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Australian banking regulatory projects need more product manager support

With so many changes to contend with in what feels like a never-ending series of unforeseeable events impacting people, processes, innovation, infrastructure and industries the world over, it's a time of heightened risk and change on so many levels. Globally, banks are faced with increasing regulatory scrutiny that has in some cases resulted in a pivot to the organisational strategy, resource allocation and transformation of roles and responsibilities. Australia is not dissimilar — with the imminent go-live of CPS 230 Operational Risk Management and the Financial Accountability Regime (FAR), senior bank executives are raising their expectations around product management and supporting functions, given these individuals are closer to day-to-day business activities.

Current landscape

Product manager responsibilities have intensified over the past few years as they embed and operationalise new compliance requirements such as Design & Distribution Obligations (DDO), ASIC Breach Reporting and the Banking Code of Practice (BCoP), whilst ensuring that the infrastructure, data and cyber considerations remain relevant to support evolving stakeholder needs and better customer outcomes. Such transformations often rely on projects to be stood up, deprioritised, or put into the backlog, in order to have adequate resourcing, visibility, capability and governance for effective project delivery.

Gradual shift in roles and responsibilities

In recent times, the product manager role has rapidly evolved, with common drivers for the change outlined in Figure 1: *Drivers of product manager evolution.* Banks should review whether their current operating model including roles and responsibilities across the product, and supporting teams remain fit-for-purpose so that they can respond better to demanding external and internal drivers.

