Innovation for Financial Services

16 - 17 October 2014
@ PALAIS DES CONGRÈS DE MONTRÉAL - Montréal, Canada

Editorial team: A. L. Mention, M. Torkkeli, D. Salampasis, D. De Smet, N. Vasilantonaki
Dear Delegates,

We are delighted to welcome you to the fourth edition of the International Conference “Innovation for Financial Services” during which you will meet national and international experts to share knowledge and experience in a field that is essential for the continuous growth and competitiveness of the global economy.

Montréal is a leading financial centre in North America, and has demonstrated its strength through its stability during the recent financial turmoil. The international character of Montréal, its pro-business and dynamic environment and multicultural workforce are well known to its various business partners. As with the previous editions, Innovation for Financial Services 2014 will deal with innovation in financial services under all of its possible forms. This allows covering a large spectrum of the research and practitioner activities in innovation for financial services.

Innovation in and for financial services is a multidimensional and multipolar phenomenon expressed in various forms, practices and typologies. The financial services sector is a foundational sector of the worldwide economy seeking solutions and best practices to embrace innovation and face the multipolar challenges of the 21st century global and constantly changing economy.

This event revolves around innovation in and for financial services, and aims at considering the multifaceted nature of innovation, thus embracing products, services, processes, marketing, business model and many more innovation types. It encompasses innovations ranging from the promotion of new financial products and services, the development of new processes to facilitate financial transactions and streamline operations, the interaction with customers, to the design of new governance mechanisms and organizational structures for the financial ecosystem. Last but not least, its significant contribution to the economy adds to the complexity of financial innovation.

A full understanding of it requires therefore the collaboration of experts and scholars in many fields of research, including economics, business, management, marketing, law and technology. This fourth event will provide insights and food for thought to stimulate the required multidisciplinarity for financial innovations. Furthermore, it is fully anchored in our strategy to raise awareness on innovation, its benefits and also their associated challenges and risks, in a sector that is critical for the proper running of the entire economy and which is increasingly embedded into larger and evolving ecosystems. Our purpose is to provide a platform for hosting the debate on financial innovation, unifying academic insights, practical and pragmatic case studies and experiences, and policy making perspectives so as to trigger properly designed, sustainably managed and correctly implemented innovations. We also pursue this objective of encouraging sustainable financial innovation, and cross-fertilization among disciplines in our forthcoming book by Cambridge Scholars Publishing, “Innovation in financial services: A dual ambiguity” to be released by the end of 2014.

As organizers of this international event, we would like to wish you successful and fruitful discussions and exchanges. We also hope you will enjoy a rewarding innovation journey!

Dr. Anne-Laure Mention  Prof. Dr. Marko Torkkeli
Innofin Lead Organiser  Innofin Lead Organiser
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SCIENTIFIC COMMITTEE

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Annie Tremblay, Project Director, Finance Montréal
Sylvie Durand, Manager, Corporate Services & Event Logistics, Finance Montréal, International Financial Centre of Montréal and Banque Nationale
### Venue

**Palais des congrès de Montréal**, 1001 Place Jean-Paul-Riopelle, Montréal, Canada.

### From 08:30

Delegate Registration

### 09:00 - 10:45  **PLENARY SESSION 1  (Room 512 a/b/e/f)**

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<tr>
<th>Time</th>
<th>Speaker</th>
<th>Title</th>
<th>Organization</th>
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</thead>
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<tr>
<td>09:00</td>
<td>Richard Boivin</td>
<td><strong>Opening address</strong></td>
<td>Sous-ministre adjoint Ministère des Finances et de l’économie, Gouvernement du Québec</td>
</tr>
<tr>
<td>09:15</td>
<td>Scott Edgett</td>
<td><strong>Keynote Address “Driving Innovation - A Critical Capability”</strong></td>
<td>Chief Executive Officer and Co-Founder Stage-Gate International and the Product Development Institute</td>
</tr>
<tr>
<td>10:00</td>
<td>Brian Bieron</td>
<td><strong>Keynote Address “Data Analytics and Financial Services Regulation in the 21st Century”</strong></td>
<td>Executive Director eBay Inc. Policy Lab</td>
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### 10:45 - 11:15  **REFRESHMENT BREAK  (Room 513 A/B/C)**

### 11:15 - 12:30  **PLENARY SESSION 2  (Room 512 a/b/e/f)**

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<tr>
<th>Time</th>
<th>Speaker</th>
<th>Title</th>
<th>Organization</th>
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</thead>
<tbody>
<tr>
<td>11:15</td>
<td>Eric Lemieux</td>
<td><strong>Keynote address “On Your Radar - Concrete Value Creation in Montréal’s FinTech Industry”</strong></td>
<td>Chief Executive Officer Finance Montréal</td>
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<tr>
<td>11:30</td>
<td>Robert Smythe</td>
<td><strong>Keynote Address “Mobile Payments as the Point of Sale - Accelerating the Use of Digital Currency”</strong></td>
<td>IDC Associate Financial Insights IDC Canada</td>
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<tr>
<td>12:00</td>
<td>Pascal François</td>
<td><strong>Keynote Address “A few Myths and a bit of Reality about Derivatives”</strong></td>
<td>Director Montreal Institute of Structured Finance and Derivatives (IFSID)</td>
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### 12:30 - 14:00  **NETWORKING LUNCH  (Room 513 A/B/C)**
14:00 - 16:00  PLENARY SESSION 3  (Room 512 a/b/e/f)

14:00 - 14:40
Craig Weber
Keynote Address “Innovation in Financial Services Firms - The Leadership Gap”
Chief Executive Officer
Celent

