Armstrong Wolfe
COO Magazine Q2 2026

AI: Evolution or Revolution?

From Promise to Performance: The COO's AI Agenda



ARMSTRONG WOLFE™

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Foreword

We are operating at what can only be described as an epoch-defining moment for global business.

The convergence of geopolitical instability, rapid technological disruption, and structural shifts in the cost of doing business is reshaping the landscape in ways few organisations have previously experienced.

At the same time, client expectations are evolving just as rapidly - demanding real-time, personalised, and integrated products and services - placing further pressure on traditional banking models that are struggling to keep pace.

Across markets, volatility is no longer episodic - it is persistent. In parallel, the acceleration of artificial intelligence represents a generational inflection point, with the potential to fundamentally redefine how firms operate, compete, and create value. This is not simply another wave of innovation; it is a structural reconfiguration of enterprise capability.

Critically, this transformation is challenging one of the most established foundations of the enterprise: governance. Traditional governance models - designed for linear processes, clear accountability, and relatively stable systems - are being tested by AI-driven environments that are dynamic, non-linear, and often opaque in their decision-making. Questions of accountability, oversight, and control are becoming more complex, not less. Addressing this requires more than incremental change; it calls for a fundamental redesign of the governance operating model, underpinned by a joined-up, enterprise-wide AI strategy rather than a piecemeal approach.

Compounding this challenge is the emergence of new market entrants, unburdened by legacy architecture and technology stacks. These organisations are meeting evolving client demands with agility, offering innovative solutions across areas such as private credit and trading capabilities traditionally dominated by incumbents. Their cost efficiency and speed expose structural constraints within established institutions.

For incumbents, the question is no longer whether to transform, but how to do so at pace and at scale - without compromising control.

At the same time, the cost of doing business has become the defining strategic pressure. Inflationary forces, regulatory expectations, and sustained investment in technology, governance, and talent are converging to test operating models like never before.

A central challenge emerging across the industry is the return on investment in AI. Firms have invested heavily in infrastructure and capability, yet many are struggling to realise meaningful returns. The reality is that achieving near-perfect model accuracy (e.g. 99.9%) requires disproportionate investment in both computational power and specialist talent compared to models operating at 80–85% accuracy.

However, deploying models below this threshold introduces risk levels that many institutions are unwilling to accept. The result is a growing bottleneck: AI initiatives that succeed in pilot phases but fail to scale into production. Bridging this gap is fast becoming a critical differentiator - and an area where new solutions are beginning to emerge.

For Chief Operating Officers, this is not a moment for reflection - it is a moment for action. Act now with clarity of purpose, accelerate execution, and rethink governance so that control frameworks evolve in step with technological capability, rather than lag behind it.

This edition of COO Magazine explores these themes - examining how leading firms are responding to disruption, how governance models are being reshaped for an AI-enabled world, and how the role of the COO continues to evolve at the centre of this transformation.

Maurice Evlyn-Bufton
CEO Armstrong Wolfe

About Armstrong Wolfe

At Armstrong Wolfe, we bring together the global COO community in financial services to tackle shared, non-proprietary challenges that shape the industry.

Through our flagship initiatives – the International COO Community (**iCOOC**) and Women in the COO Community (**WCOOC**) – we deliver exclusive corporate membership programs designed to foster collaboration, innovation, and leadership within this critical professional network.

As a trusted partner, we facilitate high-quality, engaging discussions among our members, enabling meaningful peer-to-peer exchanges in a confidential environment governed by the **Chatham House Rule**.

These conversations are enriched by insights from our industry advisors, alliance partners, and a global network of alumni.

The value lies in our unique ability to connect COOs across the financial services ecosystem, empowering them to share knowledge, navigate challenges, and drive meaningful change together.

For information about **iCOOC membership** contact:
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Areas of Debate



AI: Evolution or Revolution?



On May 6th 2026, hosted by Standard Chartered in Singapore, The COO Debating Society tabled the motion: AI - Evolution or Revolution?

The debate was articulately and robustly argued by two teams, each comprising two COOs, and judged by four esteemed panellists.

The motion was ultimately carried by a theatre full of COOs, who voted 2:1 in favour of Evolution. Episodic rather than structural - something to be managed once it materialises, rather than continuously anticipated and prepared for.

As Chair of the debate, it proved to be a fascinating and multi-dimensional discussion. Naturally, the default position could be framed as evolutionary, with the inevitability of becoming revolutionary over time.

However, the debate was intentionally structured as a binary proposition to focus minds on where we are today in our understanding of AI's journey.

The discussion was also deliberately positioned through the lens of the COO. In doing so, contextualising both evolutionary and revolutionary moments throughout history became inevitable - and necessary.

These are the key takeaways from the debate:

Artificial Intelligence is increasingly described in absolutist terms. Depending on the audience, it is either the next productivity tool in the long arc of technological advancement, or the single most transformative event in human civilisation since the Industrial Revolution.

The truth may lie somewhere between the two.

But before determining where AI sits historically and economically, it is important to define the difference between evolution and revolution in both commercial and societal terms.

Defining Evolution vs Revolution

Evolution

Evolution is incremental advancement.

It improves, optimises and extends existing systems, behaviours and economic structures without fundamentally altering the underlying architecture of society or commerce. Evolutionary technologies accelerate what already exists.

In commercial terms, evolutionary change:

- Improves productivity
- Reduces friction
- Lowers cost
- Enhances speed or accessibility
- Extends existing business models

But critically, it does not fundamentally redefine human existence, economic order or societal structure.

Examples might include:

- Spreadsheet software replacing manual ledgers
- Cloud computing replacing physical servers
- Mobile banking replacing branch visits
- Video conferencing reducing travel

Each changed behaviour significantly, but none fundamentally altered the human condition or civilisation itself.

Revolution

Revolution changes the architecture.

It creates entirely new economic systems, societal structures, geopolitical realities and human behaviours. Revolutionary technologies do not merely improve the existing model - they render previous models obsolete.

In commercial terms, revolutionary change:

- Creates entirely new industries
- Destroys existing ones
- Alters labour structures
- Changes the relationship between humans and work
- Reshapes capital allocation
- Reconfigures global power dynamics

Societally, revolutions alter how people live, move, communicate, govern, fight, learn and survive. **History provides several examples.**

Historical Context: Evolutionary or Revolutionary?

The Industrial Revolution

Not evolutionary. Entirely revolutionary.

Mechanisation fundamentally shifted humanity from agrarian economies to industrialised urban societies. It altered class structures, labour models, wealth creation, geopolitics and population distribution.

Before industrialisation, most humans worked the land. Afterwards, economies became organised around factories, manufacturing and mass production. **The Industrial Revolution did not improve society's operating model. It replaced it.**

Electricity

Revolutionary.

Electricity changed virtually every aspect of civilisation: manufacturing, medicine, communication, urban design, domestic life and economic productivity.

Importantly, electricity was not simply a product. It became foundational infrastructure upon which countless future industries were built. **This is a key distinction of revolutionary technologies: they become platforms for further revolutions.**

Flight

Initially revolutionary, later evolutionary.

The Wright brothers fundamentally altered geography, trade, warfare and tourism. Humanity's relationship with distance changed permanently.

However, subsequent advances in aviation - larger aircraft, improved fuel efficiency, better passenger comfort - became evolutionary refinements of the original breakthrough. **The jet engine itself represented a secondary revolution within aviation because it dramatically compressed global time and distance again.**

Vaccination

Revolutionary.

Vaccination altered life expectancy, population growth, economic productivity and the very survivability of civilisation. The eradication or suppression of diseases transformed demographics, healthcare systems and economic resilience globally. **Modern mRNA developments may ultimately represent another revolutionary branch within medicine itself.**



The Motor Car

Revolutionary.

Cars transformed urban planning, manufacturing, oil economies, logistics, leisure, retail and individual freedom.

Entire industries emerged around mobility - roads, suburbs, insurance, fuel infrastructure, hospitality and global supply chains. **Again, later innovations became evolutionary improvements on the revolutionary foundation.**

Nuclear Physics

Revolutionary - perhaps uniquely so.

Nuclear capability altered global military doctrine, geopolitics and the balance of power permanently.

Very few technologies have changed the strategic behaviour of nations as profoundly as nuclear science. **Importantly, revolutionary technologies often create both extraordinary opportunity and existential threat simultaneously.**

The Internet

Undeniably revolutionary.

The internet fundamentally redefined communication, information access, commerce, media, entertainment, finance and social interaction.

It collapsed the cost of information distribution to near zero and created entirely new economic models unimaginable beforehand.

Entire sectors disappeared. Entirely new ones emerged.

