

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	Heidy Medina, Supervision
Michelle Neal, Markets, IAC Chair and Sponsor	Sishush Maru, Supervision
Brett Berger, Federal Reserve Board	Lisa Menda, Research and Statistics
Zareera Bukhari, Supervision	Mihaela Nistor, Risk
Elizabeth Caviness, Markets	Rick Ostrander, Legal
Chris Desch, New York Innovation Center	Joey Patel, Supervision
Dianne Dobbeck, Supervision	Allison Riley, Executive Office
Jon Durfee, New York Innovation Center	Margaret Riley, Federal Reserve Financial Services
Pamela Dyson, Technology	Sumaa Saleem, Supervision
Mark Fischer, Supervision	Janine Tramontana, Legal
Julia Gouny, Markets	Sunayna Tuteja, System Technology/Innovation
Andrew Haughwout, Research and Statistics	Morgan White, System Technology/Innovation
Tiffany Hewlin, Executive Office	Per von Zelowitz, New York Innovation Center
Ghada Ijam, System Technology	

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