14:40 - 15:20
Marie Muldowney
Keynote Address “Education in the Innovation Equation”
Managing Director
Moody’s Analytics

15:20 - 16:00
Mark Yeandle
Keynote Address “How Technology can affect the Competitiveness of Financial Centres”
Senior Consultant
Z/Yen Group

16:00 - 16:30  REFRESHMENT BREAK  (Room 513 A/B/C)

16:30 - 18:00  PANEL DISCUSSION  (Room 512 a/b/e/f)

“IT for Financial Services - Digital Disruptions towards Innovation and Growth”

This panel brings together the insights and expertise of financial services executives to examine the use of technology the financial services industry and share “up to speed but down to earth” ideas on how the financial industry can
a) keep up with changes and realize the need to adopt new technologies and
b) capitalize on information technology capabilities and opportunities that this changing environment presents so as to achieve a distinct competitive advantage and high performance.

Moderated by Dimitrios Salampasis

Keynote introduction by Mircea Mihaescu

Panelists include:

Eric Lemieux
CEO Cluster Finance, Canada

Mircea Mihaescu
Managing Director
SBT Venture Capital, Russia

Dimitrios Salampasis
Doctoral Researcher,
CRP Henri Tudor

Anette Broles
CEO Copenhagen Finance IT Region (CFIR), Denmark

Anne-Laure Mention
Head of Unit, CRP Henri Tudor
19:00   GALA DINNER

**Venue**
**Club Saint -James**
1145 Union Avenue, Montréal QC, H3B 3C2
For practical issues on how to get there, please visit stjamesclub.ca/private-club-montreal.html

**Dress code**
Smart casual (i.e. ties not required)

### Club Saint -James

Since 1857, the Saint-James Club has evolved and reinvented itself without ever compromising its character or its high standards of quality and service. It strives constantly to surpass its members’ expectations and plays an important role in the Montreal business community by providing an exclusive, prestigious environment that enhances networking and corporate relationships.

Today, the Saint-James Club continues to evolve. It has opened its doors to a greater diversity of members, relaxed its dress code and equipped its facilities with state-of-the-art technology.

The Saint-James Club remains on trend, while maintaining its impeccable service and respect for tradition; it is the perfect location to experience the convergence of business and prestige.
**Venue**
Palais des congrès de Montréal, 1001 Place Jean-Paul-Riopelle, Montréal, Canada.

### 09:00 - 10:30  PARALLEL SESSIONS 1

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<th>WORKSHOP 1</th>
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<tr>
<td><strong>“Business Model Canvas”</strong></td>
<td><strong>“Financial Education”</strong></td>
<td><strong>“ICT - enabled innovation”</strong></td>
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<tr>
<td>Moderated by Denis Dennehy and Dieter De Smet</td>
<td>Moderated by Dimitrios Salampasis</td>
<td>Moderated by Sergey Yablonsky</td>
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<td>Room: 512 a/b/e/f</td>
<td>Room: 512 C</td>
<td>Room: 512 G</td>
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<tr>
<td>How can design thinking and visualisation tools support innovation in financial services companies?</td>
<td>“Financial literacy of young customers and their expectations concerning banking services”</td>
<td>“APplied behavioral finance: A review of the use of mobile apps as a tool and platform for behavioral finance research within multinational retail banks”</td>
</tr>
<tr>
<td>An interactive workshop using the business model canvas.</td>
<td>Monika Klimontowicz &amp; Bożena Fraczek</td>
<td>Floyd Newsum</td>
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<td></td>
<td>“E-transparency of finance institutions: The case of Lithuanian credit providers”</td>
<td>“Cloud-enabled innovations for financial services”</td>
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<td></td>
<td>Ginta Railiene</td>
<td>Sergey Yablonsky</td>
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<td></td>
<td>“The ethics of (financial) speculation”</td>
<td>“What types of innovation contribute to performance in financial services?”</td>
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<tr>
<td></td>
<td>Matthias Georg Will</td>
<td>Andrey Martovoy</td>
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### 10:30 - 11:00  REFRESHMENT BREAK  (Room 513 A/B/C)

### 11:00 - 12:30  PARALLEL SESSIONS 2

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<tr>
<th>WORKSHOP 2</th>
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<tr>
<td><strong>“Longevity risk and its impact on pension fund management”</strong></td>
<td><strong>“Open &amp; collaborative innovation”</strong></td>
<td><strong>“M-E Finance”</strong></td>
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<tr>
<td>Moderated by Pascal François</td>
<td>Moderated by Anne-Laure Mention</td>
<td>Moderated by Denis Dennehy</td>
</tr>
<tr>
<td>Room: 512 a/b/e/f</td>
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<tr>
<td>Contributions by:</td>
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<td>Investigation into the adoption of interactive e-channels in the finance industry</td>
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<td>Christian Dorion</td>
<td>“Improving innovation: A Deloitte perspective on how financial institutions can become better innovators”</td>
<td>CK Chan</td>
</tr>
<tr>
<td>Pierre-Carl Michaud</td>
<td>Terry Stuart</td>
<td>Trends in mobile payments research: A literature review</td>
</tr>
<tr>
<td>Christian Robert</td>
<td>“The exploration of the human element in open innovation: The case of financial institutions”</td>
<td>Denis Dennehy &amp; David Sammon</td>
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<tr>
<td></td>
<td>Dimitrios Salampasis</td>
<td>Managing overpayment risk in G2P (government to person) payment flows through innovative use of voice biometrics</td>
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<td></td>
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<td>Tariq Habib</td>
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<td></td>
<td>“IdeaVault.ch – The first non-proprietary international open innovation platform for the financial services industry ”</td>
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**SESSION 3A**