The internet also demonstrates another hallmark of revolutions:

its second and third-order consequences were far larger than originally anticipated. **Few early internet pioneers foresaw social media, digital economies, cryptocurrencies, algorithmic influence or platform monopolies.**

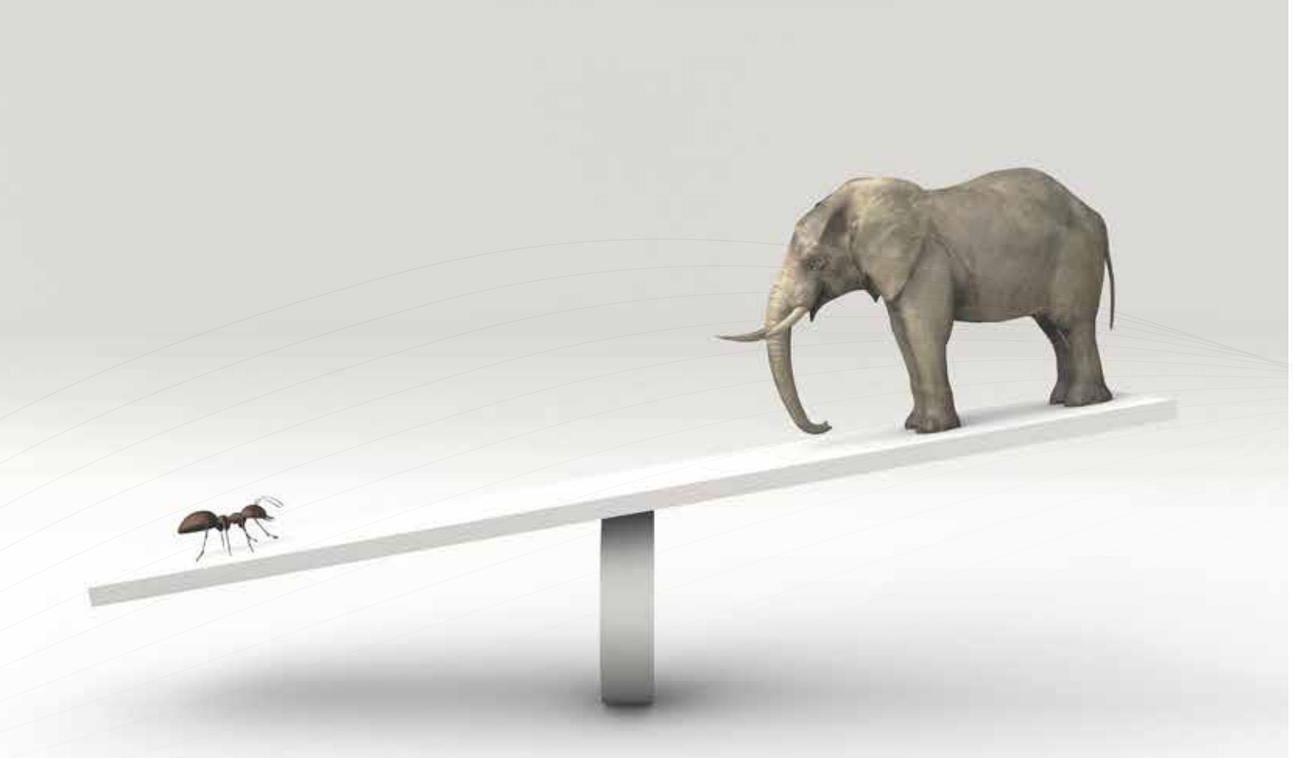


"Very few technologies have changed the strategic behaviour of nations as profoundly as nuclear science."



Trampling on Ants and Hunting Elephants

The AI Paradox Facing COOs



The current state of AI adoption across financial services can be summed up in one phrase: busy, but not yet transformative.

At a recent First Line of Defence "show and tell" session, what was expected to be a showcase of tangible use cases quickly converged on a familiar theme - Co-Pilot deployments, productivity gains, and incremental efficiencies. Useful, certainly. Transformational, not yet.

This reflects a broader industry pattern. Across the open domain, firms are reporting thousands of AI "use cases" - from summarising documents to automating meeting notes - yet very few have fundamentally altered operating models, revenue generation, or risk frameworks.

JPMorgan's COiN platform, BlackRock's integration of AI into Aladdin, and Morgan Stanley's internal GPT-based advisors are often cited - but these are still exceptions rather than the rule, and even these sit within controlled, well-governed environments rather than enterprise-wide reinvention.

The analogy raised in the session - trampling on ants while hunting elephants - is an apt description of this moment.

On one hand, firms are generating "ant-level" wins:

- Productivity enhancements through tools like Microsoft Copilot
- Localised automation in operations and support functions
- Faster access to internal knowledge and documentation

These are visible, easy to celebrate, and culturally powerful. They help embed AI into day-to-day behaviour and begin to normalise its use.

But in parallel, firms are "hunting elephants" - larger, more complex transformations:

- End-to-end process re-engineering
- AI-driven decision-making in risk, trading, or client servicing
- New product constructs and revenue models
- Autonomous or semi-autonomous operations

And here, progress is markedly slower. Not due to lack of ambition, but because these "elephants" collide directly with governance, risk, and accountability frameworks that were never designed for probabilistic systems.

This is where the tension emerges - and where risk begins to seep in.

As AI adoption accelerates at the edge of the organisation, often driven by business enthusiasm rather than central orchestration, familiar fault lines appear:

- Duplication of effort between technology and business teams
- Inconsistent controls over model usage, data access, and outputs
- Shadow AI - tools deployed without full oversight
- Unclear accountability when AI-informed decisions go wrong

Regulators are already signalling concern. The Bank of England and FCA have both highlighted model risk, data lineage, explainability, and third-party dependencies as key areas requiring strengthened governance.

The EU AI Act goes further, classifying use cases by risk and imposing explicit obligations on high-risk applications. The message is consistent: innovation is welcome, but not at the expense of control.

And yet, too much control too early risks suffocating the very innovation firms are trying to encourage.

This is the COO's dilemma.

- Push too hard on freedom, and the organisation fragments - ants everywhere, but no elephants captured.
- Clamp down too tightly, and adoption stalls - safe, but strategically stagnant.

What is required is not a binary choice, but a dual-speed operating model:

1. Controlled Freedom at the Edge

- Enable experimentation with clear guardrails (approved tools, data boundaries, audit trails)
- Encourage "ant-level" innovation, but make it visible and reusable
- Rapidly scale what works, rather than allowing duplication

2. Structured Pursuit of Elephants

- Identify a small number of high-value, enterprise-level AI opportunities
- Assign clear ownership across business, technology, and risk
- Build governance frameworks alongside development - not after the fact

3. Embedded Risk and Control Evolution

- Move beyond traditional model risk frameworks to continuous monitoring
- Define accountability for AI-assisted decisions
- Integrate first-line ownership with second-line challenge early in the lifecycle

4. Cross-Industry Learning

- Share patterns, failures, and emerging practices
- Recognise that systemic risks - particularly around data, cyber, and market integrity - are not firm-specific

What is evident today is a degree of posturing. The narrative of AI-led transformation is running ahead of the operational reality. Even among the most enthusiastic advocates, there is a gap between ambition and execution.

But this is not a failure - it is a phase.

The real risk is not that firms are "only" trampling ants. It is that they mistake this activity for progress towards capturing elephants.

AI will not transform institutions through isolated productivity gains. It will do so when organisations can connect experimentation to strategy, innovation to governance, and local success to enterprise change.

Until then, the industry remains active - but not yet transformed.



WCOOC: Women in the COO Community

Supporting, empowering & inspiring the female leadership of tomorrow



Armstrong Wolfe's Women in the COO Community (WCOOC) initiative was established in 2016, and is now globally recognised across New York, Toronto, London, Paris, Hong Kong and Singapore.

Its purpose is to champion the cause for advancement of women within financial services, focused on the leadership of tomorrow, those that will take the industry forward into the coming age.

Members of our global COO network come together to provide and present on subjects directly related to career management and advancement.

We provide this through articles, interviews, and events for which we recruit engaging speakers from within and outside the industry. We welcome people of any level of seniority to engage with our agenda.

WCOOC is led by industry professionals, its Chair, Vice Chair, and regional steering groups working together to provide timely and forward-thinking content and thought leadership.

Our Mission

- **Inspire Tomorrow's Female Leaders:** Empower women in financial services to embrace ambition without limits.
- **Foster Inclusivity & Purpose:** Promote initiatives that champion inclusivity, purpose-driven leadership, and male allyship to build a culture of belonging across the COO community.
- **Promote cross-industry Dialogue:** Create space for networking, learning and collaboration.
- **Educate Peers:** Highlight business management and the COO role as aspirational career paths.

Steering Group and Ambassadorship

The Steering and Ambassador Committees are formed from global banks supporting WCOOC and its inclusion initiatives. Their role is to help provide direction and support in the continuation of inclusive leadership for corporate success.

ARMSTRONG WOLFE™
Women in the COO Community

WCOOC:
The Next Decade

Anchoring WCOOC's purpose and direction for the future

This year marks the tenth anniversary of Women in the COO Community. In 2016, Armstrong Wolfe's CEO, Maurice Evlyn-Bufton, wrote an article titled **The Case for Equity-Plus Representation for Women in the COO Community**.

Maurice had spent 15 years in executive search, focusing principally on business management roles – the Chief Operating Officer, the Chief Administration Officer, Chief of Staff, and Chief Control Officer. After interviewing and referencing hundreds, if not thousands, of COOs, he concluded that women make better COOs – the question was: why?

In his paper, Maurice interviewed 50 female managing director COOs and most of their managers to investigate his belief. The conclusions were summarized in his paper, which, when presented to the then Group COO at Standard Chartered Bank, Doris Honold, prompted the comment: "WCOOC - we should do something with this." Maurice asked, "WCOOC, what is that?" to which Doris replied, "Women in the COO Community."

Three months later, Doris hosted the first event, and from this, Armstrong Wolfe's inclusivity initiative was born.

"I would like to take this opportunity to thank all those who have supported WCOOC on its ten-year journey. Specifically, I would like to thank Emma Prophet, the outgoing 2025 WCOOC Chair, who has done wonders in taking WCOOC into its anniversary year. I also want to welcome the 2026 Chair, Penny Tunbridge.

Appropriately, Penny was a panellist alongside Doris at WCOOC's inaugural event in 2016 and has been a mainstay and advocate for its work throughout its journey. I very much look forward to working with the three regional and global steering groups in the year ahead as we celebrate ten years of playing our part in seeking equality of opportunity for women in financial services, while promoting the COO role as a career destination for tomorrow's rising leadership."

Maurice Evlyn-Bufton
CEO, Armstrong Wolfe



In the Spotlight



Vicmary Cover

Chief Operating Officer, 1PriceSwipes

Authorized Square Dealer.

Vicmary was interviewed by Maurice Evlyn-Bufton, CEO Armstrong Wolfe.

Your Journey to the COO Role

My journey into fintech was not the result of a carefully structured career plan, but rather a natural evolution that emerged from both curiosity and opportunity. My husband had already built a successful business in the payment processing space, and his efforts were building momentum.

Revenue was growing and there was clear demand from merchants. However, as the business expanded, it became equally clear that continuing and sustaining that growth would require greater operational structure and organisational discipline.

That realisation is what led to my stepping into the business in a formal capacity. My role initially began in a very hands-on capacity, working in the detail and closely with my team to support multiple areas of the company simultaneously, the role necessitated working on merchant onboarding, reviewing processing statements, coordinating contracts, assisting with hiring, and addressing day-to-day operational challenges.

