2024

THE TRUTH
ABOUT SKILLS-BASED
ORGANISATIONS

LESSONS FROM A GLOBAL FINTECH

FINASTRA

.::. Simply

Contents

Introduction

Getting a grip on skills can unlock enormous opportunity for your company and your people. But for many HR leaders the effort to become a 'skills-based organisation' can seem overwhelming. Are the results worth the effort?

For global Fintech Finastra, the answer is yes. This whitepaper is here to help demystify how one company went about the journey of becoming a more skills-based organisation. Learn about their pragmatic, employee-centric and business-led approach – so you too can accelerate your skills journey.

Why read this whitepaper?

If you are curious about how skills can drive value for your business, read on. Leaders from Finastra's business will share insight into how they think, plan and act on skill development. Their journey wasn't always easy and didn't always go as planned, so you'll learn about their lessons so far. You'll build confidence that you too can design and build the skills solution that works for you, and ultimately attract and grow the right skills to deliver your business goals.

Read this paper if you are:

- A business or HR leader who is sceptical about 'this skill stuff'

- Running a skills initiative for your organisation

- Wanting to know the truth about becoming a skills-based organisation

About Finastra

Finastra is a global provider of financial software applications and marketplaces, and launched the leading open platform for innovation, FusionFabric.cloud, in 2017. It serves institutions of all sizes, providing award-winning software solutions and services across Lending, Payments, Treasury & Capital Markets and Universal Banking (Retail, Digital and Commercial Banking) for banks to support direct banking relationships and grow through indirect channels, such as embedded finance and Banking as a Service. Its pioneering approach and commitment to open finance and collaboration is why it is trusted by over 8,000 institutions, including 45 of the world's top 50 banks. For more information, visit finastra.com.

About Simply

Simply helps major employers to ensure they have the skills to be successful now and for the years ahead. Simply provides global skill and labour market insight, powerful AI software and world-class services to help every company to 'right-skill' their workforce. Find out more at www.simplygetresults.com.

Simply has been Finastra's skills data, software and services partner since 2021.

Why do skills matter to Finastra?

The competitive global fintech industry is brutal. New players and solutions emerge all the time, with innovative start-ups and global technology platforms encroaching on the sectors longstanding players. The pace of change and innovation is relentless. Companies who best understand their resources and organise them most effectively can gain an advantage.

For Finastra, this means always being on the front-foot about future trends in the market. It means being responsive to changing customer demand. It means taking every step possible to keep their business, and their people, relevant to their customer-base.

> *"I didn't realise my business problems were skill problems."*
> **Clare Courtney, SVP HR, Finastra**

The skills journey at Finastra began with a realisation. In 2021, The Organisational Effectiveness team was charged with building the flexibility in Finastra's workforce to continue to respond to, and push forward, their business. As ever, there were fires to put out. There were short-term performance issues to resolve. In a highly cyclical business, planning beyond the current full-year was always a tough ask. But the team noticed a pattern. Time and time again, the business was describing challenges that, when you pare them back, were all about having the right skills.

In recent years:

- One business unit was struggling to find specialised software engineers with the right skills at a price to meet their year-end budget, due to increased competition

- Technical teams across the business had a number of different challenges and were unable to agree on focus, future technologies and skills priorities

- Service lines were being re-organised to be closer to the customer's they serve

- New advances in technology, such as Generative AI, were being evaluated, but a strategy on how best to activate these skills across the business was yet to be defined

- Legacy products and services were being sunset, and the business didn't know what kind of skills were being allowed to leave the business

The Finastra people team engaged their business leaders with the simple message; For Finastra to win in the market, we need to be more conscious about our skills and what we do with them. It seems simple in hindsight, but with the lens of skill added to the conversation, multiple problems could be tackled from a novel perspective.

This whitepaper describes how Finastra embarked on their journey to a more skills-based way of working.

What does a skills-based organisation mean?

For Finastra, a skills-based organisation is all about providing intentional and meaningful career progression opportunities that align with employee goals. By emphasising the value of skills, Finastra aim to liberate people from job labels and promote agility in how work is done. The focus is on practical abilities:

- Skills taught align with strategic objectives and business goals

- Promote growth mindset and industry adaptability

- Enhance engagement and retention through skill-focussed career support

- Cultivate an environment of collaborative learning

- Recognise employee skill advancement as a measure of success

There are multiple definitions of a skills-based organisation. At Simply we recognise that one size does not fit all. Finastra's approach is deliberately pragmatic and does not share all the characteristics of a 'full blown' skills-based organisation as per the definition from your favourite management consultancy. See our Simply skills-centric organisation framework for a birds eye view of the characteristics of the most mature.
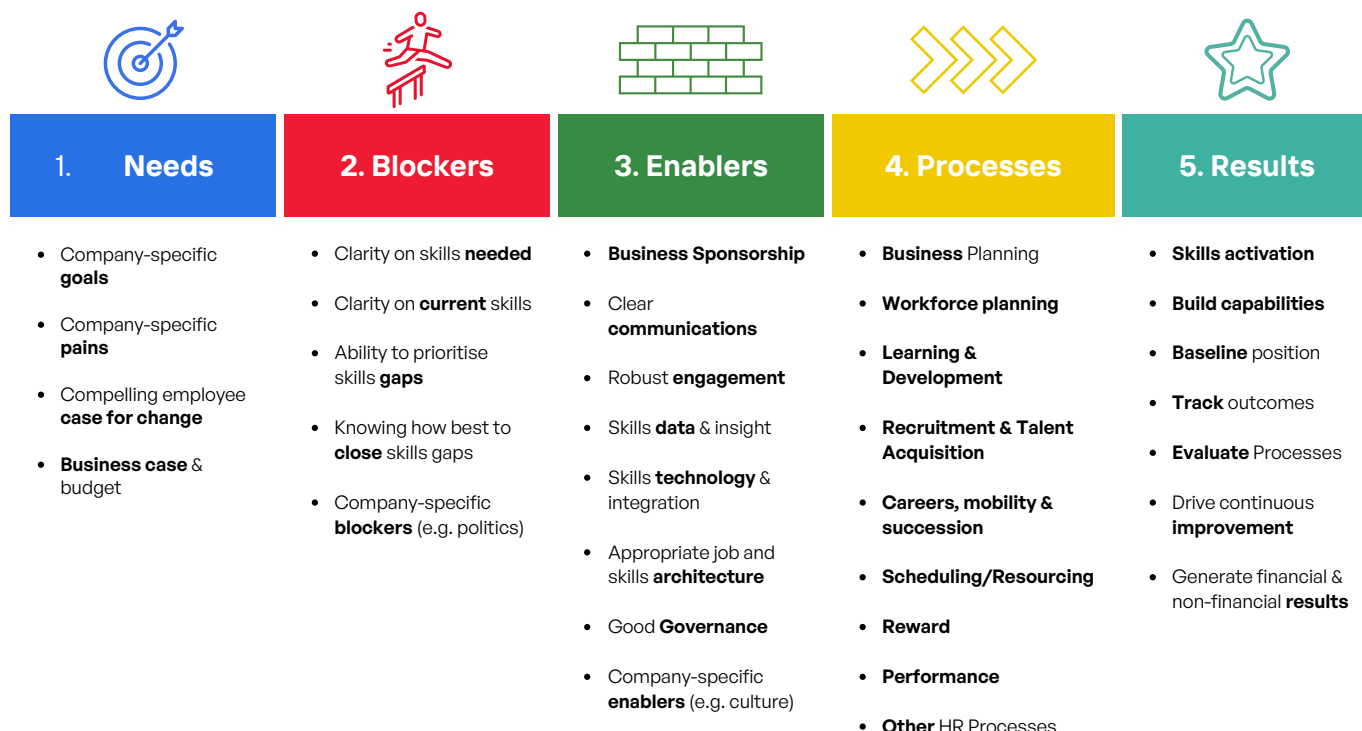
For example, Finastra are not throwing away their job architecture as it is fundamental to how they organise work today, and people value their title and the meaning it conveys in the company. Instead, they're working within it and updating it to reflect a more dynamic, agile way of organising that combines the stability of jobs with the flexibility of a skills lens.

Similarly, they are not implementing a talent marketplace where anyone can be flexibly deployed into any job, because in practice their product mix and geographic footprint would make this difficult to achieve and of limited value. Instead, they are building in the maximum flexibility and skills mindset that they can, within the constraints of their business today. They remain conscious about testing and evaluating these decisions as their investment in becoming a more skills-oriented business continues.

Overall, their pragmatic approach is about being more conscious and deliberate about skill growth, and weaving this into the fabric of how work gets organised across the company, while minimising the disruption and workload this adds for managers and employees. You could describe it as being 'skills-centric' rather than prioritising skills above all else.

Simply's skills-centric organisation framework

To provide a way of understanding Finastra's goals and journey we use Simply's skills-centric organisation framework. This is built on a review of nine existing skills maturity frameworks in the market and our own experience of building skills solutions across industries, globally.