Figure 1: Drivers of product manager evolution

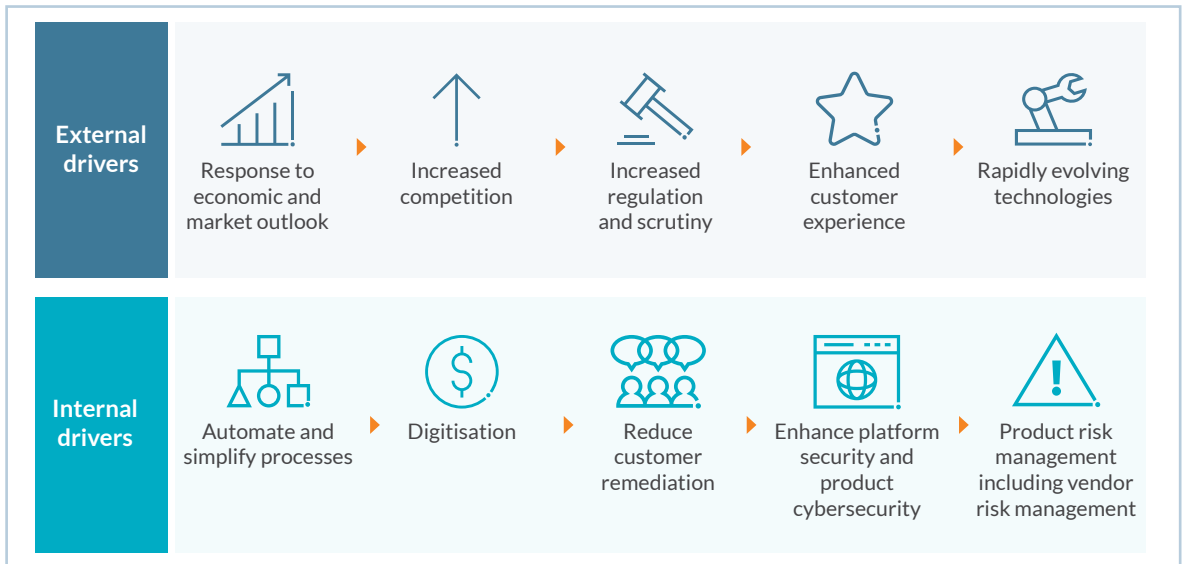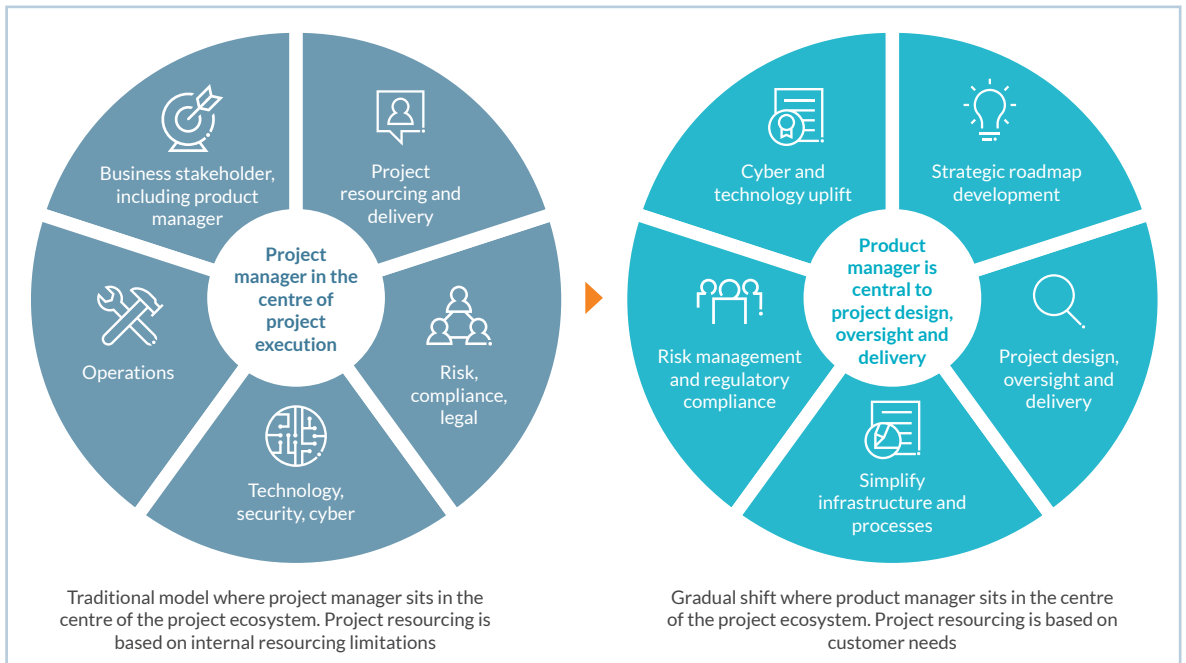|					
External drivers	Response to economic and market outlook	Increased competition	Increased regulation and scrutiny	Enhanced customer experience	Rapidly evolving technologies
Internal drivers	Automate and simplify processes	Digitisation	Reduce customer remediation	Enhance platform security and product cybersecurity	Product risk management including vendor risk management

Figure 2: *Evolution of product manager responsibilities* shows how the role is shifting over time given the drivers from figure 1. A key difference is that project design, oversight and delivery increasingly sit within the remit of a product manager, who also has greater responsibility around project delivery.

Figure 2: Evolution of product manager responsibilities

Traditional model where project manager sits in the centre of the project ecosystem. Project resourcing is based on internal resourcing limitations

Gradual shift where product manager sits in the centre of the project ecosystem. Project resourcing is based on customer needs

Improving the operating dynamics

This article will share some common observations across the Australian banking industry in respect to the dynamics between the business and the project teams, and provide a practical guide to address common challenges.

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- Ruby Chen, Risk and compliance, Director

The balancing act of project governance with delivery

Each organisation may have varying levels of maturity or rigour around project lifecycle requirements; sometimes this differs between divisions within the same organisation. We have seen some banks with 80-plus project artefacts across the lifecycle with existing templates, established governance forums and status reporting updates, whilst some others may have 10 to 20 artefact guidelines with periodic check-ins. The requirements could depend on factors such as materiality or risk rating. Undoubtedly, these add time and effort to project delivery; however, it is important for all stakeholders to acknowledge and appreciate the need for project governance artefacts, as they allow for documented traceability, stage-gate approvals and accountability and could be useful for potential future audit purposes. See figure 3 for key objectives in each project phase and how product managers can be more involved in each phase of the project lifecycle.