Working in the detail allowed me to begin evaluating the systems, processes and procedures that existed, and I was able to begin planning the operational changes that would ultimately allow the business to work effectively at scale.

As the company continued to grow, it became clear that robust operational infrastructure would be critical to maintaining the momentum that we had already established.

Among my early priorities was the implementation of clearer onboarding workflows, establishment of compliance checkpoints, and creation of internal reporting structures to allow the team to operate more cohesively. These systems helped transform what had been a fast-moving but reactive environment into one that could support sustainable growth.

My role gradually evolved from supporting operations to designing the operational architecture of the business. Rather than responding to daily issues, my focus shifted toward building frameworks that prevented those issues from arising in the first place. That transition ultimately shaped my role as Chief Operating Officer.

Motherhood has also played an important role in shaping my leadership perspective. As a mother of two daughters, I became acutely aware of the importance of building a company that could grow successfully without requiring constant reactivity.

Creating structure within the business not only enabled us to scale with greater confidence, but also allowed me to remain present both as a leader and as a parent.

Looking back, my journey into the COO role was not traditional, but it was shaped by partnership, adaptability, and a commitment to building systems that allow businesses to grow intentionally rather than chaotically.

> “Artificial intelligence is playing an increasingly prominent role in customer service across financial services and is something that Fintech firms have been particularly quick to adopt and develop.”

The Modern COO in Fintech

The role of the Chief Operating Officer can vary significantly across industries, but within fintech the position carries a unique level of complexity. In many large financial services institutions, operations functions are often focused on maintaining stability within established or legacy systems and spend much of their time managing the requirements placed on them by regulatory frameworks. In fintech companies, by contrast, the operational environment is able to evolve with agility, and this has been a key factor in determining our success.

A large part of my role as COO in a growing Fintech firm is focussed on the design of scalable infrastructure to continue to support that growth. The role requires a blend of strategic planning, technological awareness, and risk management that COOs from larger organisations will also be familiar with. Operational frameworks must be flexible enough to accommodate the rapid innovation common to this sector while still maintaining the regulatory discipline required in financial services.

In practice, this means that I spend a significant amount of time anticipating future challenges and horizon scanning, in addition to managing current ones. The pace of technological change, the competitive landscape, and regulatory developments all require leaders to think several steps ahead.

While the fundamental principles of operational leadership remain consistent across industries, fintech places a much greater emphasis on adaptability and the agility in order to build systems that can evolve with and enable the business, with whom we must work very closely to enable that continued expansion.

AI and the Customer Experience

Artificial intelligence is playing an increasingly prominent role in customer service across financial services and is something that Fintech firms have been particularly quick to adopt and develop. Automation of processes can accelerate response times, analyse patterns in customer behaviour, and reduce operational friction. However, our experience in trialling these tools has demonstrated that human interaction remains a critical component of customer trust, particularly in financial transactions.

At one stage, we explored the incorporation of automated customer support tools to our merchant inquiries process to help streamline and create efficiency. While these tools performed well when addressing straightforward questions, they proved less effective when merchants faced more complex issues related to payments or funding timelines. In those situations, customers were not simply seeking information; they were seeking reassurance and clarity from a knowledgeable person.

This experience reinforced an important lesson for us: automation should enhance the customer relationship rather than replace it. AI can assist human teams by providing faster data access, identifying patterns, and reducing repetitive tasks, but trust in financial services is ultimately built through human judgment and communication.

Our experience and trialling suggests that the most effective customer service models going forward will likely be hybrid systems in which artificial intelligence improves efficiency while human professionals remain central to relationship management and problem resolution.



AI in Recruitment and Operational Decision-Making

Artificial intelligence is also beginning to reshape how organisations approach recruitment and talent management. AI-powered tools can assist with résumé screening, identify patterns in candidate profiles, and streamline certain stages of the hiring process. These capabilities can significantly improve efficiency, particularly in rapidly growing organisations where large volumes of applications must be reviewed.

However, the use of AI in recruitment also raises important questions regarding fairness, transparency, and oversight. Leadership capability, resilience, and cultural alignment are qualities that cannot easily be quantified through data alone, particularly where roles (the COO or Business Management are good examples of this) are non-standard from firm to firm and vary widely across the industry in terms of responsibilities, focus, scope and composition. For this reason, we view artificial intelligence as a tool that supports decision-making rather than one that replaces it.

In our organisation, AI is used primarily to assist with early-stage evaluation of applications and operational insights. Human judgement and leadership remains responsible for the final assessment of candidates and the strategic decisions surrounding talent placement. Maintaining this balance ensures that technology enhances our hiring processes while preserving the human judgment that is essential to building strong teams.

The Future of Fintech

Over the next decade, fintech will continue to reshape how financial services are delivered and integrated into everyday life. One of the most significant developments already underway is the rise of embedded finance, in which payment capabilities and financial services are integrated directly into digital platforms where commerce already occurs.

As technology infrastructure becomes more advanced and APIs enable greater connectivity between platforms, financial transactions are increasingly becoming seamless and invisible to the end user. Consumers and businesses will interact with financial services not as separate destinations, but as integrated components of the broader digital ecosystems they already use.

Real-time payments, cross-border transaction capabilities, and platform-based commerce are accelerating this transformation. As a result, many fintech companies are evolving beyond the role of payment processors and positioning themselves as financial infrastructure providers that support global commerce behind the scenes.

Organisations that succeed in this environment will be those that combine technological innovation with strong operational frameworks capable of supporting rapid scale.

Expanding into the UK Market

Entering new international markets requires more than simply replicating an existing business model. Each region presents its own regulatory framework, market expectations, and cultural dynamics that must be carefully considered.

In the United Kingdom, the financial services ecosystem operates within a regulatory structure that differs in several important ways from that in the United States. Initiatives such as open banking have accelerated the adoption of financial technology and created new opportunities for integration across financial platforms.

At the same time, regulatory compliance requirements and partnership structures must be navigated carefully when entering the market. For our organisation, expanding into the UK has required a thoughtful approach that balances our global operational strategy with local market realities. This includes developing relationships with regional partners, ensuring regulatory alignment, and adapting certain operational processes to meet local expectations.

Successful international expansion ultimately depends on maintaining a consistent global vision while demonstrating flexibility in how it is executed in each market.

That's Not My Agent



David Fearne
Vice President of AI
NTT DATA (UK&I)

Anyone who's been a parent in the last 15 years will remember those toddler books: That's Not My Bunny… That's Not My Fox… That's Not My Hedgehog.

They taught our children that lots of animals might have fluffy tails, but not all of them are bunnies.

So why is it that when we become adults, we forget the lesson?

Why do we think everything that uses an LLM is an agent? **Let's start with an honest frustration.**

We've let the word agent slip into a marketing blackhole.

Today, everything from a chatbot wrapper to a function call is being branded an "AI agent".

The reality? Many of these systems:

- Can't remember what you said two minutes ago
- Can't evaluate whether their answers make sense
- Can't adapt, learn, or evolve toward a goal

And honestly? That wouldn't bother me, if it weren't for the fact that It's creating confusion at the heart of AI design. There are many valid ways to build with LLMs. That's not the problem. The problem is calling them all agents, as if every LLM invocation is automatically intelligent, autonomous, and self-aware.

This post is here to draw the line. Not to gatekeep innovation, but to give developers, architects, and product teams a clear sense of what actually makes an LLM-powered system agentic.

Not All LLM Systems Are Agents, And That's Okay

Let's be fair. There are lots of valuable LLM use cases that are not agentic, and that's fine:

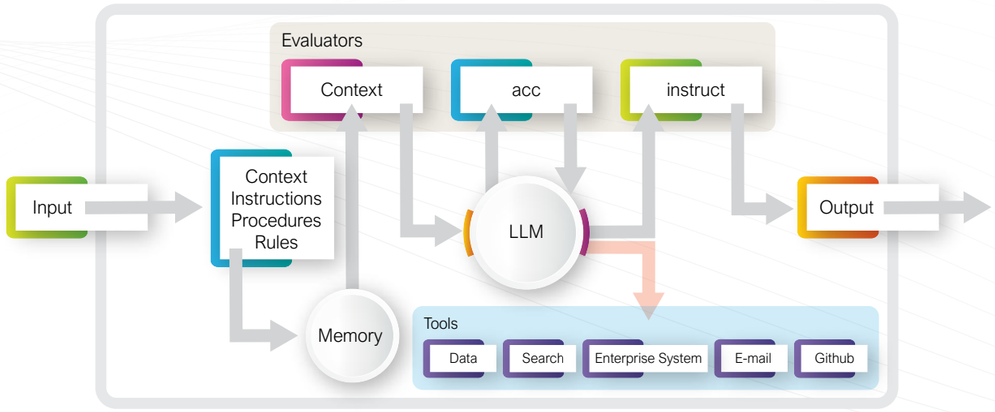
- A text summariser? Brilliant.
- A Q&A interface with context replay? Helpful.
- A smart form filler that rewrites tone? Useful.

But none of these are agents. They're features. Tools or RPA. Calling them agents confuses what should be a very clear line: **An agent is not something that just uses an LLM, it is something that thinks with it.**

So What Makes Something an Agent?

An agent is a cognitive system. Not a prompt. Not a wrapper. Not an app. It is a structured loop that enables goal-directed thought, memory, action, evaluation, and output. **It moves from generate and forget to reason and reflect.**

You can see that structure clearly below.



The constituent parts of an Agent.

The plural of this is Multi Agent but this is the atomic building block.

Let's unpack the core elements that make this work, and more importantly, why each one matters.

1. Input: Framing the problem

Agents don't just wait for prompts. They receive structured input:

- What is the task?
- What is the user trying to achieve?
- What data is scope or out of scope?

If you don't frame the problem properly, you're not giving the agent something to think about.

2. Context: Setting the boundaries

System instructions define how the agent should think:

- Should it be cautious or creative?
- Should it mimic a persona or follow a rulebook?
- Should it use certain data sources over others?