1. Needs	2. Blockers	3. Enablers	4. Processes	5. Results
• Company-specific **goals** • Company-specific **pains** • Compelling employee **case for change** • **Business case** & budget	• Clarity on skills **needed** • Clarity on **current** skills • Ability to prioritise skills **gaps** • Knowing how best to **close** skills gaps • Company-specific **blockers** (e.g. politics)	• **Business Sponsorship** • Clear **communications** • Robust **engagement** • Skills **data** & insight • Skills **technology** & integration • Appropriate job and skills **architecture** • Good **Governance** • Company-specific **enablers** (e.g. culture)	• **Business** Planning • **Workforce planning** • **Learning & Development** • **Recruitment & Talent Acquisition** • **Careers, mobility & succession** • **Scheduling/Resourcing** • **Reward** • **Performance** • **Other** HR Processes	• **Skills activation** • **Build capabilities** • **Baseline** position • **Track** outcomes • **Evaluate** Processes • Drive continuous **improvement** • Generate financial & non-financial **results**

The most mature organisations are clear on their needs and diligently align their business goals with employee skill development. They work out their blockers and enablers. They get results by piloting and then scaling-up their data, processes and technology. Most importantly, they get started and don't try and 'eat the apple all at once'.

There are very few, if any, organisations that need to be at the highest level of maturity across each the points listed. The breadth, depth and pace of a company's investment in skills will depend on the business value that can be achieved. That's why our framework starts with business needs. A clear business need and compelling case for change. Without it, you risk disrupting your organisation and colleagues for unknown outcomes. With it, you can pinpoint the parts of a skills-based organisation approach which are most likely to drive the value you seek, and therefore construct more targeted pilots, interventions and engagement.

How was the approach introduced?

Between 2021 and 2024, Finastra went through **four key phases** in their journey to becoming a skills-based organisation:

1. Pilot to experiment	**2.** Critical Capabilities and Skills Taxonomy	**3.** Launching their Skills Center of Excellence	**4.** Activating employees

1.

Pilot to experiment

Running three pilots with different business areas, focussed on solving a critical business challenge. Deliberately structured to test different approaches to defining, assessing and activating skill development.

Finastra actively engaged business leaders and teams, fostering buy-in from all stakeholders. This collaboration ensured that skill development aligned with strategic objectives. For example, in their Product business collaborating with the Chief Enterprise Architect and other technical teams to identify future technology and skill requirements for different products. This 'roadmap' was evaluated against labour market data from Simply, to ensure that no major capabilities or skills were missing.

Finastra ran pilot programs to validate their approach. Learning from experiments allowed them to refine and optimise the program, adapting to employee needs.

2.

Critical Capabilities and Skills Taxonomy

Laying the first foundations of a scalable approach across the business, by linking their job architecture to the underlying skill requirements of each job.

Strategic Capabilities: Finastra differentiated between critical focus areas and strategic capabilities. Prioritising areas like Generative AI and Cloud Modernisation ensured targeted skill development.

The Lens of Critical Skills: Finastra focused intensely on critical skills, even when it felt uncomfortable. They understood that skill acquisition and activation were distinct processes, working with the business to 'create the space' to apply skills in practice.

Leveraging Market Insight and Generative AI: To accelerate skill identification, Finastra used external market insights and generative AI. A fully bespoke approach was deemed time-consuming and impractical.

Finastra recognised the need for a common foundation to drive skill development across the organisation. Here's how they approached it, using Simply's labour market data and estimated skills model to accelerate their progress significantly:

Simply creates a skills list based on the most popular skills by role, then narrows it down by skill popularity and future growth

A.	B.	C.	D.
Finastra roles mapped to Simply market data	**Top skills populated for each role**	**Volume, growth rate and criticality analysed**	**Priority capabilities configured**
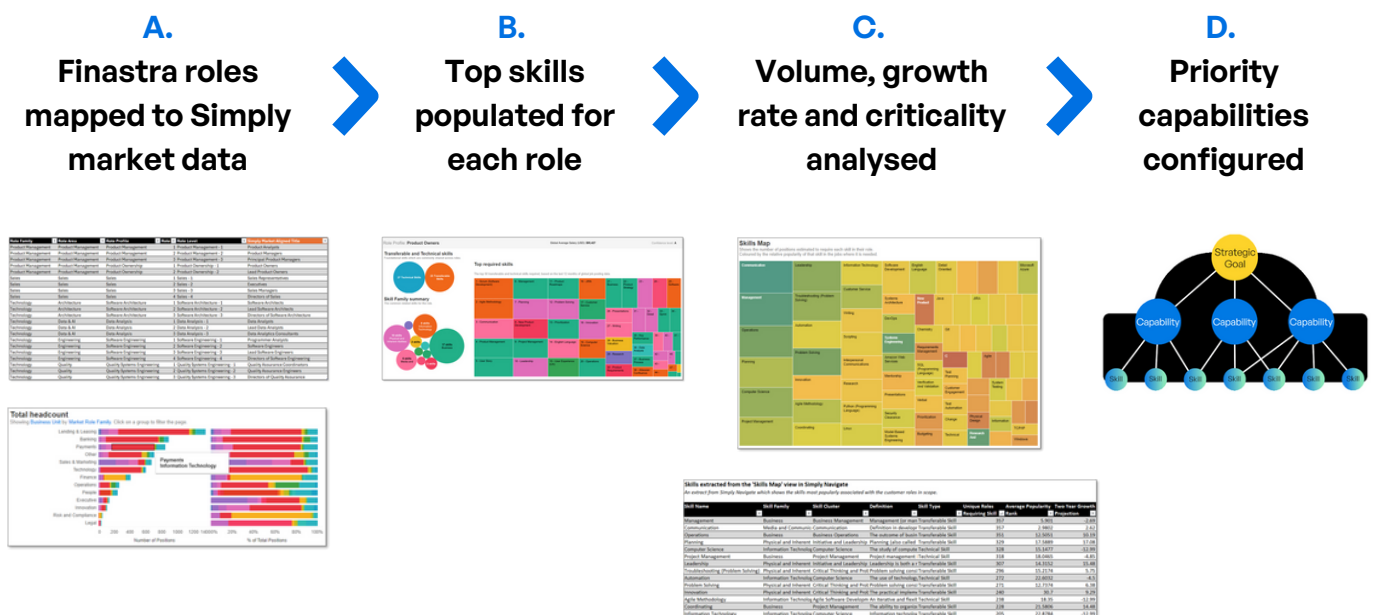
Finastra developed a comprehensive skill taxonomy, ensuring consistency in understanding and communication. They mapped specific skills to each role, tailoring learning paths based on job requirements.

