

# The Hidden Driver of Complexity in Banking

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Org Structure

**10-year practitioner perspective**

Senthil Parameswaran · May 2026

# Every wave. Same problems.

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- Mainframe modernisation
- SOA · Cloud · Microservices · AI

Each wave brings genuine capability — and yet the same problems persist: slow delivery, duplicated systems, inconsistent customer experience.

"The most underestimated driver of complexity in banking is not technology. It is organisational structure."

# Product models in name only.

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## Fractured ownership

A customer journey touching 5 departments, 5 priorities, 5 definitions of 'done'...

## Layered approvals

A change that should take a week requires sign-off from five committees.

## Unclear accountability

Everyone owns a piece of the process. Nobody owns the outcome.

## Cross-team dependency

More time negotiating priorities with other teams than building products.

# A product model is about accountability — not labels.

Renaming a functional silo a 'product squad' does not change the incentives, the dependencies, or the decision-making dynamics.

Real product ownership = one team with the mandate, the capability, and the authority to deliver an outcome end to end.

Ask: does that team exist in your organisation — or is 'end to end' spread across three reporting lines?

# Conway's Law

is running your bank.

In 1967, Melvin Conway observed that organisations design systems that mirror their own communication structures — one of the most consequential forces shaping banking technology today.

"Systems reflect how teams are structured. If ownership is split, systems will be split. If responsibilities overlap, systems will overlap."

Three teams responsible for customer identity — three identity systems. Not by design. By default.

Implication: if you want simpler systems, simplify the structure first. Redesigning architecture while leaving the org intact is swimming against the current.

## THE DIAGNOSTIC QUESTION

**Ask ten people across  
your organisation who  
owns end-to-end  
customer onboarding.  
Count the answers.**

If you get ten different answers — or ten variations of 'it's shared' — the structure has not yet changed, regardless of what the org chart says.

# 4 structural characteristics.

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- 1 End-to-end ownership**  
One team. Full journey. Authority to make trade-offs.
- 2 Fewer handoffs**  
Every handoff is a failure point and a delay. Eliminate them.
- 3 Aligned incentives**  
Shared outcomes — not siloed output metrics.
- 4 Accountability over hierarchy**  
Named. Explicit. Tied to outcomes, not activities.

# Technology follows structure.

Not the other way around.

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Technology is most powerful when deployed into an organisation that knows what it is trying to do, who is responsible, and how success is measured.

When deployed into structural ambiguity, technology amplifies the ambiguity — faster delivery of conflicting priorities, automated duplication of fragmented data, AI-assisted navigation of broken processes.

"The most dangerous belief in banking transformation is that the right platform will fix the wrong organisation."

# Ask these 5 questions first.

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**01** Who owns this capability end to end?

**02** What happens when two teams disagree on direction?

**03** How many approvals does a change require — and why?

**04** Are the decision-makers the same people accountable for outcomes?

**05** If you asked 10 people who owns this, would you get one answer?

# The banks that lead the next decade are not those with the newest tech stack.

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They are those that did the harder work: clarifying who is responsible, aligning incentives, and building structures that let people move fast.

## Senthil Parameswaran

Principal Consultant · SKA Global Partners

Former CDO, Arab Bank · 25 years delivery

[skaglobalpartners.com](http://skaglobalpartners.com)

[linkedin.com/in/senthilparameswaran](https://linkedin.com/in/senthilparameswaran)