Without context, even the smartest model gives generic answers. Context turns a model into a persona.

3. Memory: Giving it continuity

This is where most systems fall down. And to be clear, memory isn't always about "remembering everything". It's about remembering enough to do the job well.

My previous research in this area focused on memory horizons.

Graduated Memory Horizons

Different agents need different kinds of memory, depending on their function. More memory isn't always better, just like giving a calculator a diary doesn't make it smarter. **Here's how we think about it:**

Memory Horizon	What It Stores	Ideal For
No Memory	Nothing	Deterministic agents, calculators, scoring tools
Episodic Memory	Current interaction	Chat interfaces, assistants, ticket triage bots
Experiential	Outlines the format, timings, rules of engagement, and debating etiquette	-
Memory	Past actions and outcomes	Decision support, feedback-driven improvements
Procedural Memory	Sequences, workflows, leamed routines	Automation of complex tasks, multi-step processes
Strategic Memory	Goals, principles, long-term strategies	Synthetic employees, autonomous decision-makers

Each memory horizon unlocks specific agent behaviours.

- Episodic memory lets an agent track what was said in a conversation.
- Experiential memory lets it avoid repeating past mistakes.
- Procedural memory helps it follow or build processes, enforcing symbolic reasoning.
- Strategic memory gives it foresight, self-improvement, and goal alignment.

This is why memory is non-negotiable for true agents. It isn't just about recall. It's about cognitive continuity.

We also need to think of memory as a first class citizen of an agent. There is a debate at the moment on whether AI memory should be a tool call, but I believe this is a misunderstanding of the key task of memory. Memory is used to inform, instruct and contextualise the job of the agent prior to calling the LLM. This then leads to more successful and accurate tool calling, evaluation of tool results, and successful synthesis to output. Without tightly coupling memory to the agent, you lose this understanding. It's like trying to use a hammer, knowing that you need to attach two pieces of wood together, knowing that the definition of a hammer suggests that it is used for this, but never having done it before so likely to hit your fingers, bend the nail, or miss the nail altogether.

4. Evaluators: Reflection and reliability

This is where the agent stops being a guessing machine and starts becoming a thinker.

Evaluators allow the agent to ask:

- Did I follow the instructions?
- Did I stay within scope?
- Did I hallucinate?

They can be internal checks or human-in-the-loop. Either way, without evaluators, you have no feedback loop, no improvement, and no trust.

5. Tool Use: Action, not just output

Tools give agents the power to do more than talk. They can:

- Search the web
- Call APIs
- Send messages
- Trigger workflows

A real agent can act, not just respond.

Tools can be a second class citizen by design as being loosely coupled allows for choice and flexibility during execution

6. Output: Delivering with purpose

Output isn't just a sentence. It might be:

- A JSON object
- A slide
- A completed form
- A triggered process

Agents produce outputs that are structured, reliable, and fit-for-purpose. They understand not just what to say, but how it needs to be used.

The Bottom Line

You can build lots of great things with LLMs.

You can create assistants, content tools, research bots, automations.

But if you want to call it an agent, you need to bring the full structure.

Without input, context, memory, evaluators, and output formatting, you have a prompt machine, not an agent.

So the next time someone says, "Look, we built an agent!"

Just remember what we taught our kids.

That's not my agent.

The Missing Layer in Banking AI

Why Explainable, Traceable, Audit-Grade Transparency Is Now a COO Imperative



Peter Zorn

Chief Executive Officer, PARCIS.ai

UK Ambassador, Global Council for Responsible AI

Banks do not have an AI innovation problem. They have a scaling problem.

Across the industry, pilots are everywhere. Copilots draft memos, models detect anomalies, agents support onboarding, and workflow tools summarise cases, reconcile exceptions and triage activity.

Yet for most institutions, truly autonomous AI at enterprise scale is still more aspiration than reality.

The reason is simple: You cannot scale what you cannot trust.

Risk, compliance and audit teams are not wrong to be cautious. A handful of agents can be monitored manually. A few dozen can still be reviewed through committees, controls and spreadsheets. But that is not where the market is heading. Banks are moving toward environments where internal agents, vendor agents, embedded models and orchestrators will interact across operations, financial crime, servicing, credit, treasury, research and control functions. In time, agents will supervise other agents. Without a way to prove what happened, that future looks uncontrolled.

And once AI systems are operating at scale, some errors are inevitable. Hallucinations will occur. Models will drift. Agents will diverge from expected behaviour. Data lineage will be questioned.

Outputs will conflict. The question is not whether imperfections will emerge. The question is whether the bank can trace the moment of divergence, identify the source, isolate the issue and fix it before it becomes an audit finding, regulatory breach or customer event.

That is why explainable, traceable, audit-grade AI transparency is becoming the missing layer in banking AI strategy.

This is not only a technology issue. It is an operating-model issue. And it is increasingly a regulatory one. The EU AI Act entered into force on 1 August 2024; prohibited practices and AI literacy obligations already apply, obligations for general-purpose AI models have applied since 2 August 2025, and most remaining obligations applying from late 2026, some in 2027 and the rest in 2028.

This is a postponement from the original enforcement deadlines of August 2026. This must be viewed as a window of opportunity to build AI governance, explainability and traceability correctly, not as an opportunity to delay implementation..

Outside Europe, the direction of travel is also clear: South Korea's AI Basic Act took effect in January 2026, Japan has issued formal AI procurement and use guidelines built around risk management, and China continues to regulate generative AI services through national rules.

For global banks, this is now a multi-jurisdiction governance challenge, not a future talking point.

The industry has already invested heavily in protecting AI: cybersecurity, access controls, model security, malware defence, rogue-agent controls. All of that matters. But protection is no longer enough. Banks now need to focus equally on proving AI.

They need to be able to show, at the touch of a button:

- What model or agent produced this output?
- What data influenced it?
- What version was running?
- What controls were in place?
- What changed?
- Why did the system reach that conclusion?
- Can we replay the decision path instantly?

That is the difference between AI compliance and AI chaos.

This is where the concept of a governance wrapper becomes so important. A governance wrapper sits across the AI estate - across vendors, internal builds, model versions and agentic workflows - to create a common layer of explainability, traceability and evidence. It does not stifle innovation. It enables it. It gives the bank a way to observe behaviour across the estate, record decision provenance, detect divergence, and intervene early. Most importantly, it gives leaders confidence that growth in agent count does not mean loss of control.

For Chief Operating Officers, this should be a strategic priority.

The COO is one of the few executives with a mandate broad enough to see the whole problem. AI scale is not confined to one business line or one control team. It cuts across front office, operations, technology, risk, compliance, legal, HR, procurement and third-party oversight. The COO is uniquely positioned to sponsor an enterprise response rather than a fragmented one.

That response should start with a simple principle: AI without evidence is risk without control.

If a bank cannot evidence what happened at the moment of truth, it cannot responsibly scale autonomous AI. It can only experiment around the edges.

Done properly, however, audit-grade transparency does far more than reduce downside. It becomes a force multiplier for innovation. When control functions can trust the evidence, approvals speed up. When issues can be traced quickly, remediation becomes cheaper. When divergence can be isolated, teams stop treating every anomaly like a crisis. When provenance is visible, confidence rises across the first, second and third lines of defence.

That is why the real value is not just compliance. It is faster, safer innovation.

The banks that will pull ahead are not the ones with the most pilots. They will be the ones that build the governance foundation to let good pilots become governed production systems at scale.

For boards, executive committees and especially COOs, three questions now matter more than any AI strategy deck:

If a regulator asks, “Show me,” can you?

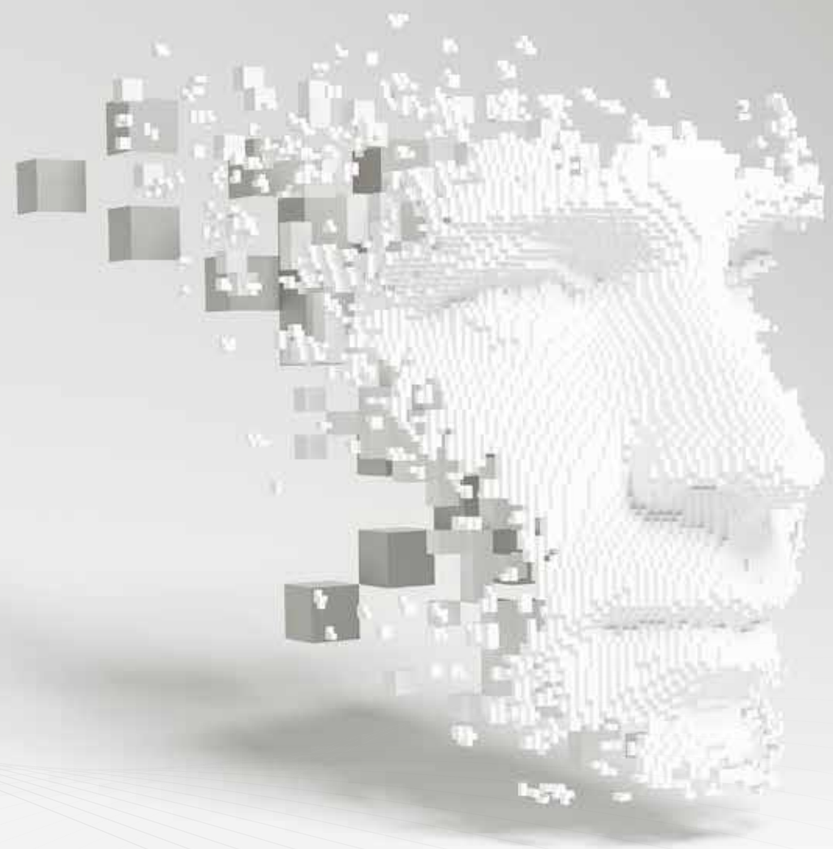
In an audit, can you explain why your AI produced its output - instantly?

Do you have complete faith in your organisation’s ability to detect and fix agent divergence and hallucinations before they become material issues?

If any of those questions creates uncertainty, the time to address it is now.