External market insights informed decision-making. Finastra used data to tailor learning paths and prioritise skill development, ensuring relevance.

Updating Job Architecture: Finastra revisited its job architecture, aligning it with the evolving skill landscape. This allowed for better role definition and skill expectations. These definitions then formed the basis of a model, constructed by Simply, which analyses the similarity of roles across the organisation. These related roles and skills enable Finastra employees to explore adjacent roles, fostering adaptability. For HR and business leaders, this same data set helps improve flexibility and agility by identifying opportunities to consolidate like skill sets or re-deploy resources to areas of high need, at short notice.

3.

Launching their Skills Center of Excellence

Finastra centralised all learning & development teams, workforce planning and skills into a single hub: the 'Skills COE' in HR.

The establishment of a dedicated Skills COE streamlined coordination, governance, and continuous improvement of the program. It became the hub for skill-related initiatives. Given the importance of skills to delivering business goals, Finastra chose a business leader from outside HR to lead the team.

Following an initial set-up phase, Laura Biswas was appointed Head of Skills COE. With a background in transformation, sales and customer success, Laura brings a business-first perspective to the team's work: "I believe that we need to begin every learning journey with the question 'what is the problem we are trying to solve?... And going one step further, how are we going to measure if we are solving it?"

With this perspective, the Skills CoE leadership team are charged with linking Finastra's business goals and workforce planning with skilling initiatives across the business. The COE forms an integral part of their talent strategy, contributing to the broader organisational effectiveness and talent management.

4.

Activating employees

Providing targeted insight on jobs and skills to individuals, helping them and their managers to activate skills as part of career and performance conversations.

Employee-centric solutions were vital. Finastra only begins to upgrade its skill base when individuals activate their skills differently. For this reason, skill development and activation has become integral to achieving their overall goals.

This starts and ends with communication. The entire skills-based organisation concept can be considered a communication mechanism. The goal is to help build shared understanding, a sense of community and provide a clear direction for personal development. Finastra recognised the pivotal role of communication early. They actively engaged employees, emphasising the program's value. It wasn't once and done but required the benefits and value to be explained on an ongoing basis.

Leaders and managers were critical. The Skills COE, broader HR and business leaders understood the need for 'role modelling' to demonstrate the value of a skills-based approach. For example, their Global Kick-off was heavily oriented around how skills enable innovation and sales outcomes. Processes and governance were enhanced with simple questions to prompt and remind managers of the new options that a skills lens afforded them, such as considering internal mobility prior to hiring.

Skills Acquisition vs Skills Activation.

At Simply we define a skill broadly as 'the ability to do something well'. But developing expertise to perform a skill effectively is not just about the initial learning ('Skill acquisition'). Only when skills are applied in the real-world scenarios or practical situations do they drive value ('Skill activation').

To support this effort the team integrated the skills taxonomy, skills for each role, adjacent roles, L&D content, development journeys and career pathways together into one place. However, employees initially found this overwhelming. It was just too much, too soon. The team re-thought their communications strategy and the role of the tool within it. Simply and Finastra collaborated to simplify and upgrade the experience.

All the data, insight and learning came together in Finastra's Skills and Career Navigator solution.

Skills and Career Navigator:

Simply and Finastra designed a Skills and Career Navigator – a tool which helps employees understand critical skills across Finastra, and for specific roles. It also provides employees with the full taxonomy of skills, career options, and gap analysis for their next move. This links into existing learning tools including Workday Learning, LinkedIn Learning, Mindtickle and Pluralsight, so that employees can easily activate new learning journeys. Throughout the design, if there was an opportunity to simplify the team took it to ease adoption and engagement.