**“Customer centricity”**
Moderated by Dieter De Smet

*Room: 512 a/b/e/f*

- “Société Générale: Creative and collaborative workplace”  
  *Laurent Marochini*
- “The involvement of customers in financial services”  
  *Dieter De Smet*

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**SESSION 3B**

**“Financial Products”**
Moderated by Michèle Breton

*Room: 512 C*

- “Factor Models and Longevity Risk Management”  
  *Christian Dorion*
- “Pricing counterparty risk for American and Bermudian-type derivatives”  
  *Michèle Breton*
- “Market Reaction to Patent Events – Event Study –”  
  *Niaz Kammoun*

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**15:30 - 16:00  REFRESHMENT BREAK  (room 513 A/B/C)**

**16:00 - 17:30  WORKSHOP 4**

**WORKSHOP 4**

**“Harnessing the Power of Insight: Customer Centric Product Innovation”**
Moderated by Lina Bonapace & Jennifer Fraser

*Room: 512 a/b/c/f*

Trends in technology and user-centric forces are strongly driving today’s business innovation in many sectors including financial and insurance. Incorporating user insights to ideation and design phases can transform your solutions. In this interactive workshop, participants will co-create a mobile-based financial product, service, or ecosystem concept grounded in customer and employee needs.

**17:30  END OF DAY 2 AND CLOSURE OF IFS 2014**
Access to the Palais des congres de Montréal.

**BY MÉTRO**

The Palais des congres is located at the Place-d’Armes métro station. Directions at the métro exit will guide you to our installations.

**BY BUS**

Bus lines 55 and 129 stop in front of the Palais des Congrès.

**BY TRAIN**

By métro from:
- **Lucien-L’Allier station** (commuter train terminal from Dorion/Rigaud, Delson/Candiac and Blainville/St. Jérôme), take the orange line towards Montmorency. Stop at Place-d’Armes and follow the directions to the Palais des Congrès.
- **From Gare Centrale** (commuter train terminal from Mont-Saint-Hilaire and Deux-Montagnes and Via Rail trains), follow the directions to get to the Bonaventure métro station. Take the orange line towards Montmorency until Place-d’Armes.

**ON FOOT FROM GARE CENTRALE**

You can also get to the Palais from Gare Centrale on foot in less than 10 minutes. Take De La Gauchetière West towards University Street. Take a right on University and a left on Viger. The Palais is on your right at the fourth stop light.
Saint James’s Club, Montreal’s first private club, was established on July 14, 1857. Respectful of traditions, Saint James’s Club has modernized over time, adding modern technology without sacrificing the quality of its service or losing sight of the traditions that have made its reputation. Its undeniable elegance and warm decor allow its members to take advantage of an ideal setting for meetings and networking.

- Saint James’s Club is located in the heart of Montreal’s business district, at the corner of René-Lévesque Blvd. West and Union Avenue. The Club is within walking distance of business offices, shopping and services.
- Directly accessible by metro: Using public transportation? Saint James’s Club is located near Square-Victoria Metro Station (orange line) and about a 5-minute walk from McGill Station (green line).
- Close to everything: Located just two blocks from famous Sainte-Catherine Street, Place Bonaventure, Windsor Train Station, Bell Center and much more, Saint James’s Club is also close to the Old Montreal and its unique atmosphere.

**Saint James’s Club** - 1145 Union Avenue - Montreal QC H3B 3C2
INNOFIN

Strategic management, innovation and technology management services

INNOFIN combines competences from engineering, business, economics and management to help your company define, shape and implement its strategic objectives and achieve sustainable competitive advantage.

INNOFIN provides services in the field of strategic management, innovation and technology management. Our expertise has been put in practice in hundreds of successfully implemented customer projects across four continents. Recently, we supported world leaders in the fields of strategy creation and implementation, facilitated the elaboration of strategic and operational roadmaps. We also advised leading firms in their process of adopting open innovation strategies and practices, and in the renewal of their business models.

WE DELIVER:

Science-based leading solutions, methods, techniques, models, frameworks and approaches to support innovation capabilities, to foster a culture and mindset for creativity, innovation and excellence, to nurture talents within your firm, to help you and your customers create your ecosystems for value creation.

OUR ASSETS AND SERVICES:

Research, development and advisory services

We have profound history of combining both academic research and practitioner advisory services.

We have published in total over 350 academic papers and reports in leading forums. Our strengths are the combination of analytical skills, cognitive thinking, and qualitative and quantitative methods in advisable and actionable format. We provide organizations with hands-on evaluation and development tools for innovation and strategic management, from ideation to process development and implementation.

Facilitation and coaching services

We offer innovation and strategic management workshops, tailored to your needs. We also provide coaching on innovation management, covering the entire innovation lifecycle, from strategy to implementation and we help you build organizational knowledge repositories.

INNOFIN
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www.innofin.org
Looking for a business opportunity that makes sense? Here’s a smart value proposition.

Québec’s financial services industry is solid, dynamic and profitable. Strategic commercial hub linking North America and Europe, Montréal is a world-class metropolis which contributes to the Canadian economic, fiscal and regulatory environment renowned for its stability and solidity. With its experimented and diversified talent pool, Montréal’s finance professionals create value at low cost. They activate innovative projects in a multicultural city open to the world.

Montréal is smart finance.