Because the holy grail is not simply more AI. It is trusted AI at scale. And in banking, you cannot trust what you cannot trace.

“AI scale is not confined to one business line or one control team. It cuts across front office, operations, technology, risk, compliance, legal, HR, procurement and third-party oversight.”



Global Map of Regulatory Bodies

Global banking supervision is shaped by a small number of system-defining standard setters and prudential authorities. At the top sit the BCBS and FSB, which drive global regulatory direction.

Beneath them, the most influential supervisory centres are the US, Eurozone, UK, Singapore, Hong Kong, Japan and China, reflecting their role in cross-border banking, capital markets, liquidity, clearing and supervisory practice.

A second tier of highly credible but less system-shaping regulators includes Canada, Australia, India and Switzerland, followed by domestic supervisors whose influence remains primarily local.

Regulator | Body	Jurisdiction	Global Influence	Regional Influence	Local | Host Market Influence	RAG View	Comment
Basel Committee on Banking Supervision (BCBS)	Global	High	High	Low	Green	Yes Principal global prudential standard setter; strongest influence through frameworks adopted by national regulators
Financial Stability Board (FSB)	Global	High	High	Low	Green	Highly influential in cross-border stability, systemic risk and G-SIB agenda, though not a direct supervisor
Federal Reserve | OCC | FDIC	United States	High	High	High	Green	One of the most influential supervisory groupings globally given US market scale, dollar clearing and international bank exposure
ECB | Single Supervisory Mechanism (SSM)	Euro zone | EU	High	High	High	Green	System-shaping authority across the Banking Union with major influence on prudential supervision and supervisory expectations
Bank of England | PRA	United Kingdom	High	High	High	Green	Strong influence due to London's importance as a global banking and markets hub
Monetary Authority of Singapore (MAS)	Singapore	Medium	High	High	Green	Regionally dominant and globally respected, especially across APAC wholesale banking, governance and risk standards
Hong Kong Monetary Authority (HKMA)	Hong Kong	Medium	High	High	Green	Key supervisor for a major international and China-linked banking centre
Japan Financial Services Agency (JFSA)	Japan	Medium	High	High	Green	Important regional and global influence given Japan's major banking sector and international activity
National Financial Regulatory Administration (NFRA)	China	Medium	High	High	Green	Very significant by domestic banking scale and growing regional relevance
Office of the Superintendent of Financial Institutions (OSFI)	Canada	Low | Medium	Medium	High	Amber	Highly credible prudential supervisor with strong domestic authority and some international influence
Australian Prudential Regulation Authority (APRA)	Australia	Low | Medium	Medium	High	Amber	Strong local authority with meaningful APAC relevance, particularly in prudential and resilience frameworks
Reserve Bank of India (RBI)	India	Low | Medium	Medium | High	High	Amber	Increasingly influential due to scale and growth of the Indian banking market
FINMA	Switzerland	Medium	Medium	High	Amber	Important due to international banking footprint, though less system-shaping than US, UK or ECB authorities
Central Bank | Prudential Authorities in UAE | Saudi Arabia	Gulf	Low	Medium	High	Amber	Strong local and rising regional importance as Gulf financial centres expand
Other domestic prudential regulators	National	Low	Low | Medium	High	Red | Amber	Often decisive in-country, but with limited impact on global regulatory direction

The COO Academy



The COO Academy is Armstrong Wolfe's structured development and certification programme designed to strengthen and professionalise the COO and Business Management functions across financial services.

Created in response to increasing regulatory complexity, inconsistent role definition, and limited formal development pathways, the Academy is intended to provide firms with a clearer and more consistent standard of capability, while giving individuals a stronger framework for progression and professional growth. In its foundational year, 2026, the Academy is focused on Level 1: Entry into Business Management.

The programme is designed to equip participants with the knowledge, judgement, and behaviours required to succeed in a modern COO environment. It combines practical learning across key areas including financial services and capital markets, markets and products, governance, risk and controls, financial management, strategy execution, digital transformation, change delivery, crisis management, regulatory expectations, and leadership.

Alongside technical content, the Academy places strong emphasis on communication, influence, stakeholder management, leader character, and servant leadership; recognising that effective business management requires both technical understanding and strong personal capability.

Delivered through a 12-month cohort model, the COO Academy brings together classroom learning, online sessions, and one-to-one coaching to create a practical, applied development experience.

Its ambition is not simply to provide training, but to help establish an industry-recognised standard for COO capability and profession, supporting operational resilience, stronger execution, and the development of the next generation of COO leaders across the industry.

For further information on the **COO Academy** please contact David Long: David.Long@armstrongwolfe.com

COOACADEMY

The COO Exchange



The COO Exchange Project is Armstrong Wolfe's new digital platform for the global COO community, being developed in partnership with Amundi Technology to extend the reach, value and day-to-day relevance of the International COO Community; and to reduce LinkedIn's noise for senior executives in the financial services so that this digital platform actually serves the purpose of peer-to-peer connectivity.

It is designed to bring together senior Chief Operating Officers and business management leaders across banking and asset management in a trusted, curated online environment, where they can engage with peers on the market-wide, non-proprietary challenges shaping the modern COO agenda and the financial services industry.

Built on Armstrong Wolfe's long-standing role at the centre of the COO community, the platform will provide a secure digital space for leaders who are often geographically dispersed but facing many of the same challenges: non-financial risk, operational resilience, regulation, culture, conduct, transformation, data and AI.

The ambition is simple: to turn collective thought into individual and institutional benefit by creating a year-round environment for peer connection, shared learning and practical collaboration.

The COO Exchange will be structured around four core member needs. First, it will enable members to connect and network with verified peers across regions, sectors and mandates. Second, it will allow them to collaborate and share through discussion forums, working groups, mentoring circles and benchmarking.

Third, it will help members discover and explore curated insight, research, opportunities and relevant market intelligence.

Finally, it will support them to learn and develop through webinars, roundtables, thought leadership and professional development content. In this sense, the COO Exchange is intended to be a premium, invite-only digital home for financial services leadership.

For Armstrong Wolfe, the COO Exchange is not a standalone technology initiative, but a natural extension of the community it has built over many years. It will complement the in-person forums, cluster calls and leadership programmes by giving members a continuous way to stay connected, exchange ideas and access value between events.

Developed with Amundi Technology, the project represents the next stage in Armstrong Wolfe's mission to strengthen open dialogue, connectivity and collective problem-solving across the global COO community.

For further information on the **COO Exchange** please contact Subhasish Roy:
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COOEXCHANGE

From Parallel Functions to Power Partnership

Why the COO and Chief People Officer must converge



Maurice Evlyn-Bufton

CEO

Armstrong Wolfe

Featuring insights from Meena Anand, CEO of City HR

For much of the past decade, the role of the Chief Operating Officer has been defined by control, resilience, and regulatory response.

In parallel, HR has undergone its own transformation - expanding from administrative oversight to strategic influence under the banner of the Chief People Officer.

Yet the challenges that financial services firms face are truly "wicked problems" *(Rittel and Webber's 1973)**

Yet despite this evolution, the two functions have largely progressed side by side, not together.

According to **Meena Anand**, this is no longer sustainable. As organisations move into a more stable, post-regulatory environment, a new opportunity - and necessity - has emerged: a closer, more deliberate partnership between the COO and HR leadership.

A Decade of Divergence

> *"COOs were looking inward at control. HR was looking outward at culture. The challenge now is alignment."*

The past decade has forced COOs into a predominantly inward-facing posture - focused on remediation, controls, and operational stability. HR, meanwhile, has been tasked with navigating cultural transformation, talent scarcity, and evolving workforce expectations.

The result has been a structural disconnect.

> *"Historically, these functions have operated with different lenses," Anand observes. "COOs have been measured on efficiency and risk, while HR has been measured on engagement and talent. Those agendas have not always met in the middle."*

But that separation is beginning to erode.

The Inflection Point: From Stability to Strategy

> *"Stability creates the platform - but it's what you do with it that defines the next decade."*

As organisations emerge from a sustained cycle of regulatory intensity, the COO function is entering a steady-state environment. This shift is subtle but significant.

Freed from constant reactive pressure, COOs are increasingly expected to pivot toward strategic enablement - driving transformation, supporting growth, and shaping the future operating model.

This is where HR becomes critical.

> *"The COO cannot deliver transformation without people," Anand notes. "And HR cannot drive meaningful people strategy without being anchored in the operational realities of the business."*

The implication is clear: the next phase of value creation sits at the intersection of these two roles.

Rittel H. W. J., Webber M. M. (1973). Dilemmas in a general theory of planning. Policy Sciences, 4(2), 155–169. https://doi.org/10.1007/bf01405730

Redefining the Partnership

> *"This is no longer a service relationship - it's a co-ownership model."*

A high-functioning COO–Chief People Officer partnership goes beyond alignment; it requires shared ownership of outcomes.

This includes:

- Workforce strategy aligned to business transformation
- Joint accountability for organisational design
- Integrated approaches to productivity, cost, and capability

In practice, this means HR leaders must engage more directly with core operational priorities - while COOs must elevate people strategy as a central lever of performance.

> *"Where this works well," Anand explains, "you see HR embedded in transformation agendas from day one - not brought in after the fact."*

A Shift in Capability

> *"The future Chief People Officer needs to speak the language of operations - and the COO needs to understand the currency of people."*

This convergence is not just structural - it is deeply personal. It requires a shift in the skills and experiences of both roles.

For HR leaders, this means:

- Greater fluency in financial and operational metrics
- Comfort engaging in transformation and execution
- A stronger grounding in technology and data

For COOs, the shift is equally important:

- Recognising culture as a performance driver
- Leveraging people analytics in decision-making
- Engaging more actively in talent and capability development

> *"The most effective leaders in both roles are those who can step into each other's world," says Anand.*

Operating Model Innovation

> *"You can't collaborate effectively if your structures keep you apart."*

Many organisations are beginning to reflect this partnership in their operating models.

