Infrastructure Spending: 61%
- Innovation Projects: 20%
- Portfolio Projects: 14%
- Other LOB Spending: 5%

2018 technology and innovation spend – $1.1 Billion
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