Take advantage of all the city’s financial services industry has to offer at www.finance-montreal.com

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5, 7 et 12 janvier 2015

Module 2
Les dérivés sur actions et indices
22, 26 et 29 janvier 2015

Module 3
Les dérivés de change
2, 4 et 9 février 2015

Module 4
Introduction aux dérivés sur titres à revenu fixe
9, 11 et 16 février 2015

Module 5
Introduction aux dérivés environnementaux et climatologiques
23 et 25 mars 2015

Module 6
Les dérivés de crédit
20, 22 et 27 avril 2015

Module 7
Les produits structurés
20 mars et 1er avril 2015

Module 8
Les opérations de « back office »
7, 9 et 14 avril 2015

Module 9
La gestion des risques
17, 19 et 24 mars 2015

Module 10
Comptabilisation des dérivés
12, 14 et 19 mai 2015

Module 11
Aspects juridiques liés aux instruments dérivés
4 et 6 mai 2015

L’horaire de chaque module est de 2 ou 3 soirées de 18 h à 21 h.
La formation est dispensée à HEC Montréal, à l’exception d’un module qui se donnera à la Bourse de Montréal.

hec.ca/fcd
ACKNOWLEDGMENTS

Many thanks to our sponsors, speakers and supporters for making this conference a success in Montreal!
The Innovation Leaders Club (FR: Cercle des leaders de l’innovation) is a private and elite club composed exclusively of senior executives. The Innovation Leaders Club brings together innovation leaders who want to discuss their current reality and their previous innovation management experiences with their peers in a friendly and informal setting. Its primary purpose is to share best practices and experience among innovation leaders.

Meetings are attended by 15 to 20 innovation leaders who engage in productive interpersonal exchanges, centered on sharing knowledge and best practices. All the exchanges are led and moderated by a recognized expert in innovation management.

The club now operates in major cities in North America and Europe, such as New-York, Montreal, Toronto, but also Paris and London. And many of the most innovative companies such as L’Oreal, Chanel, Colgate Palmolive Company, American Express, GE, La Poste, Volvo, Agropur, Merck, Ericsson, Hydro Quebec, Cascades, Desjardins, CGI, Arcelor-Mittal, Oldcastle, are members of this exclusive club.

EXAMPLES OF POTENTIAL DISCUSSION TOPICS

- Innovating through customer experience
- Migrating from co-development to co-innovation
- Creating a more innovative business model
- Creating a Chief Innovation Officer role
- Making open innovation part of your current practices
- Making gamification approaches part of your innovation process
- Fostering a creative environment
- Evaluating the real market potential of a major innovation
- Developing effective multifunctional project teams
- Evaluating your innovation performance
- Strategically managing your innovation project portfolio

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Gare Centrale, Montréal (Québec) H3B 5J8
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A milestone was reached in 1995 when World Scientific co-founded Imperial College Press with the prestigious Imperial College London, one of Britain’s premier research and teaching institutions in science, engineering and medicine. World Scientific is also a major publisher of the works of Nobel laureates from various fields and it has been awarded exclusive rights by the Nobel Foundation to publish and distribute the entire series of Nobel lectures (1901 – 2009) in English.
Innovation in Financial Services: A Dual Ambiguity

Edited by Anne-Laure Mention and Marko Torkkeli

“Innovation in Financial Services: a dual ambiguity” gathers some of the latest thinking in the growing field of innovation in services and more particularly, in financial services. It explores the peculiarities of innovation in financial services firms and surrounding market players, discusses the openness nature of the innovation process, analyses its success factors and its interplay with strategy and performance.

This book provides topical insights on the challenges facing the financial industry, such as the convergence with other sectors, and the increasing regulatory burden. By combining multidisciplinary approaches and by selecting a number of cutting-edge research models, theories, empirical findings and practitioners’ insights, it offers unique, contemporary and multidimensional perspectives on innovation for a sector of paramount importance for the running of our economies.

This book comes at a time of turbulence, uncertainty and within an industry in need for vision and strategic foresight. By synthesizing multiple views from academia and practice, it aims at opening the agenda and contributing to the on-going debate of redefining the multi-polar role of innovation in the financial industry.

Contributions from leading scholars and thought leaders from multiple fields.

The book will be available by the end of 2014 via Cambridge Scholars Publishing (www.c-s-p.org) and Amazon.

“For a truly global perspective on service innovation in the financial sector, this compendium provides wonderful fresh perspectives. Truly required reading for all service scientists.”

Dr. James (“Jim”) C. Spohrer
IBM Research
Innovation is a laboratory for applied creativity where development of innovative projects and exploration of new directions in different disciplines are dynamically perceived. Innovation enables a more conscious perception of place and its characteristics; it is an experimental space in which design methods can be used to examine and interrogate ideas, forms, structures, dreams and visions. Innovation is about transgressing boundaries of multiple disciplines in view of developing novelties or improving existing offerings, methods and processes while taking into account numerous dimensions and angles. It is also about opening new perspectives on the world of tomorrow. Innovation is also a state of mind, which has to be nurtured and cultivated. The currently turbulent environment renders innovation even more challenging, yet necessary, to reach the competitive edge and maintain sustainable advantage. The successful ability to innovate requires a multidisciplinary attitude towards understanding, designing and implementing an overarching innovation strategy.

This journal encourages the submission of papers addressing the multidisciplinary nature of the innovation process combining principles and concepts originating from a myriad of scientific areas, from social sciences to technology research and development.