Emerging approaches include:

- Formal alignment of COO and HR priorities through shared KPIs
- Deployment of Chief Administrative Officers (CAOs) to absorb core operational responsibilities
- Greater integration of people analytics into business decision-making

These changes are not cosmetic - they are designed to free up capacity at the top table, allowing COOs and Chief People Officers to focus on strategic collaboration.

> *"The operating model has to evolve to enable this partnership," Anand notes. "Otherwise, both roles remain constrained by legacy expectations."*

Culture as an Operational Lever

> *"Culture is not an abstract concept - it is an operational asset."*

One of the most powerful areas of convergence lies in the relationship between culture and performance.

Traditionally viewed as HR's domain, culture is increasingly recognised as a core driver of operational outcomes - from productivity and risk management to innovation and client delivery.

For COOs, this represents a shift in mindset.

> *"Culture shapes how work actually gets done," Anand explains. "If you ignore it, you're leaving performance on the table."*

This reframing positions HR not as a support function, but as a critical enabler of operational success.

The Road Ahead: A Defining Executive Partnership

> *"The organisations that win will be those where the COO and Chief People Officer act as true partners."*

Looking forward, Anand is clear: the relationship between the COO and Chief People Officer will become one of the defining dynamics of the executive committee.

Organisations that get this right will benefit from:

- More effective transformation execution
- Stronger alignment between strategy and capability
- Greater organisational resilience

Those that do not risk fragmentation - where strategy, operations, and people agendas remain disconnected.

> *"The opportunity is enormous," Anand concludes. "But it requires intentionality. This partnership won't happen by default - it has to be designed, built, and led from the top."*

Closing Thought

> *"Operational excellence and people excellence are no longer separate pursuits - they are the same agenda."*

"The next phase of operational excellence won't be driven by process alone- it will be driven by people."

Character and the COO



Ted MacDonald
Armstrong Wolfe Advisor

Did you know that character has been one of the most studied topics over the whole course of human history?

It is therefore surprising that most people don't seem to know much about it these days.

Some key facts include: character is not something we are born with; it is always on display through our behaviour, and it can be strengthened and developed.

Following this brief introduction, this article outlines the essentials of the character model and we'll then look more closely at how it can be practically useful to the COO.

History

Character was studied by Confucius, Aristotle and a host of others, and examined by various religions around the world over more than two thousand years. Most recently, it is a huge topic in academia including psychology, and neuroscience.

Scientific inquiry reveals eleven dimensions of character such as Drive, Humanity, Integrity and Courage. They are all inter-related and inter-dependent. It is the habits that we form around these dimensions that affect our judgement, and the behaviour that everyone can see.

Behaviour.

Each dimension of character manifests in specific elements of behaviour. Take courage for example. We can think of courage in its virtuous state with behaviours like brave, determined, and confident. But virtues become vices in deficiency or in excess. For deficiencies in courage think of cowardice, hesitancy, or lack of confidence, or, if in excess, think recklessness, arrogance, or stubborness.

Each of these elements represent behaviour that can be observed and measured. On a scale of 1-5, we can all think of someone that rates a 5 on the scale for bravery or stubbornness.

Balance.

Character balance is more important than brute strength. It is a good thing to have basic strength in each of the character dimensions. Individuals often attain leadership responsibilities because of their level of Drive.

However, if this is all they have, they would soon be unpopular or working alone. You can call on the other dimensions of character to keep your excess drive in check.

Rather than try to tone down excess drive, we can try to counterbalance it by calling on Humanity (being considerate of your colleagues), Temperance (remaining calm and patient) and Collaboration (being collegial and open-minded). When one or more dimensions go unchecked, character becomes compromised, and behaviour can become problematic.

Validation

Character development can be successfully achieved at the individual level as well as at scale in organisations. It is increasingly popular in business, government, the armed forces, professional sports, and at business, law and medical schools. It is worth taking a closer look at personally, for the development of your teams and possibly more widely.

A Closer Look at Character

The Leader Character Model was developed as a result of consultation by Ivey Business School faculty with the global business community following the financial crisis of 2008.

Along with competence and commitment, senior leaders recognised the importance of character but lacked an understanding of what it was and a vocabulary to accompany it.

Rather than requiring an effort to invent a conceptual foundation, Ivey was able to draw on two thousand years of historical work and the challenge was more about translating it into terms that were practical and understandable for the present-day.

This is not the only model of character you might find, but it is designed and underpinned by scientific rigor and acknowledged as a leading edge of development on the topic. Leader is used in the context of disposition to step forward rather than holding an official position.

Dimensions and Elements

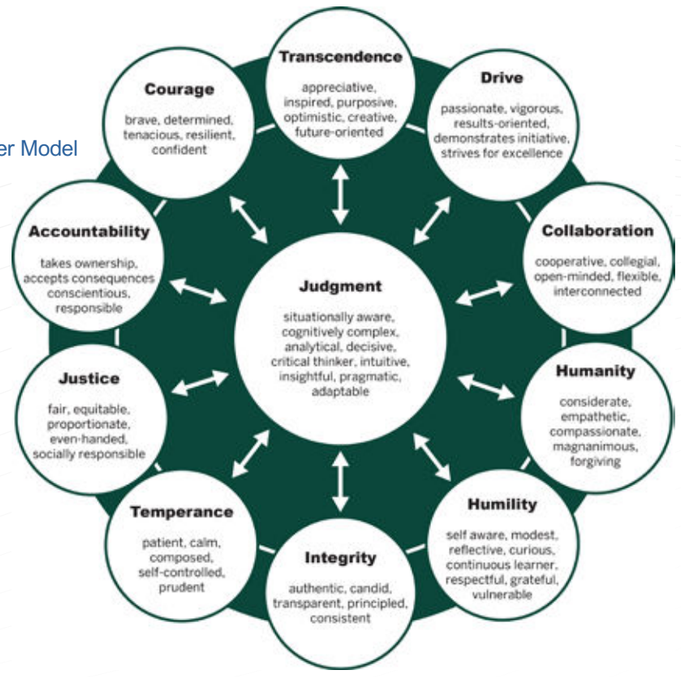
There are 11 dimensions of character in this model and they are presented in a circle around judgement which sits at the centre. This reflects how we could draw upon each of these dimensions in the course of making a well-considered judgement.

Each dimension of character manifests through elements of behaviour as depicted in smaller font within each circle. These behaviours can be individually observed and measured. It is also helpful to think of each character dimension as a muscle that can be strengthened through exercise, and equally, can atrophy through neglect.

Progress in development can be measured over time. Culture is a difficult word to define and attempts to address organisational culture are often thwarted at the outset by lack of definitions or clarity around metrics. Culture reflects patterns of habitual behaviour and is more readily understood by focusing directly on that behaviour.

This is a virtue-based model and the character dimensions are presented in their virtuous form, for example, Courage presents as bravery and confidence. However, any virtue can become a vice in deficiency or excess. A deficiency of Courage can manifest as timid or hesitant while an excess can be reckless. The following matrix is a summary of virtues and vices around each character dimension and provides a useful vocabulary.

Ivey Leader Character Model



Character Virtues and Vices

Dimension	Deficient Vice	Virtue	Excess Vice
Accountability	Unaccepting Negligent Irresponsible Deflects	Accepts Consequences Conscientious Responsible Takes Ownership	Burdened Obsessive Controlling Can't delegate
Courage	Cowardice Unassured Hesitant Fragile Yielding	Brave Confident Determined Resilient Tenacious	Reckless Arrogant Bull-headed Overly-compensating Stubborn
Transcendence	Unthankful Unimaginative Short-sighted Uninspired Pessimistic Directionless	Appreciative Creative Future-Oriented Inspired Optimistic Purposive	Awe-struck Untethered Missing the present Over-stimulated Delusional Fixated
Drive	Waits for direction Apathetic Aimless Mediocrity Lethargic	Demonstrates Initiative Passionate Results-Oriented Strives for Excellence Vigorous	Dictatorial Fanatical Tunnel-vision Strives for perfection Forceful
Collaboration	Confrontational Self-centered Inflexible Disconnected Narrow-minded	Collegial Cooperative Flexible Interconnected Open-Minded	People-pleaser Conflict-avoider Compliant Boundaryless Abstract
Humanity	Uncaring Oblivious to others Unrelatable Vindictive Aloof	Compassionate Considerate Empathetic Forgiving Magnanimous	Overly concerned Overly-accommodating Overwhelmed by feelings Exploitable Over-bearing
Humility	Fixed mindset Disinterested Ungrateful Braggard Unreflective Disrespectful Unaware Protective	Continuous Learner Curious Grateful Modest Reflective Respectful Self-aware Vulnerable	Lacking focus Transfixed Feeling insignificant Self-effacing Ruminating Fawning Self-conscious Over-exposed
Integrity	Fake Untruthful Inconsistent Unprincipled Manipulative	Authentic Candid Consistent Principled Transparent	Uncompromising Belligerent Rigid Dogmatic Indiscriminate
Temperance	Anxious Agitated Impatient Inattentive Rash	Calm Composed Patient Prudent Self-Controlled	Indifferent Detached Overly accepting Overly cautious Overly-regulating
Justice	Inequitable Biased Unfair Disproportionate Narrow concerns	Equitable Even-Handed Fair Proportionate Socially Responsible	No exceptions No differences "One size fits all" Micromanage proportion Paralyzed by complexity
Judgment	Stagnant Lacking logic Simplistic Lazy thinking Indecisive Lacking instinct Ignorant Unrealistic Oblivious	Adaptable Analytical Cognitively Complex Critical Thinker Decisive Intuitive Insightful Pragmatic Situationally Aware	Overly malleable Over-analyzing Complicating Overly critical Impulsive Lacking reason Cunning Overly practical Over valuing situations

Virtues & Vices Index (Crossan & Crossan, 2023)

Applications for a COO.

Character development has proven its high value to individuals and organisations at any stage in their personal or career objectives, from novice to Olympian or team intern to CEO.

Here is a snapshot of how each character dimension could be directly helpful to a COO.

The examples are indicative. Each dimension is accompanied by a short definition, a reminder of some key behaviours, how it is relevant to leadership generally, and followed by an example of how it could be applicable to a COO or staff member.