Back to basics — understanding project methodology

There may be different expectations among various internal stakeholders involved in a project, some of which may be based on a fundamental misalignment around how projects are run, their operating rhythm, methodologies (e.g., agile, waterfall or hybrid), ceremonies, meeting cadence, tools, and core project team roles and responsibilities. When projects are first established

or when additional stakeholders are brought into the project, it's worthwhile ensuring everyone is on the same page regarding the administrative and structure of the project.
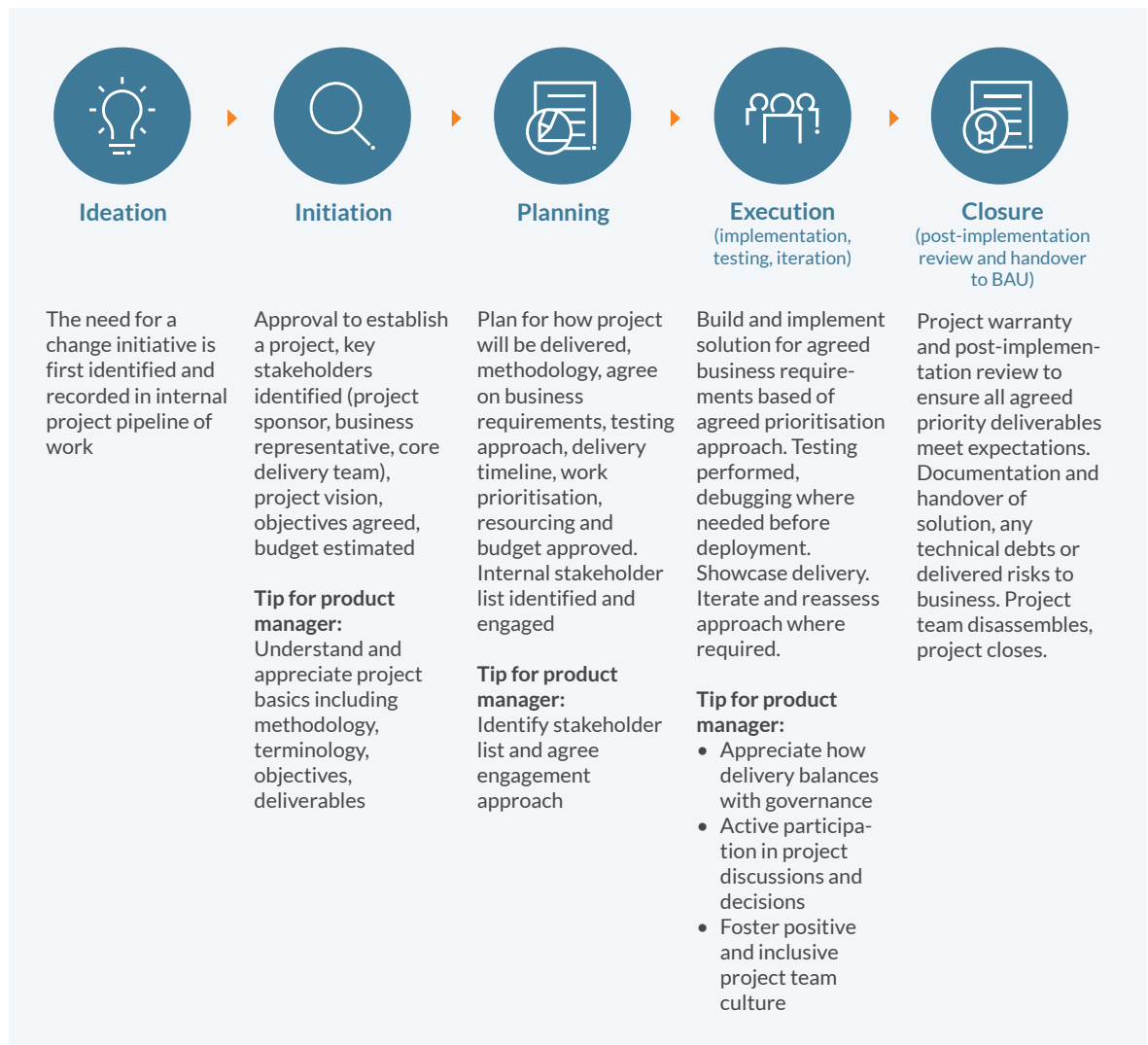
Buy-in — active participation