**TOPICS**

The multidisciplinary perspective associated with the Journal of Innovation Management means that papers should combine, though not being restricted, to the following areas:

- Economics, business and management science
- Technology, engineering and Science

The Editorial team is looking forward to receiving manuscripts addressing the various challenges linked to innovation by bringing together international academics, professional associations, policy makers, thought leaders and practitioners.

The inaugural issue of the Journal of Innovation Management is online and can be consulted at [www.open-jim.org](http://www.open-jim.org)

For more information regarding the submission procedure you are kindly asked to visit the Journal of Innovation Management’s website at [www.open-jim.org](http://www.open-jim.org)

**FOUNDING EDITORS:** João José Pinto Ferreira, Anne-Laure Mention, Marko Torkkeli
Innovation is a laboratory for applied creativity where development of innovative projects and exploration of new directions in different disciplines are dynamically perceived. Innovation enables a more conscious perception of place and its characteristics; it is an experimental space in which design methods can be used to examine and interrogate ideas, forms, structures, dreams and visions. Innovation is about transgressing boundaries of multiple disciplines in view of developing novelties or improving existing offerings, methods and processes while taking into account numerous dimensions and angles. It is also about opening new perspectives on the world of tomorrow. Innovation is also a state of mind, which has to be nurtured and cultivated. The currently turbulent environment renders innovation even more challenging, yet necessary, to reach the competitive edge and maintain sustainable advantage. The successful ability to innovate requires a multidisciplinary attitude towards understanding, designing and implementing an overarching innovation strategy.

**OBJECTIVE**

This one-day workshop taking place simultaneously aims at:
- gathering a mixed audience of innovation professionals
- celebrating the first year of the “Journal of Innovation Management”. It addresses a wide audience involved in innovation and aims at bringing together international academics, professional associations, policy makers, thought leaders and practitioners, to discuss the various challenges linked to innovation.

**IMPORTANT DATES**
- Submission of the outline: 21st October 2014
- Final registration AND payment: 5th November 2014
- Full paper submission: 15th November 2014
- 5 minutes Video Presentation Upload (for on-line-only presentations): 15th November 2014

The topics to be addressed during the workshop, cover a wide spectrum both of different forms of innovation (product, service, process, organizational, marketing) and disciplinary perspective (business and economics, social sciences, engineering, information science) reflecting the multidisciplinary facet of innovation.

Registration Fee Participation to the workshop with lunch, coffee breaks and networking dinner: € 200 (taxes excluded).

**PROGRAM**

This event will gather a mixed audience of academics from many disciplinary lines, thought leaders, practitioners, policy makers etc. will also offer various keynote speeches, parallel sessions, discussion panels, and interactive sessions on different themes on innovation management, both from a practitioner and an academic point of view. It will provide excellent opportunities to discuss and share experiences with academics, practitioners and policymakers, together with a taste of the international character of Vienna. “The City of Music” was ranked 1st globally for its culture of innovation in 2007 and 2008, and 5th globally in the 2011 Innovation Cities Index.

The [preliminary program](open-jim.org) is online at open-jim.org

**VENUE:** Austrian Federal Economic Chamber, Wiedner Hauptstraße 63 - 1045 Wien
CALL FOR PAPERS

Innovation for Financial Services, October 2015, in Singapore.

Innovation for Financial Services is a series of specialized international events for people working with innovation in the financial services sector and surrounding industries. The aim is to visit prime financial services centers across the world, building connections between financial services professionals, consultants, ICT experts, policy makers and academics and enabling them to present and discuss the latest developments relating to innovations for, and within, the financial services sector. The 2015 Conference will be held in Singapore in October. More information will follow shortly.

Financial services face numerous challenges, both from a practitioner and an academic perspective: adapting to new and increasingly complex regulations, meeting the evolving needs of customers in terms of products, services and communication channels, addressing the increasing need for customer-centric approaches, enabling the automation of processes so as to streamline costs and improve efficiency, rebuilding confidence, trust and reputation, dealing with more and more standards, technologies and solutions, cooperating with educational bodies so as to nurture future talents for the industry, ensuring that the financial system meets the needs of society and its changing patterns or measuring its performance in economic and intangible terms, to name a few. Addressing those challenges requires a collaborative and multidisciplinary approach to foster innovation and ensure its smooth adoption.

OBJECTIVE

The aim of this conference is to bring together international academics and practitioners, to discuss the various challenges linked to innovation in, and for, financial services across continents. Singapore is a leading financial services provider in Asia, acting as a hub for the booming Asian-Pacific region. The international character, its pro-business environment and multicultural workforce are well known to its various business partners and make it an attractive and natural place for hosting our international event. As with the previous editions, Innovation for Financial Services 2015 will deal with innovation in financial services under all of its possible forms. This allows covering a large spectrum of the research and practitioner activities in innovation for financial services. Submissions from academic, research, consulting, industry, intermediary and policy organizations are strongly encouraged and should focus on the following themes:

- Innovation practices for financial services
- Organizational innovation in the financial industry
- Measuring innovation and its effects in financial services
- Collaborative tools for innovation in the financial services sector
- Lean management and process improvement
- Technological change and ICT-enabled innovation
- Risk management and governance in financial services
- Open innovation and collaboration within and across sectors
- Sustainability in finance
- Regulation and innovation
- Transferability of innovations from other industries to the financial services industry
- Other topical issues in innovation in financial services

PROGRAMME

This conference will also offer various keynote speeches, parallel sessions, discussion panels, and interactive sessions on innovation for financial services, both from a practitioner and an academic point of view. It will provide excellent opportunities to discuss and share experiences with academics, practitioners and policymakers, together with a taste of the international character of the lively and charming city of Singapore.