> "All the steps are relevant, good comparisons for similarity ratings or skills no longer needed or skills to develop further + new skills... Cool tool!"

Finastra Employee

Hard-won lessons from the frontlines of skills-based organisations:

Finastra's top lessons learned from their journey so far:

1.

Communications and Change Management

Clear Communication Channels: Finastra recognised that successful skill transformation required effective communication. They engaged employees, managers, and leadership. Regular updates, town halls, and workshops ensured everyone understood the "why" behind the changes.

Change Champions: Finastra appointed change champions across departments. These advocates facilitated adoption, addressed concerns, and celebrated successes. Their role was pivotal in overcoming resistance and maintaining momentum. As communication was such an important lesson, we expand upon this in the next section, page 17

2.

Balancing Company-Specific Needs and External Market Context

Finastra recognises that in order to shift mindsets around skills, they would need to build new capabilities across their own HR team. One area was in how they could use data and insight on skills to drive data-informed decision making, and accelerate the construction and maintenance of their skills taxonomy and employee-focussed solutions.

The partnership with Simply enabled Finastra to blend their intimate knowledge of their internal context with an external lens. While company-specific needs were paramount, labour market insight from Simply enabled the team to understand industry demand, emerging technologies, top required skills, evaluate role profiles quickly and stay on top of competitor landscapes. This 360-degree view allowed them to adapt proactively, maintaining relevance without losing sight of their unique organisational context.

3.

Finding the balance with personalisation

Finastra's vision for intentional and meaningful career progression opportunities means that each employee must receive value from their engagement with skills. The team recognised that a one-size-fits-all approach wouldn't suffice. Priorities differ by business area, individuals learn in different ways and each person has a unique career path ahead of them.

By starting with business needs, Finastra aligned skill development with strategic business goals. Identifying critical skills meant they could optimise all skill acquisition and activation that followed.

To achieve a more personalised experience, Finastra gave employees the tools to work out their customised learning paths. Finastra mapped skills to specific roles within their organisation, showing employees the 'minimum viable skills' for each role. When comparing gaps to the next role, the 'Must Have' skills are prioritised. Whether an employee was a developer, sales professional, or project manager, they then had access to targeted, relevant learning content to enable them to acquire skills that matter. This was complemented by Finastra's investment in multiple learning solutions which support different audiences across the business.

"How far to personalise your skills work is always a tricky question. Keeping it simple really helps. Finastra's focus on 'minimum viable' and 'must have' skills for jobs helps avoid overwhelming colleagues, even if it means some skills and content are left out."

John Guy, Founder, Simply

4.

Accelerating Progress with data, insight and AI

Building a skills taxonomy, linking it your job architecture keeping it all up to date used to be a nightmare, but advances in labour market insight and machine learning have made it easier to get to robust answers, faster. Working in partnership with Simply's data, tools and team, Finastra were able to finalise their skills taxonomy and skills for each role in their company in under two months. The team used Generative AI to build out proficiency levels and supporting definitions that described Finastra's unique context but retained the robustness of the market data set. This is the foundation for all other HR processes and decisions about skills, and is a key step to unlocking the value of skills at scale.

Using Simply's industry-aligned skills taxonomy as their basis means that the team are always up-to-date with changing needs of their customers and partners. Additionally, the Skills COE use insight on top in demand skills, roles and competitive activity to drive senior leadership engagement. For example, breaking down vague business goals or desired capabilities into concrete, evidence-based definitions using market data. This cuts out hours of back-and-forth debate.

They use data to identify skill gaps, anticipate future needs, and prioritise development areas. Armed with market intelligence, Finastra can swiftly adjust skill development initiatives. They don't wait for trends to become mainstream; instead, they proactively address emerging needs.

5.

Making Granular Skill Elements Visible Across the Business

A key lesson was getting the level of detail right: the 'goldilocks level of detail'. Skills can end up being all about big lists of nouns, but that misses the point. For senior leaders making strategic choices about the company's priorities, a more summarised level works just fine. For example, to prioritise customer success management related skills or account management related skills. But for other use cases and processes, greater precision is needed, such as when identifying the best learning content to present to an individual as part of a career transition plan. See the chart for examples of how the detail level can differ.