Drive: the internal energy and perseverance to pursue goals with excellence.

- **Key Behaviours:** demonstrating initiative and motivation, persisting through setbacks, and continuously seeking to improve and aim high.
- **Leadership Relevance:** inspires performance, resilience, and goal achievement.
- **COO Application:** sets ambitious operational goals and motivates the organization toward excellence. Example: champions process automation that reduces cost-to-serve and improves client response times.

Collaboration: engaging others to work together toward a shared purpose.

- **Key Behaviours:** encouraging input and cooperation, resolving conflict constructively, building inclusive teams.
- **Leadership Relevance:** enables coordination in complex, interdependent environments.
- **COO Application:** builds trust and alignment across departments (tech, legal, compliance, finance). Example: chairs cross-functional task forces to ensure seamless new system implementations.

Humanity: showing genuine concern for the dignity and well-being of others.

- **Key Behaviours:** demonstrating empathy and kindness, supporting employee development and personal growth, building relationships based on trust and care.
- **Leadership Relevance:** Increases loyalty, inclusion, and psychological safety.
- **COO Application:** leads with empathy, especially during layoffs, crises, or employee hardship. Example: personally checks in with staff during a cyber incident to support morale and manage stress.

Humility

- **Definition:** a realistic sense of one's strengths and limitations, and openness to others.
- **Key Behaviours:** acknowledging mistakes, listening and learning from others, sharing credit for success.
- **Leadership Relevance:** fosters learning cultures and collaboration; reduces arrogance.
- **COO Application:** Listens to junior staff on front-line challenges, acknowledges gaps in personal knowledge. Example: Credits team members for successful project delivery instead of spotlighting own leadership.

Integrity

- **Definition:** consistently acting in accordance with moral and ethical principles.
- **Key Behaviours:** honesty and transparency in actions and decisions, keeping promises and commitments, standing up for what is right, even under pressure.
- **Leadership Relevance:** builds trust and credibility with stakeholders; seen as the moral compass.
- **COO Application:** ensures operational transparency in reporting metrics and KPIs; never manipulates figures to meet targets. Example: admits to operational underperformance in a board meeting and presents a corrective action plan.

Temperance

- **Definition:** exhibiting emotional restraint and balance in decision-making.
- **Key Behaviours:** maintaining composure during stress or conflict, avoiding impulsive reactions, taking time to reflect before responding.
- **Leadership Relevance:** crucial for crisis management, negotiation, and diplomacy.
- **COO Application:** stays calm under pressure (e.g., system outage or regulatory breach) to model composed crisis leadership. Example: delays reacting to public blame until full facts are available to avoid scapegoating.

Justice

- **Definition:** striving to be fair, equitable, and impartial.
- **Key Behaviours:** treating people equally regardless of status or bias, enforcing rules consistently, ensuring fairness in rewards, hiring, and performance management.
- **Leadership Relevance:** supports ethical culture, DEI, and stakeholder trust.
- **COO Application:** ensures fair distribution of workloads and rewards, addresses inequities in team structures or promotions. Example: revamps operations review process to remove unconscious bias in performance appraisals.

Accountability

- **Definition:** accepting responsibility for actions and their consequences.
- **Key Behaviours:** owning both successes and failures, following through on responsibilities, holding others to appropriate standards.
- **Leadership Relevance:** drives a performance and learning-oriented culture.
- **COO Application:** takes ownership for operational failures instead of shifting blame; enforces standards consistently. Example: publicly owns a failed product launch and drives the post-mortem analysis.

Courage

- **Definition:** willingness to take risks and act despite fear or opposition.
- **Key Behaviours:** speaking truth to power, making difficult or unpopular decisions, embracing innovation and change.
- **Leadership Relevance:** essential for transformation and facing adversity head-on.
- COO Application: makes bold calls on restructuring, vendor exits, or tech investments, even when unpopular. Example: terminates a long-standing but underperforming supplier despite internal resistance.

Transcendence

- **Definition:** having a sense of purpose and optimism beyond self-interest.
- **Key Behaviours:** inspiring others with a vision, focusing on meaning and impact, demonstrating gratitude and perspective.
- **Leadership Relevance:** fuels long-term motivation and ethical stewardship.
- **COO Application:** links operations strategy to purpose, values, and long-term sustainability. Example: leads initiatives to improve the sustainability of the supply chain or adopt socially responsible outsourcing practices.

Judgment

- **Definition:** The ability to make wise, balanced decisions by drawing on all dimensions of character.
- **Key Behaviours:** weighing risks, facts, and values in decision-making, avoiding extremes or simplistic solutions, adapting to complex and evolving situations.
- **Leadership Relevance:** central to leading through uncertainty, ambiguity, and trade-offs.
- **COO Application:** balances efficiency, ethics, people, and risk in major decisions. Example: weighs whether to prioritize cost savings or customer trust during an operational pivot (e.g., offshoring).

Conclusion

We often find that, on close examination, we don't know much about character even though it has been a thoroughly considered topic for millennia. Character boils down to habits that affect judgement and behaviour.

Balance is more important than Olympian strength in any one or two dimensions; it is the balance among the dimensions that matters. Character can be measured and developed in individuals and organisations and can significantly help improve performance in all aspects of personal and commercial life.

> "Character balance is more important than brute strength. It is a good thing to have basic strength in each of the character dimensions. Individuals often attain leadership responsibilities because of their level of Drive."



Judgement: Leadership Is Not Regulated, It's a Matter of Choice

The Illusion of Leadership by Regulation

In banking and asset management, leadership is often framed through a regulatory lens.

We operate in environments defined by capital ratios, conduct rules, risk frameworks, governance codes, audit trails, and supervisory scrutiny. Regulation is pervasive, precise, and unforgiving.

It would be easy - comfortable, even - to assume that leadership is therefore regulated. It is not.

Regulation defines boundaries. It sets minimum standards. It prescribes process. But it does not - and cannot - replace judgement.

Leadership, in its purest sense, supersedes regulation. It rises above the framework. It is not about the allocation of responsibility to those at the top; it is about the conscious choice, at every level, to exercise judgement, ownership, and accountability.

And judgement is never outsourced.



A Mountain Without a Rulebook

In January 2025, on Grossglockner - Austria's highest mountain - an experienced Alpinist, identified in court as Thomas P, was found guilty of gross negligent manslaughter after his partner, Kerstin G, died of hypothermia during a winter ascent.

There is no regulatory code governing the interpersonal responsibilities of mountaineers on a summit push. No supervisory authority dictates the precise moment to turn back. No compliance manual defines the threshold at which experience becomes duty.

Yet the court concluded that experience carries expectation. That skill creates obligation. That judgement – misjudged - has consequence.

The judge himself, an experienced climber, did not describe Thomas P as malicious or cold-hearted. He described him as an excellent Alpinist who misjudged the situation. The prosecution argued that as the more experienced climber, he was the "responsible guide." He should have turned back. He should have called for help sooner. He should not have allowed the situation to arise.

The mountain had no regulator. But it had consequences.

I am myself a relatively experienced mountaineer, having climbed extensively across Europe, and spent many seasons in the Alps and stood on the ice and snow-clad summit of Denali, North America's highest peak.

I have followed and been in the shadow of more experienced mountaineers and had those in my shadow.

In each case there is an unspoken code of conduct, of leadership, where reaching the summit should always come second to safety.

But I also know when the magic of summit fever grips you, that this is when judgement needs to shout loudest, and courage to turn back is a deeper call from within than the physical courage needed to climb to the beckoning call of the summit.

Experience Creates Asymmetry - and Responsibility

Leadership in financial services mirrors this asymmetry.

In a boardroom, in a risk committee, on a trading floor, or within an asset allocation discussion, experience is never neutral. It creates gravitational pull. Others rely on it - sometimes explicitly, often silently.

You may not formally be the "guide" on the tour. You may not hold the SMF title, the CIO badge, or the CEO mandate. But when you have more experience, more information, more authority, or simply more confidence, others calibrate their behaviour around you.

On the mountain, Kerstin G's abilities were described as "light-years" behind Thomas P's winter climbing experience. In finance, that gap might be between:

- A seasoned portfolio manager and a junior analyst
- A structured products specialist and a client relationship manager
- A board member and an executive team
- A parent company and a subsidiary

The gap itself creates expectation.

And expectation creates responsibility - whether or not it is codified.



The Regulatory Minimum vs. The Leadership Maximum

Regulation in banking and asset management defines what must be done. Leadership defines what should be done.

Consider the parallels:

On the Mountain	In Financial Services
No law dictates when to turn back	No rule dictates when to walk away from a profitable but misaligned client
No code prescribes the exact moment to call for rescue	No policy dictates the precise point at which a culture problem must be escalated
Experience implies responsibility	Seniority implies accountability
Delay increases risk exponentially	Inaction compounds operational, conduct, and reputational risk

On Grossglockner, wind speeds reportedly reached 74 km/h, temperatures fell to -8°C with a wind chill of -20°C. Webcam footage showed headlamps still moving upward late into the evening. No distress signal was sent when a helicopter flew overhead.

The defence argued that at that point, they still felt fine and were close to the summit.

In finance, we have our own "summits":

- The year-end performance target
- The deal closing deadline
- The AUM milestone
- The market share objective
- "How close we are" can distort judgement.

The question is rarely whether something is explicitly prohibited. It is whether proceeding reflects sound judgement given the asymmetry of experience and the foreseeable downside.

Leadership begins where compliance ends.

Judgement Under Stress

Judgement deteriorates under stress, fatigue, and ambition.

In the Austrian case, the situation reportedly deteriorated dramatically near the summit. Exhaustion set in. A call was eventually made - but late. The sequence of decisions, not one single action, defined the outcome.

The same is true in regulated firms.

Rarely does a conduct failure or balance sheet crisis hinge on one catastrophic act. More often, it is a series of small rationalisations:

- "We're almost there."
- "The model still holds."
- "Let's reassess tomorrow."
- "It's not technically a breach."

In highly regulated environments, leaders can hide behind frameworks: if it passes compliance, it must be acceptable.