Email: anne.laure.mention@innofin.org
Session 1A: “FINANCIAL EDUCATION”
Moderated by Dimitrios SALAMPASIS

“Financial literacy of young customers and their expectations concerning banking services”
Monika KLIMONTOWICZ 1, Bożena FRACZEK 1
1 Department of Banking and Financial Markets, University of Economics in Katowice, Poland
Keywords: financial literacy, financial education, young customers’ financial needs, financial behaviour

Dynamic changes in economic environment, especially regarding financial markets, cause the necessity to develop financial skills of societies. Being rational customer of financial and banking institutions needs proper knowledge and skills. Meanwhile, despite the large number of different initiative in this field, the financial education level around the world is rather low. This state is influenced by many factors and differs in particular target group of financial education. The paper focuses on the young people as the most important group for further development of societies. It presents the result of the pilot survey which were conducted at the turn of 2013 and 2014 in selected European countries and is prepared combining descriptive theoretical and empirical methods. The survey assesses the young customers’ financial awareness and knowledge, including financial products, institutions, and concepts, and financial skills such as the ability to calculate compound interest payments. Moreover, it examines if financial literacy determines young customers’ expectations concerning banking services.

“E-transparency of finance institutions: The case of Lithuanian credit providers”
Ginta RAILIENE 1
1 Kaunas University of Technology, Lithuania
Keywords: e-transparency, information disclosure, website, social media, finance institutions, banks, credit unions, Lithuania

The information provided by finance institutions is significant for stakeholders, is important for sustaining stability and trust, and is important for finance institution itself. The information acts as the basis for stakeholder decisions and as the factor of their satisfaction with finance institution. The e-transparency concept employed in the paper is treated as public availability of specific information that is disclosed not only because of legal requirements, but voluntary as well. The discussion is even broader, i.e. thinking on ways used for information dissemination, as digital technologies provide, evidently, variety of opportunities. Thus the problem analysed in the paper is: what is the e-transparency level of Lithuanian credit providers and how innovative finance institutions are in disseminating the regulatory and voluntary information. The research results indicate that Lithuanian banks may be characterized as contributing to legal requirements, and voluntary presentation of data is brief and mostly related to the size of the bank, although the innovativeness of ways used for information dissemination may be valued as average compared to IT possibilities. The e-transparency culture is under development in case of CUs and is not testable in case of consumer credit enterprises (excluding finance institutions).
“The Ethics of Financial Speculation in Futures Markets”
Matthias Georg WILL, Ingoo PIES, Thomas GLAUBEN, Sören PREHN

Keywords: ethics, speculation, financial speculation, futures market, agricultural commodities, index funds, moral criticism

This article sketches an ethics of (financial) speculation. (1) It identifies an intentionalistic fallacy prevalent in moral criticisms of speculation in general and of financial speculation in particular. (2) It scrutinizes the degree to which the recent debate on financial speculation with agricultural commodities follows the general pattern of moral criticism and its intentionalistic fallacy. (3) It then provides a theoretical and empirical in-depth analysis of long-only index funds engagement in futures markets and concludes that moral criticisms which put them in the pillory as “hungermakers” are unjustified. This proves that ethics, understood as a theory of morality, can criticize moral criticisms of financial speculation on moral grounds. (4) Finally, this article discusses the option of interdisciplinary cooperation between ethics and economics.

Session 1B: “ICT ENABLED INNOVATION”

“APPlied behavioral finance: A review of the use of mobile apps as a tool and platform for behavioral finance research within multinational retail banks”
Floyd NEWSUM

Keywords: mobile banking, mobile apps, behavioral finance, financial capability, financial innovation

Smartphone adoption has increased dramatically worldwide and consumers are engaging in a variety of activities on mobile devices beyond simply making phone calls. One of the most rapidly increasing mobile activities is on-the-go financial management via mobile banking apps. As smartphone penetration expands and device/app capabilities improve, mobile banking is expected to become the channel of choice for consumers to access financial services and to manage their finances. Research has shown that even those who are financially knowledgeable and skilled make financial decisions that would be considered suboptimal according to traditional theory. Given customer preference for the digital banking channel, mobile apps possess significant potential as useful tools for aiding in the improvement of consumers’ financial decision making ability. This research explores if and how mobile applications can influence financial decision making. We argue that applying concepts from behavioral finance within mobile apps can increase financial capability. Further, we discuss how mobile technology provides researchers an opportunity to leverage apps as a tool and platform to investigate behavioral finance phenomena.

“Cloud-enabled innovations for financial services”
Sergey YABLONSKY

Keywords: Cloud-enabled financial innovation, Mobile cloud computing, Business Intelligence and Analytics as a Service, Big Data as a Service

The research focuses on cloud computing innovations for financial services. The analysis shows benefits and risks of different cloud computing business models adoption. The framework for financial application’s migration to the cloud is proposed and discussed.

“What types of innovation contribute to performance in financial services?”
Andrey MARTOVOY, Anne - Laure MENTION

Keywords: Innovation in financial services, types of innovation, financial performance.