Processes and activities for skills data (not exhaustive)
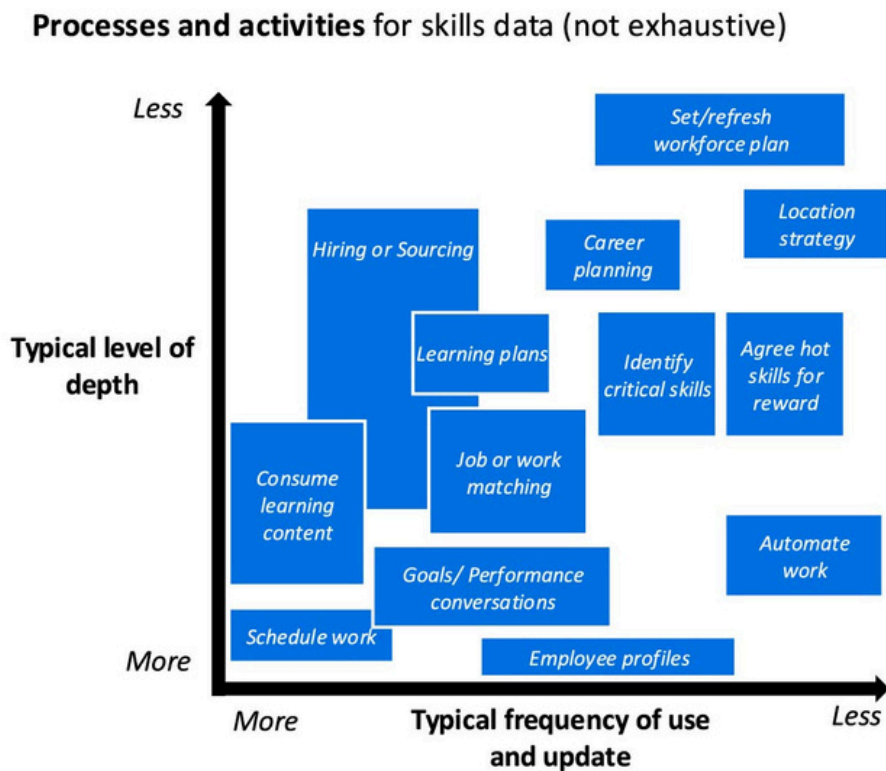
Finastra emphasised granularity where it makes a difference. They make individual skills visible to employees, but they always include the hierarchy of how skills relate to one another, so that insight can be aggregated up or down as needed. In employee-focussed tools, whether it was coding proficiency, data analysis, or soft skills, employees understood can pinpoint their strengths and areas for improvement.


6.

Providing autonomy to employees to write their own skills journey

Autonomy was key to stimulate employees to learn and activate new skills. By design, the Finastra Skills & Career Navigator is all about providing data and information to help people make informed choices. But what happens is up to the individual and their manager as part of regular development conversations. Embedding the tool into the performance and development HR process has given a broader group of colleagues visibility of priority skills, career options and the ways in which they can bridge skill gaps, at the right time. Employees now have clearer direction on critical skills, and a more solid basis for engaging their manager with their growth priorities and career path that maintains their relevance to the business.

While there is work to do on supporting people from all countries, teams and backgrounds to utilise the support on offer, Finastra has found that empowering people to take control has been the most effective way of driving change and uptake of skilling and learning opportunities.

As skills is infused into other business and HR processes, the Skills COE will monitor a range of KPIs to evaluate outcomes and drive continuous improvement.

Simply Get Results Limited ©
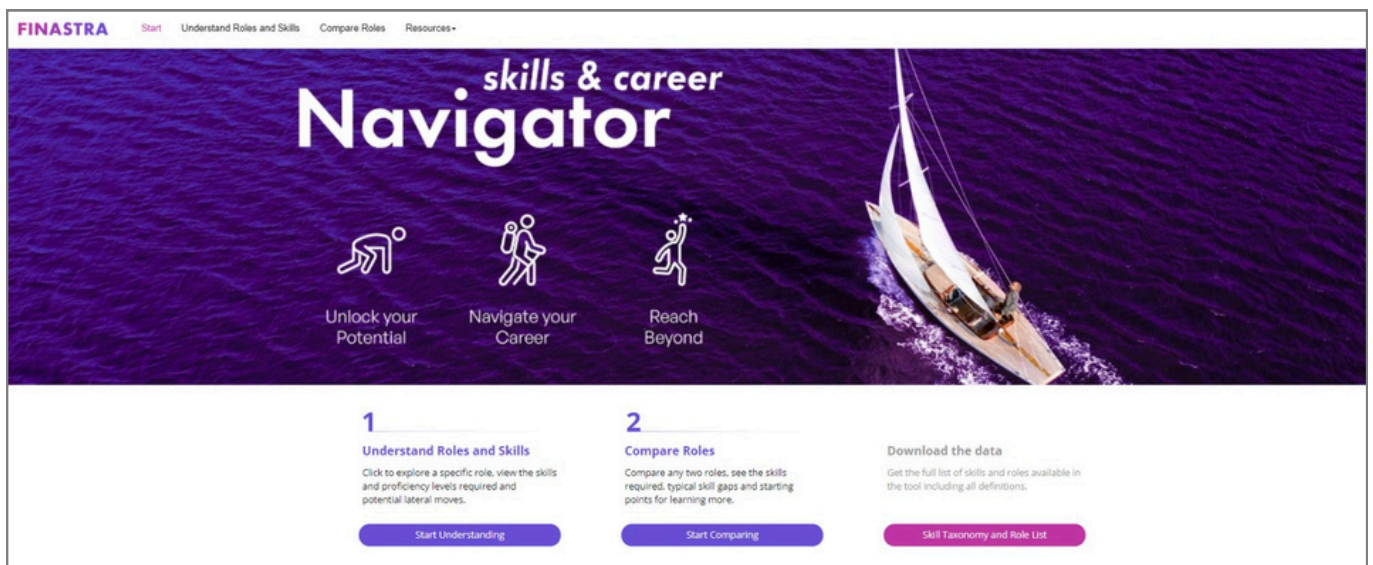
Doubling down on communication:

