

# BANKER & TRADESMAN

THE REAL ESTATE, BANKING AND COMMERCIAL WEEKLY FOR MASSACHUSETTS

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## IN PERSON

# Practice Makes Perfect

BY LAURA ALIX | BANKER & TRADESMAN STAFF

Amber Dolman and Robert Bishop came to Goodwin Procter in much the same way: Both started at the firm right out of law school, after having worked there as summer associates. While Bishop began in the REIT practice, he soon discovered his niche working on early-stage venture capital deals and moved to the tech practice. Dolman eventually cultivated her own specialties in technology, private equity and financial transactions, like reorganizations and acquisitions. That combined expertise made the two natural leaders of a Goodwin Procter's new FinTech platform, established earlier this year.



## Amber R. Dolman And Robert E. Bishop

Title: Partners, Co-Leaders, FinTech Practice, Goodwin Procter

Age: 34; 43

Experience: 10 years; 18 years

**Q:** Can you tell me about the discussions that went into establishing this new FinTech practice?

**A: Dolman:** It's really something that we've had for 10 or 15 years. I actually sold a company this summer that is a software provider for investment management, so they're square fin-tech, and I've been working

with them since 2004. We've got stories like that throughout the firm. It's just that "fin-tech" wasn't a term, so we had that scattered throughout our financial services group, our IP group, our technology companies group, and what we really realized, as things started getting more on the news with cryptocurrencies, Apple Pay, payment transfers, that we had this incredible wealth of knowledge and experience, but it was scattered.

Because it was so scattered, people didn't necessarily know where others in the firm had experience or expertise. So the initiative, which came a little bit out of an internal reorganization that we did last year, was really to bring together the experience that we had across the firm under a single umbrella, make sure that people were sharing, knew who was who and really just reorganizing everything under one FinTech initiative.

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**Q:** Do you think tech-based financial services companies – for instance, peer-to-peer lending platforms – pose a threat to traditional banks?

**A: Dolman:** This is my opinion, but I think it has less to do with the companies themselves and more to do with changing with the times. It's amazing to see how quickly things have changed ... And if you look at just the pace of technological innovation, banks are in there and they have to be. They've maybe been a little slow, but they've definitely caught on.

My view is that you're going to actually see a differentiation amongst the old-school banks: the ones that adopt this change and jump in with both feet and look for ways to improve the products, and the ones that don't move as quickly. I think that's ultimately going to be a competition amongst the banks and less so than between the banks and the startups.

**Bishop:** Wells Fargo has an incubator, Eastern Bank has an incubator, Silicon Valley Bank is involved with FinTech Sandbox and Bank of New York Mellon just announced they were going to do an innovation lab in Silicon Valley.

Whether they feel threatened or not, I don't know, but they certainly are aware of the technology change and I think those who are successful in taking advantage of it offer a more unique and innovative products to their clients will be better off in the long run. It's true in any industry that innovation is very often outsourced from big organizations. It's easier to identify and acquire than it is to internally grow.

**Q:** With Apple Pay all over the news right now, at what point do you think mobile wallets and payment systems will reach a critical mass where community banks will feel comfortable adopting those technologies?

**A: Dolman:** It will be interesting to see how Apple Pay goes ... From a pure fin-tech perspective, I look at Apple Pay and it seems like the biggest challenge is retail acceptance, because there's a lot of retailers right now who really aren't happy about Apple Pay kind of making the credit card feed problem worse and not better, whereas Apple Pay has had an easy time getting bank partners to produce the credit cards because they're the ones taking a good chunk of the fee.

I think we really need to see how it bears out ... Apple Pay is very secure, it's got some very strong bank relations, but I think it's got to get past that retail hurdle and acceptance. I expect that we're going to see community banks sort of follow once it's been more established and once there's a clear winner in the space.

**Q:** How have you seen the cybersecurity landscape evolve?

**A: Bishop:** If you looked at cybersecurity, generally, so many years ago, or not too long ago actually, the focus was just perimeter defense. You had spyware and malware and something on the front end to try to protect banks. I think there's been if not a mindset change, a layering on of the next level, and we now almost have to assume that bad things are going to happen, so what are your policies and procedures for dealing with that? ■

## TOP FIVE FINTECH OBSERVATIONS:



- 1 Banks and other large financial institutions are engaging more with the startup ecosystem as they move to accelerate innovation.
- 2 Innovative payment technologies and cryptocurrencies are re-shaping the way consumers interact with business.
- 3 New platform technologies and applications that tap into big data across a digital network are enabling more personalized services to a larger number of people.
- 4 The focus on cybersecurity is increasingly expanding beyond threat prevention to policies, procedures and best practices for handling a breach.
- 5 Innovation is continuing to drive the development of products and services for the "underbanked," both in the U.S. and globally.