Innovation in the financial services has become a phenomenon over the last decades due to deregulation, internationalisation, and emergence of new technologies. In spite of the proven evidence of the link between innovation and financial performance, the role of various types of innovation in this relationship remains underexplored in the context of financial services. We have conducted a cross-national study of 26 European countries, accounted for a two year time lag, and found the following. There is a positive correlation between non-technological innovation and net operating surplus and net mixed income. In addition, introduction of new methods of organising work responsibilities and decision making and new media or techniques for product promotion has a positive effect on gross value added. This study contributes to the understanding of the impacts of innovation activity on the performance of financial services sector.
Session 2A: “OPEN AND COLLABORATIVE INNOVATION”

Moderated by Anne-Laure MENTION

“Improving innovation: A Deloitte perspective on how financial institutions can become better innovators”

Terry STUART 1

1 Chief Innovation Officer, Deloitte Canada

Keywords: Disruption, Innovation, Strategy, Inspiration, Action

Innovation has never been more essential, and yet Canada’s financial institutions continue to face challenges in realizing their innovation ambitions. Terry Stuart, Chief Innovation Officer at Deloitte Canada, will provide an overview of why firms must innovate – more specifically, explaining how a range of market forces and trends are conspiring to create an “innovation imperative.” Terry will also offer a clear definition of “innovation” and share our perspective on how FSI organizations can improve upon their ability to innovate – How to be a Better Innovator.

For reference, check out our latest piece “Improving innovation – A Deloitte perspective on how financial institutions can become better innovators”.

“The exploration of the human element in open innovation: The case of financial institutions”

Dimitrios SALAMPASIS 1, 2, Anne-Laure MENTION 1, Marko TORKKELI 2

1 Public Research Centre Henri Tudor, 2 Lappeenranta University of Technology

Keywords: human side, open innovation, financial services, empirical, qualitative, individual, human resource management

The aim of this qualitative empirical paper is to shed light to the highly neglected and under-developed research on the human side of open innovation in the financial services sector. By departing from other existing studies it offers a multidisciplinary spectrum of the human aspect of open innovation by a) identifying the kind of skills, competences, attitudes, psychological and cultural norms, motivations and attributes of open innovation professionals in financial services firms, b) understanding the organisational structures, cultures, psychological behaviours, innovation activities and human resource management (HRM) practices and c) exploring how HRM practices related to both internal and external talent management facilitate successful adoption, management and implementation of open innovation strategies. Primary data have been collected from 17 in-depth semi-structured interviews conducted with Chief HR Officers and C-level executives from major financial institutions in Europe and Asia. The HR function is being faced with unprecedented global and organizational challenges than ever. Especially within the financial industry there is a need for sharpening concrete leadership skills and adaptation in terms of different situations. The paper shares novel academic, managerial and policy level implications regarding the strategic intent of the financial industry towards the adoption of open innovation practices and the development of human financial institutions that embrace the human nature of their employees.

“IdeaVault.ch – The first non-proprietary international open innovation platform for the financial services industry”

Patrick SCHÜFFEL 1

1 HEG de Fribourg

Keywords: Open Innovation, Crowdsourcing, Co-Creation, Banking, Financial Services

Companies are entering a new phase in their relationship with their clients. During the past few years and following the idea of open innovation, ever more products and services optimized based on the implementation of customer ideas and suggestions. So far the financial services sector has failed to capitalize on this trend. Yet open innovation offers financial services companies a wealth of opportunities to swiftly improve their businesses, just as it does in any other industry. Therefore a team of researchers from the School
of Management Fribourg developed the first international, non-proprietary online platform which is dedicated to allowing financial services firms to make use of open innovation. This platform by the name of IdeaVault.ch helps bring firms and customers together as facilitated by an easy-to-use online platform where companies can pose questions and customers can suggest solutions. The best idea originator will be awarded a prize offered by the company posing the question. The platform was created as part of a scientific research project which aims to find answers to the question why open innovation is so scarcely applied in the financial services industry.

Session 2B: “M-E FINANCE”
Moderated by Denis DENNEHY

“Investigation into the adoption of interactive e-channels in the finance industry”

CK CHAN ¹
1 Asia Pacific, HSBC

Keywords: Channel Choices, Social Capital, Interactive e-Channel, Relative Advantage, Financial Consultation Services

For financial institutions, the affluent (“premier”) segment of the customer base has a profitability profile that is multiple times that of the general mass-market customer. These premier banking customers are typically time-deprived and often have busy travel schedules. Their financial needs are also often ill-served through the traditional branch network, nor through the more established direct channels such as phone banking, internet banking and mobile banking, due to their sophisticated financial needs. Catering to and meeting the needs of the premier client set is a challenging endeavor that requires continuous innovation and creative product development. This research explores the factors impacting the adoption of interactive eChannel financial consultation services. A pilot study was conducted with a small number of premier customers and the preliminary findings from the study points to some moderating effects of Social Capital between the customer and the relationship manager upon the adoption of interactive eChannel.

“Trends in mobile payments research: A literature review”

Denis DENNEHY ¹ and David SAMMON ¹
1 University College Cork

Keywords: literature review, mobile payments, m-payments

Mobile payments (m-payments) are increasingly being adopted by organisations as a new way of doing business in the 21st century. During the last few years, the use of m-payments as a new payment channel has resulted in an increase in the volume of literature dedicated to the topic. For this reason, this paper presents the findings of a review of literature aimed at identifying the key research themes and methodologies researched. In order to uncover these trends the authors reviewed the top twenty cited papers since 1999 and the twenty most recently published papers on m-payments since August 2014.

“Managing overpayment risk in G2P (government to person) payment flows through innovative use of voice biometrics”

Tariq HABIB ¹
1 BVR Solutions

Keywords: social payments, overpayment risk, proof of life, G2P payment flows

Governments all over the world disburse various welfare and social payments to their citizens, such as pensions, social insurance, poverty alleviation allowance, children education or disaster relief support. It is mandatory to constantly establish some level of proof of life for the beneficiaries. For instance, pensioners are required, at least annually, to go through a physical proof of life to be able to receive their pension payments during that year. To avoid overpayment risk, ideally, such verification should be made before each fund transfer. Unfortunately, conventional methods of verifying aliveness of the beneficiaries have serious scale, cost and inconvenience issues - limiting their application or applicability on routine. This leaves payers with huge financial exposure.