But compliance is a floor, not a ceiling.

Judgement asks a different question: Is this wise? Is this proportionate? Is this aligned with our duty to clients, colleagues, and markets?

Criminal Liability and Moral Responsibility

One of the most debated aspects of the Grossglockner case was this: when does personal risk-taking become criminal liability?

That question echoes loudly in financial services.

- When does aggressive growth become reckless expansion?
- When does confidence become negligence?
- When does delegation become abandonment?

Modern regulatory regimes - particularly in banking - have increasingly moved toward individual accountability frameworks. But even these cannot regulate intent, character, or courage.

- You cannot regulate empathy.
- You cannot regulate prudence.
- You cannot regulate the decision to turn back.

You can only choose them.

Self-Leadership: Not a Title, but a Choice

The most important lesson for banking and asset management leadership is this:

Leadership is not a role allocated at the top of an organisational chart. It is a choice exercised at every level. **Self-leadership means:**

- Escalating when others remain silent
- Challenging when consensus feels comfortable
- Pausing when momentum feels intoxicating
- Turning back when targets feel within reach

On a mountain, self-leadership might mean refusing to continue despite the summit being close.

In a bank, it might mean:

- Stopping a product launch despite sunk costs
- Refusing revenue that compromises client interest
- Admitting uncertainty in front of the board
- Calling for help before the situation deteriorates

The Austrian court did not find malice. It found misjudgement.

In financial services, most failures are not born of malice. They are born of overconfidence, delayed escalation, misplaced optimism, and the quiet diffusion of responsibility.



Armstrong Wolfe Interim



On-Demand Expertise for Lasting Impact

Armstrong Wolfe Interim (AWI) is a global network of former bankers and asset managers available for short- to long-term engagements. Managed by Armstrong Wolfe, our network consists of trusted alumni, including experienced COOs and business managers.

Our proposition is practitioner-led, with subject matter experts (SMEs) who have proven success in delivery and execution, supported by years of experience in regional and global leadership roles. Globally distributed and mobile, our community supports short- to long-term project and programme management, consulting, advisory services, mentoring, and leadership training across financial services.

- Operationalising regulation
- Structuring and leading remediation
- 1LoD Controls and Conduct
- TOM design & implementation
- Business restructuring
- Turnaround: distressed projects and programs
- Running multi-dimensional internal service provisions
- Cost reviews and programs, design, and execution
- Product and regional business management

Our alumni and global network

Those invited to join our network are either transitioning between permanent roles or have committed themselves to a second career in an advisory or consulting capacity. Joining the network is by application, invitation or referral, each applicant is interviewed, and references secured before appointment.

Post successful assessment, full time interims are offered individual iCOOC membership, allowing them to attend selected forums and symposiums, and receive AW articles and periodicals.

Members of the network can be offered an opportunity to be appointed an Armstrong Wolfe Business Advisor, giving them full membership rights in return for supporting the Company's activities, such as participating in forums as a panellist or in the provision of content.

This approach to managing and supporting our network ensures its members remain relevant and up to date on market demands, subjects, and dynamics.

For further information on our Alumni offering please contact in the first instance Will Parry, Business Manager to the CEO, Advisory and Alumni, Armstrong Wolfe: w.parry@armstrongwolfe.com

RIDING FOR HOPE: THE COO COMMUNITY'S JOURNEY TO BOSNIA

MAURICE EVLYN-BUFTON

TRUSTEE GCF BOSNIA: THE COOS CHARITY

In May, members of the global COO Community once again travelled to Bosnia and Herzegovina in support of the Goražde Children's Foundation (GCF), continuing a commitment that now spans a decade and connects today's financial services leaders with a community forever shaped by conflict, resilience, and hope.

What began as a charity cycle ride has evolved into something far greater: a demonstration of leadership, remembrance, and the enduring responsibility we share to invest in future generations.

A Welcome in Sarajevo

On 20 May, more than forty riders arrived in Sarajevo, accompanied by family members and friends who formed the support team behind the journey. Before departing, the group was honoured to be received by President Denis Bećirović, following an introduction facilitated by Osman Topčagić, the Ambassador of Bosnia and Herzegovina to the United Kingdom and one of GCF's patrons.

The President expressed his gratitude for the charity's longstanding support of the children of Goražde and for helping keep Bosnia's story alive within the international business and banking community. His remarks served as a powerful reminder that meaningful partnerships can transcend borders and generations.

For many riders, the journey was also deeply personal. Families travelled together, with fathers and sons sharing an experience rooted in service, reflection, and purpose.

The Road to Goražde

At sunrise on 22 May, the riders set out on the 100-kilometre journey from Sarajevo to Goražde.

The route wound through dramatic cliffside roads, mountain tunnels, and high passes before descending into the Drina Valley. Every participant completed the ride, supported by a remarkable team working behind the scenes to ensure the success and safety of the expedition.

Yet the physical challenge is only part of the story. As the riders approached Goražde, they were welcomed by children waving Bosnian flags alongside Union Jacks. For first-time participants, the experience was profoundly moving. For returning riders, it remains a powerful reminder of why the journey continues.

The fatigue of the ride quickly disappears when confronted by the energy, warmth, and optimism of the children whose lives the charity seeks to support.

> “Supporting the GCFBosnia was a genuinely humbling and life-affirming experience. Bosnia, in particular the inspiring people of Goražde, remind us all that friendship, resilience and camaraderie can cross all borders - and that even small acts of support can create real hope for the next generation.”
> Team JPMorganChase

Investing in the Next Generation

The school celebrations that followed embodied everything GCF stands for. Children performed songs and dances before the announcement of competition winners and the presentation of cycling jerseys. Particular excitement surrounded the annual essay competition, with two winners earning the opportunity to visit London this autumn.

Each prize recipient also received a framed letter from HRH The Duke of Gloucester, one of the charity's patrons alongside Osman Topčagić. The pride, disbelief, and joy on the faces of the children were unforgettable. **These moments reinforce a simple truth:** investment in young people creates opportunities that extend far beyond financial support. It creates confidence, aspiration, and belief in what is possible.

Hope Point

The most significant moment of the visit came on Sunday with the opening of a new extension to the British Memorial overlooking Goražde. Designed and funded by the charity, the memorial honours six British soldiers who lost their lives in the area while serving with United Nations forces during the Bosnian conflict.

Located high above the town on a former British Observation Post, the site offers panoramic views across the mountains and valleys that once formed the front lines of war. Veterans who served there often speak of watching the sunrise above a sea of cloud or hearing the distant sound of the battalion bugler playing Last Post as evening settled over the valley.

The newly dedicated extension has been named Hope Point. The memorial honours the memory of 271 children from communities along this stretch of the River Drina who lost their lives during the conflict.

Families, riders, local residents, and schoolchildren gathered together carrying stones collected from the riverbed itself. The stones were washed, blessed, and named before being laid as part of a permanent cairn.

Prayers were offered by representatives of three faiths - a Muslim, an Anglican, and a Catholic - drawing upon passages from the Qur'an and the Bible that celebrate the gift and value of children. The ceremony reflected the spirit of reconciliation and shared humanity that has become central to the charity's mission. **The cairn stands as a symbol of remembrance and hope: built by the children of today to honour the children who were lost and to inspire future generations.**























The Children of the River Drina

Among the most emotional moments of the day was the reading of a poem entitled To the Children of the River Drina.

The poem was read by the author's sons alongside the son of fellow rider Nick, while two local sisters simultaneously delivered the Bosnian translation.

One of the women had herself been a child during the conflict and spoke movingly about her memories of British soldiers sharing sweets from their ration packs with local children during patrols through the town. Small acts of kindness, she reflected, are often remembered long after conflict itself has ended.

Her words served as a reminder that humanitarian impact is frequently measured not in grand gestures but in simple moments of compassion.

Hill 72: A Vision for the Future

Looking ahead, the charity's ambitions continue to grow.

With the support of local leaders and the Regional Prime Minister, plans are being developed to transform the memorial site into an arboretum and place of reflection dedicated to the service of British forces throughout Bosnia during the conflict.

The site will become known as Hill 72, commemorating the seventy-two British servicemen and women who gave their lives while serving in Bosnia under the United Nations.

The vision is for Hill 72 to become a place of remembrance, education, and pilgrimage - honouring sacrifice while helping future generations understand the importance of peace, reconciliation, and international service.



Leadership Beyond Business

For members of the COO Community, the Bosnia ride represents something that extends well beyond philanthropy.

It reflects the values that define effective leadership: commitment, resilience, responsibility, and the belief that success should create opportunities for others.

The relationship between the global COO community and Goražde continues to demonstrate how business leaders can use their networks, influence, and resources to create meaningful and lasting impact.

As preparations begin for next year's ride, the commitment remains unchanged - to support the children of Goražde, honour those who served, and ensure that remembrance is matched by action. **Because leadership is ultimately measured not only by what we achieve, but by what we leave behind.**

"Supporting GCF Bosnia over the last few days with the cycle ride, meeting the school pupils, and the ceremony today helps reaffirm that hope always beats hatred." **Adam Tyrell**

"It's humbling and inspiring to see - and be a small part of - what GCF have created. The sense of tired accomplishment as we crest the final hairpin, the joyous welcome of the children as we cycle into the throng, the elegant and somber memorials, the camaraderie and spirit in the COO community as we trade raucous renditions of 80s classics and glasses of slivovitz… Last time I said never again after the Devil's Back, but this is a truly special event that I am proud to have been able to join one more time. Thank you all." **Alan Leigh**

"What a privilege to be able to bear witness to the real impact of a charity event… seeing the faces of the children at the school ceremony brought home the reality of what GCF is doing in Goražde. Immense kudos to all who made it by bike, and to all the superstars who organised every detail of the multi-day event (not to mention the mountain driving!) - it's been truly special, thank you." **Anna Stephenson**

"...a truly eye-opening, humbling and off-the-beaten-track experience that reminds you what really matters - friendship, resilience, perspective and human connection. Supporting GCFBosnia and experiencing the incredible spirit of Bosnia has been genuinely life-affirming..." **Fiona Sainz**

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