Minutes of the regular meeting of the
Innovation Advisory Council
1:00pm – 3:00pm ET, Thursday, July 13, 2023
Federal Reserve Bank of New York 33 Liberty Street, New York, NY
and via Teams

Present:
Lynn Bishop, CIO, DTCC
Vanessa Colella, Head of Innovation and Digital Partnership, Visa
Umar Farooq, CEO, Onyx by J.P. Morgan
Matt Harris, Partner, Bain Capital Ventures
Alex Holmes, Chairman and CEO, MoneyGram
Cassie Kozyrkov, Chief Decision Scientist, Google
Cathie Mahon, President and CEO, Inclusiv
Neha Narula, Director, MIT Digital Currency Initiative
Brad Peterson, CIO/CTO, Nasdaq
Jose Fernandez da Ponte, Senior Vice President, Blockchain, Crypto and Digital Currencies, PayPal
Steve Streit, Founder, SWS Venture Capital

Federal Reserve attendees:
John C. Williams, President and CEO, FRBNY
Michelle Neal, Markets, IAC Chair and Sponsor
Brett Berger, Federal Reserve Board
Zareera Bukhari, Supervision
Elizabeth Caviness, Markets
Chris Desch, New York Innovation Center
Dianne Dobbeck, Supervision
Jon Durfee, New York Innovation Center
Pamela Dyson, Technology
Mark Fischer, Supervision
Julia Gouny, Markets
Andrew Haughwout, Research and Statistics
Tiffany Hewlin, Executive Office
Ghada Ijam, System Technology

Heidy Medina, Supervision
Sishush Maru, Supervision
Lisa Menda, Research and Statistics
Mihaela Nistor, Risk
Rick Ostrander, Legal
Joey Patel, Supervision
Allison Riley, Executive Office
Margaret Riley, Federal Reserve Financial Services
Sumaa Saleem, Supervision
Janine Tramontana, Legal
Sunayna Tuteja, System Technology/Innovation
Morgan White, System Technology/Innovation
Per von Zelowitz, New York Innovation Center

Guests:
Jared Cohen, Co-Head of the Office of Applied Innovation and President of Global Affairs, Goldman Sachs
Eric Santor, Advisor to the Governor on Digitalization, Bank of Canada

The videoconference was called to order at 1:00pm ET.

1. Introductory Remarks
Alison Liu, council Secretariat and Payments Policy, Strategy, and Analytics Specialist with the Federal Reserve Bank of New York, welcomed members and Federal Reserve attendees to the second Innovation Advisory Council (IAC) meeting of the year.

Michelle Neal, Head of Markets at the Federal Reserve Bank of New York, delivered welcome remarks.
Per von Zelowitz, Director of the New York Innovation Center, introduced the agenda: “Innovation Pathways: from idea to product” and reminded participants not to share non-public competitively sensitive information.

2. Two IAC council members and one guest speaker discussed their approach to innovation and product development in relation to their respective experiences:

Matt Harris, Partner at Bain Capital Ventures, described key pillars of success when approaching innovation for early-stage companies. These pillars included the early placement of innovation in a company, managing the cost of failure to encourage failing upwards, and recognizing the importance of radical success and radical failure. Matt also discussed how small companies can efficiently scale their business to strive towards innovation without compromising their agility.

Lynn Bishop, CIO of DTCC, discussed how innovation is defined at DTCC and the firm’s two-prong approach to innovation: a culture of innovation across all teams as well as a dedicated business team solely focused on innovation. Lynn shared her guiding principles of innovation which can be summarized by do no harm, promote a culture of innovation, innovate with purpose, and fail fast.

Jared Cohen, Co-Head of the Office of Applied Innovation and President of Global Affairs at Goldman Sachs discussed the importance of niche innovation, the sequence of innovation as the landscape moves from unregulated to regulated innovation, and the role of incentives both for people and the broader organization to take risks.

3. Following the speaker presentations, the meeting transitioned to open discussion. Discussion topics included how to accurately assess the promise of a project, how to look at people as an innovation investment and different roles to support effective innovation, and how large companies can effectively handle failure.

4. Sunayna Tuteja, Chief Innovation Officer for Federal Reserve System, introduced the last section of the agenda focusing on how central banks might approach innovation.

Eric Santor, Advisor to the Governor on Digitalization at the Bank of Canada (BoC), described approaching innovation with a focus on achieving the central bank’s mandates. With a top-down digitization mandate, Eric reviewed how the BoC has cultivated an environment of innovation, for instance, by leveraging cloud technology to provide accurate data for platforms and automation across departments.

Eric also discussed specific highlights of the push for innovation at the BoC, some of which included building in-house talent rather than outsourcing, establishing communities of practice, and participating in models of collaboration.

The meeting adjourned at approximately 3:00pm ET