

# ACTIVE VOICE *from Putnam Investments*

## Transformative technology in the pandemic and beyond

In this edition of *Active Voice*, Cathy Saunders, Head of Corporate Sustainability and Public Policy, shares highlights of a conversation about the transformative power of technology, with Sumedh Mehta, Chief Information Officer at Putnam Investments. Mr. Mehta was recently named the 2022 Enterprise ORBIE® winner by Boston CIO, honoring achievements in creating business value and leadership effectiveness.



**Cathy Saunders**  
Head of Corporate Sustainability  
and Public Policy



**Sumedh Mehta**  
Chief Information Officer

**Sumedh, you recently finished a two-day hackathon. Tell us how an event like this builds team spirit.**

The hackathon gives our teams an opportunity to ideate, innovate, and collaborate on a particular problem or topic with associates from across the firm. It offers each team the space to think out-of-the-box and step away from their day-to-day tasks. We celebrate our accomplishments together at the end of the two-day period. For the recent hackathon, we had 25 different cross-functional global teams. The hackathon is fun, useful for team building, and extremely productive. It's a great creative exercise, helping us to evolve our technology and business practices and improve client experience.

**Can you offer some examples of practical solutions that emerge from the hackathon for the team and for clients?**

Absolutely. A monitoring tool that we developed in the hackathon alerted us to an issue with the server powering our website that our standard tools were not able to detect. For our fixed income group, we developed a new calculator using open-source tools. Hackathon efforts also resulted in new process efficiencies through automatic cash postings.

Our teams developed website linking data and reports, facilitating the creation of a centralized reporting tool in Tableau and MicroStrategy, as well as in other business intelligence tools. And one of our teams has been using Distributed Ledger Technology to experiment with smart contract minting on non-fungible tokens [NFTs].

**Technology played a key role in helping Putnam serve clients throughout the Covid-19 pandemic. How did your team have impact?**

It was a challenging time for our clients, our associates, and our business partners. The team had to ensure that business operations continued to function as seamlessly as possible. Key investments in technology modernization, business continuity, and resiliency management programs enabled us to get everyone operational while working remotely. Our networks had to support sufficient bandwidth as workloads shifted, and our teams had to work with non-standard setups at associates' homes. Our cybersecurity practice managed cyber and technology risks appropriately.

A well-prepared technology platform played a key role in minimizing business impact during this disruption. With our primary offices shut down — along with those of our customers, partners, regulators, and beyond — we discovered that our technology ecosystem was actually quite resilient.

The singular focus of the crisis inspired everyone to depart from the norms of their work lives in a unique collaboration. To make it work, everyone had to be brought up to speed together. People can adapt quickly when there's urgency.



<https://www.putnam.com/about-putnam/active-voice/>

**What form did this transformation take?**

We focused on metrics that informed us of the health of our systems. I have to say, collaboration across business units and partners at all levels was remarkable. If you have a bottleneck in your technical ecosystem, a crisis will find it. We reexamined our processes for change management to avoid surprises.

The Covid-19 pandemic constituted a real-life and sustained test of system resiliency. We responded by upgrading our network architecture — smack in the middle of the lockdown, with everyone working from remote offices. Our team went to work replacing hardware and software, even with no one in offices and no one in data centers. This was all before the vaccine rollout. It was an incredible achievement, and I couldn't be prouder of the team.

**Will the Covid response have a long-term impact?**

Absolutely. Because of the urgency of the Covid transformation, we accelerated our ongoing Digital Transformation program [which began three years ago], paving the way for legacy modernization, cloud computing, more robust messaging, and audio and video capabilities. Overall, we became more of a data-driven organization.

All of this fed into an evolution of our business model that would not have been possible with legacy architecture. For example, we launched our active exchange-traded funds [ETFs] faster by using cloud computing, which allowed us to develop applications more quickly. We also provisioned new servers without months of lead time. And we have developed our ESG products leveraging data from multiple sources, often in non-standard formats, in only a few months.

## **Tell us about the road ahead.**

My radar is finely tuned to the intersection of what is important to our business and how technology drives business evolution. We see a new generation of clients coming into the business, and their experience with digital technology is totally different than the generation before them.

I believe that the more flexible, hybrid work environment we are in today will become the norm — and an essential component of our company culture. Our associates, partners, and customers have multiple channels they can use to stay connected. This means that technology has become even more integral to our business process.

As a result, we see a new appetite for innovation on the part of both business and technology teams. Our clients' new preferences and needs create questions.

- **How do they want to receive our product information and investment insights?**
- **Do they have a new preference for self-service?**
- **What will be the new platforms for communication with financial advisors?**
- **What will be the best methods of delivering data and tools for our growing ESG investment business?**

Beyond these questions, I would also cite new possibilities. For example, we are now able to develop artificial intelligence [AI] projects because of massive computing power and an explosion of activity around data science. Also, we are assessing the best use cases for blockchain and decentralized finance [DeFi] to bring efficiencies to multiparty transactions, while reinforcing transparency and trust. This leads to a new question: If we look forward a few years, how will the “metaverse” impact education, insight, and the presentation of expertise? All these areas are essential to an asset manager.

## **Never let a crisis go to waste?**

While we never wish for a crisis, we recognize people come together in moments like these to drive innovation in the service of better outcomes. To leverage the impact of this ongoing transformation, Putnam is involved in creating the Mass Fintech Hub — a partnership of industry, academia, fintech startups, and venture capitalists. Putnam has a long tradition of civic engagement and thought leadership around investor empowerment, retirement savings, ESG, and diversity. We are stepping up once again to channel our ideas around innovations that better serve all our stakeholders so that we will be prepared with resilient systems to support business continuity when any future challenges come our way.

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