Projects appreciate the business allocating time to actively participate in stand-ups, planning sessions, working groups, steering committees and other ad hoc meetings. It may be overwhelming for the product manager who represents the business on a working-group level to spare enough time for such activities, so we recommend there be agreement for the project on a set of meetings where attendance is critical to reach quorum, and for the product manager to have support for business-as-usual activities.

How well a project performs often relies on discussions with the product manager on priorities, approaches, blockers, risks, industry or market updates, change and communication style, and implications certain decisions have on timelines or outcomes. Questions product managers could ask the project team during the various phases to help with delivery may include "What are the current blockers you'd like me to unblock?" and "These are the latest regulatory, market and competitor updates. How do we benchmark ourselves to these, and is there work that should be reprioritised?" During important meetings, it is also crucial for the business to take accountability and defend project decisions and progress, instead of leaving the project team to provide a rationale for such matters beyond their control.

Engagement — navigating a complex web of stakeholders and needs

It is not uncommon to see additional stakeholders being introduced into a project as it progresses along the stages of the lifecycle. It can be helpful for the business or supporting stakeholders to connect the project team with the relevant people as early as possible, to allow for a smoother engagement. Similarly, where there are project dependencies across divisions or jurisdictions, or other governance or policy requirements, it can also be of immense help if the business or supporting stakeholders bring these to the attention of the project as soon as possible, and assist the project team with understanding the impacts on the project.

Ideation	Initiation	Planning	Execution (implementation, testing, iteration)	Closure (post-implementation review and handover to BAU)
The need for a change initiative is first identified and recorded in internal project pipeline of work	Approval to establish a project, key stakeholders identified (project sponsor, business representative, core delivery team), project vision, objectives agreed, budget estimated	Plan for how project will be delivered, methodology, agree on business requirements, testing approach, delivery timeline, work prioritisation, resourcing and budget approved. Internal stakeholder list identified and engaged	Build and implement solution for agreed business requirements based of agreed prioritisation approach. Testing performed, debugging where needed before deployment. Showcase delivery. Iterate and reassess approach where required.	Project warranty and post-implementation review to ensure all agreed priority deliverables meet expectations. Documentation and handover of solution, any technical debts or delivered risks to business. Project team disassembles, project closes.
	Tip for product manager: Understand and appreciate project basics including methodology, terminology, objectives, deliverables	**Tip for product manager:** Identify stakeholder list and agree engagement approach	**Tip for product manager:** • Appreciate how delivery balances with governance • Active participation in project discussions and decisions • Foster positive and inclusive project team culture	

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Fostering positive and inclusive team culture

Projects may at times receive more constructive feedback than positive reinforcement. Treating project members as part of the greater team and recognising their efforts may directly uplift project staff morale and motivation, which in turn can improve communication, commitment, transparency, quality and overall performance.

Takeaways

As banks prepare for imminent regulatory changes, it may be prudent for the product management team to reflect and plan for how regulatory projects and projects in general can be managed more effectively and efficiently. Here are some immediate actions that can be taken:

- Project governance frameworks, artefact requirements and change management expectations from the project management office can be refreshed

- Refresher training sessions around project delivery lifecycle can be designed and provided to the business

- The target operating model in the product management team can be reviewed, and skill gaps addressed

- First line risk teams including product governance teams can review how to provide better support to projects and the product management team to translate and embed regulatory changes into the business

- Importance of the change management function can be elevated by building more awareness of change management governance and ensuring there is adequate change lens overlayed into the project delivery schedule.

Acknowledgment

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