How to elevate the importance of skills across the business?

Over-communicating and stimulating new ways of thinking:

Finastra learned that you can't talk about skills enough. Over the years they have realised that there is a continued need to reinforce key messages to build understanding. In the early days, the team acknowledged that they didn't communicate clearly enough and often enough. While some leaders and managers were huge advocates, that alone was not enough to change mindsets and behaviours across the business. Despite a rigorous communications plan, they also needed to add some positive tension into their processes and governance to stimulate people to think in a new way.

The communications challenge is a difficult one. On one hand, taking a more skills-based approach is common sense from a logical perspective: who wouldn't want better data to be able to make more informed decisions? Yet the concept of skills can be difficult to grasp, getting 'complicated' quickly if you aren't careful. For this reason, Finastra's current strategy is to keep everything very simple.

The Skills COE plays a critical role, with dedicated leaders for each business unit championing the thinking and driving action through their colleagues in the business and broader HR. The team is them playing a 'hub' role, collaborating with HR teams like Organisational Effectiveness and People Analytics to bring insight to business leaders. Similarly, they work with other HR COEs and teams across the business to include skills in processes and governance forums in a meaningful yet light-touch way.

Business and personal relevance:

Finastra is clear that skills are not just about training. Their overall L&D strategy follows the 70:20:10 principle, but they have learned that the practical application of skills in both business and personal contexts is fundamental (i.e. the 70 does a lot of 'heavy lifting'). This goes back to the heart of their approach. By linking skill development to real-world challenges and strategic goals, Finastra ensured that employees understood the impact of their skill development. Whether it was mastering cloud technologies or enhancing data analytics skills, employees saw the direct connection between skill acquisition and their own success.

Empowering career growth:

Finastra has shifted so that skills are now central to career advancement. This doesn't just mean promotions, but also how success is described in role. Employees and managers were encouraged to take ownership of their growth journey.

As outlined in the key lessons, one deliberate choice was to not overly rely on technology to provide specific recommendations or 'spoon-feed' people. Rather, Finastra colleagues are encouraged to think and discuss skill development with their manager in a rounded performance and development conversation. These 'Growth' conversations emphasise personal learning paths aligned with individual aspirations, with managers and employees readily able to 'grab' skill definitions, their next role requirements or look at career choices using supporting tools. Employees are given the autonomy to drive conversations, and the information to be able to do so effectively.

In the early stages of their journey, one key issue was the timeliness of developing new skills. Too early, and the business may not have the customers ready to exploit those skills. Too late, and the business is playing catch up. This required a deliberate strategy to adjust focus on skill development to emerging, critical skill areas defined with the business. This involves an element of risk, as it inherently means 'making some bets'. Wherever possible, 'no brainer' skills which are likely to support one or more required capability or business goals are encouraged as priorities.

Ultimately, if Finastra can provide direction on the future of their business and what this is likely to mean in skill terms, everyone at the company has a better chance of remaining relevant for their job today, their next job with Finastra, and in their career in the Fintech industry overall.

What benefits have Finastra gained from their skill work?

- Improved ability to (re)allocate resources to areas of highest need

- Alignment between strategic goals and people's development activities

- Improved retention and motivation of colleagues

- Greater take-up of lateral movement across the business to gain skills

- Higher levels of 'activating' skill development e.g. through learning and training

- Enhanced their reputation as a great place to work

- Driven higher internal mobility and in turn reduced recruitment costs

Next steps on the journey?

Finastra's strategy of becoming a skills-based organisation continues. Having refreshed their strategy in early 2024, the CPO, Helen Cook, is committed to aligning HR behind a more skills-centric way of working.

> *"Remaining relevant and remaining employable has got to be at the forefront of our skill strategy, wherever that may be... for our individuals, our employees but also our customers."*
>
> ## Helen Cook, CPO, Finastra

Finastra believe that while they have made great progress, there is far more work to be done. Their plan forward has **three main horizons**:

1. The fundamentals

Continuing to drive awareness of the value of a skills-based organisation across leaders and supporting people to acquire and activate the right skills.