Banks are the most common payment partners to governments on managing the G2P payment flows. An innovative method to establish proof-of-life will help banks differentiate, grow business, lower overpayment risk and therefore establish long term contracts with their customers. This submission address the problem of recurring proof of life through an innovative solution that could scale to billions has the lost cost of ownership and provides huge convenience to all stake-holders alike.
“Société Générale: Creative and collaborative workplace”

Laurent MAROCHINI ¹
¹ Société Générale Securities Services Luxembourg

Keywords: Creativity, Innovation, Collaboration, Communication, Workspaces

Designed with the input of 500 employees of SGSS Luxembourg, the workspaces have been created for:

- Innovating through the use of creativity rooms
- Stimulating collective efficiency with collaborative rooms
- Accommodating clients in a comfortable environment
- Accelerating decision - making with speed meeting rooms
- Communicating through a flexible conference suite
- Fostering well being: lounges, showers, football pools, WIFI

“The involvement of customers in financial services - The sources of innovation in Luxembourg financial services providers”

Dieter DE SMET ¹, Anne-Laure MENTION ¹, Marko TORKKELI ²
¹ Public Research Centre Henri Tudor, ² Lappeenranta University of Technology

Keywords: Financial services, Innovation, Survey, Information sources

Financial services and their sources of information for their innovation activities require more research attention. The financial services sector is significant for the overall national economy and especially for the Grand-duchy of Luxembourg, where it is a major contributor to GDP. A dedicated survey was created and launched in this market to gather insights about the financial services companies perceived importance of external sources of information for innovation, also referred to as external knowledge sourcing.

The internal sources of information for innovation are also included to have a better understanding how financial services companies organise their innovation process for developing new or significantly improved services. Preliminary statistical analyses have shown that consultants are regarded as an important source of information for innovation while the CEO and employees supporting front line employees are important internal sources for innovation. However there might be a cost to involving consultants since the financial service providers state that they have lost creativity internally but have improved the controlled dependence on other suppliers.

Regarding the use of customers as a source, High Net Worth Individuals (HNWI), SMEs and large customers were found to be important for new or significantly improved service development. Due to the increasing interest for customer involvement in this sector, further research could try to find out the importance of these groups for Luxembourg financial services providers.
“Assessing the Cost of a Long-Term Longevity Swap Using a Vector Autoregressive Model of Mortality”

Christian DORION ¹, M. Martin BOYER ², Lars STENTOFF ²  
¹ HEC Montréal, ² University of Western Ontario 

Keywords: Survival curves, Vector Autoregressive Term Structure, Factor model

Most literature on capital market solutions to longevity risk has focused on pricing five year swaps for a given cohort. We want to extend this literature by examining the possibility of a pension plan promoter to hedge its longevity risk exposure for the entire forseeable future. Using a vector autoregressive (VAR) model of mortality, we examine what would be the “appropriate” premium for a long term longevity swap contract between a pension plan faced with potential stochastic longevity risk, and a counterparty willing to accept that risk in a portfolio maximization context. We show that neglecting vector autoregressive properties misprices the swap in an important manner. Our results have direct incidence on the long-term hedging attributes of longevity swaps.

“Pricing counterparty risk for American and Bermudian-type derivatives”

Michèle BRETON ¹, Oussama MARZOUK ¹  
¹ HEC Montréal 

Keywords: Counterparty risk, Credit Value Adjustment, Derivative pricing, Early exercise, Numerical methods

We introduce an efficient approach to evaluate counterparty risk and compute the Credit Value Adjustment for derivatives having early exercise features. The approach is flexible and can account for Wrong Way Risk and various models for the underlying asset’s dynamics. Numerical experiments are presented to illustrate the efficiency of the method.

“Market Reaction to Patent Events – Event Study –”

Niaz KAMMOUN ¹  
¹ Aix Marseille Université 

Keywords: patent, valorization, event studies, standardized T-test, generalized sign test

The contribution of intangibles is well established in the eyes of managers and strategists confirming that these assets significantly influence the market perception of the financial value of holding companies (Bontis (2001)). However, highlighting the impact of intangibles on the evaluation of the company remains the focus of research (Bejar (2007)). Thus, several researchers have focused on studying the possible relationship between spending on R&D (Sougiannis (1994) and Lev Zarowin (1998), Morck and Ying (1991), ...), the number of patents applications (Grinliche (1981), Cockburn and Griliches (1988), ...) and the market value of the company.

The interest of our study is to examine in depth the impact of various events occurring during the life cycle of patents on the financial valuation of companies, where our first contribution to the literature. Our second contribution lies in examining the impacts of each event handled according to the industry (healthcare, technology and diverse).
Workshop 4:

“HARNESSING THE POWER OF INSIGHT: CUSTOMER CENTRIC PRODUCT INNOVATION”

_Moderated by Lina BONAPACE_ ¹ and _Jennifer FRASER_ ²

¹ Macadamian

Trends in technology and user-centric forces are strongly driving today’s business innovation in many sectors including financial and insurance. Incorporating user insights to ideation and design phases can transform your solutions.

In this interactive workshop, participants will co-create a mobile-based financial product, service, or ecosystem concept grounded in customer and employee needs.