2. Enabling the culture, mindset and best practice design

Removing blockers and building enablers; integrating skills into selected HR and business processes.

3. Identifying and acting on the strategic opportunities

Positioning Finastra and its people to capitalise on strategic opportunities, driving innovation for customers and the industry.

This plan is supported by five pillars which provide the connective tissue for how teams will work together to underpin the skills-based organisation. These stretch across all teams within HR, from People Services to Talent and Business Partnering.

- **Growth**
- **Leadership**
- **Culture & Inclusion**
- **Meaningful Work**
- **Flawless Fundamentals**

The truth about a skills-based organisation is that the work will probably never be done. There will always be new potential ways to unlock value. The external context, labour market and business priorities will change. But while skills are changing faster than ever, we believe organisations that embrace the flexibility and agility a skills-centric approach can provide will set themselves up to outcompete others. Finastra summarise their vision as a cycle, supported by critical skills-driven talent practices. Their journey continues to emphasise the value of skills.
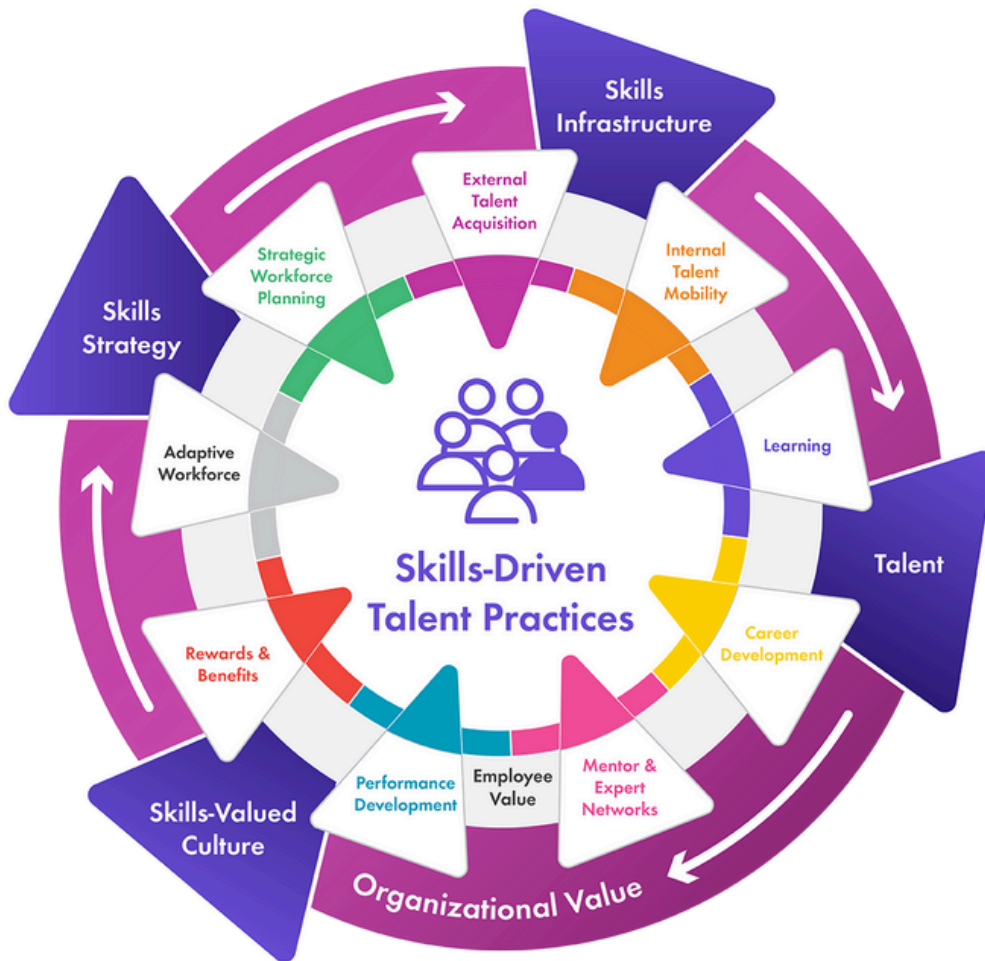
"*It really all comes down to relevance and learning agility. Relevance equals value! We owe it to our people to keep them relevant in their role, and we certainly owe it to our customers to give them a skilled, valuable workforce that can adapt and evolve their skills as quickly as the Fintech industry demands*"

Laura Biswas, Head of Skills COE, Finastra

Find out more

Get in touch to book a demonstration or speak to the Simply team to learn more about how data, software and services can help your organisation gain the right skills:

Visit the Simply website to learn more at: **www.simplygetresults.com** or check us out on **LinkedIn**.

.::: Simply

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FINASTRA

To learn more about Finastra's skills journey, follow up with Laura and the Skills COE Team at:

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