



Evolving business models in a fast paced, digital environment: Citi ushers in a new, super global era

Steve Elms, Global Corporate, Commercial and Public Sector Sales, Head, Treasury and Trade Solutions [TTS], and Saurabh R Gupta, Global Sales Head, Healthcare, Consumer and Wellness Group, TTS, outline the evolution of the industry growth segments.



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Elms, shares “Our clients business models are evolving at pace, and as such continue to see more and more interconnectedness across industries. New consumers, new supply chains, new entrants are opening up and transforming the ecosystems in which our clients operate. As a truly global bank, Citi has a unique ability to advance the connectivity across these networks through end-to-end solutions across the value chains”. The ecosystems that are witnessing these transforming business models and digital disruption are behind our focus. Healthcare, Consumer & Wellness is one such high growth client ecosystem or supergroup.

In his new global role taking on responsibility for one of Citi’s new ‘supergroup’ sector combinations, Gupta shines a spotlight on the evolution of the healthcare, consumer and wellness [HCW] segments. Gupta is leading one new global super group sector for TTS that Citi has been integrated into their business model.

We hear about Gupta’s new HCW priorities, the bank’s work with their clients and their attention to new business models in our new, fast-paced, increasingly digital world.

There is a blurring of lines between industries within the technology, healthcare and consumer spaces. Gupta illustrates this, “For example, if you look at the consumer space, more and more consumer products are being sold online, from Nike shoes all the way to Nespresso, proving that digital commerce in consumer businesses is a game changer. There is a convergence of technology platforms and a huge convergence within healthcare and tech, as whichever part of the world you are in, you can access healthcare virtually. Doctors are the same, the medicines and the treatments are probably evolving but are still the same and yet the interaction is happening on a technology platform now, even within the healthcare space and the focus of tech in healthcare is a key mission.”

From healthcare, to consumer, we moved on to the third pillar of Gupta’s new supergroup which is wellness. So, what do we mean when we speak about wellness? This catch-all industry title encompasses an enormous amount of economic activity. Gupta outlines Citi’s approach to this industry sector, “Firstly, people are looking for protein alternatives, people are looking to have less of a carbon footprint, so this area of food and wellness falls closer to the Environmental, Social and Governance (ESG) space. Secondly, this space is really about healthy living, about our well-being, about how conscious you are in your own body and self”.

“This convergence and connectivity is really informing us that we need to run these segments collectively rather than independently. Think pre-pandemic, people were looking at cure and prevention separately. So, if someone has a disease and wants to access a cure, somebody who is more health conscious will look for prevention. At Citi, we are focusing on growth segments which are global and are intrinsically inter-connected, with global supply chains attached to that convergence of prevention and cure.

Evolving business models

In practice Gupta explains, “Clients are organising themselves as one platform. So the platform is the same, the client is actually offering a wellness product which is an organic, plant-based protein. This is also helping the consumer arm, because then you eat healthier. That then branches into healthcare, which could be about tracking if a person is eating less meat-based protein, more plant-based, what is their diabetic sugar level, what is their glucose level, what is the electrocardiogram (ECG) reading giving rise to new ecosystems? Now a question for us is, ‘was this ecosystem there five or ten years ago?’ I think the answer is, it was always there. This has indeed evolved and the pace of disruption has accelerated with lines being blurred that made it seem there was never any interaction between them.”

Another big trend in our industry is the pace of metaverse adoption. The metaverse in the future of retail is anticipated to drive digital commerce and increase the flow of consumer goods. One is consumer brands selling non-fungible tokens (NFT) tokens and the other is healthcare, where you will have your digital twin (a digital version of yourself) and for example, while you are on a flight it would track what's happening to your metabolism, your skin texture and your posture. That data can determine what cosmetics are being offered and sold by the large cosmetic companies of this world, so I know I'm talking a little futuristically, but the future is very much here and now to a large extent. We see this as the future of retail."

Impact of the pandemic

As Gupta sees it, the main evolution is from niche businesses to sustainable large-scale businesses. "Let's take the advent of Athleisure, which is a new business line of clothes, where people can mix work and play. It was very niche and it was not something which would become a critical mass in five to ten years." Essentially, the pandemic created the perfect environment for this sector to grow, both in the moment when people were working from home and needing apparel to take them on that hybrid journey, and into the future where business attire and leisure attire have merged, with no trace of separation.

Gupta continues with another example, "The other side of the story, which we probably should consider is, will some of this acceleration slow down, given everybody is now travelling? In my view, there will be a consolidation in the market, that's how progress happens. Clearly the pandemic has been the catalyst to get to that scale superfast, it would have never happened otherwise and would have taken another decade or so."

Future focused

As he takes up the mantle of this newly created global position, Gupta shares his ambitions for Citi's clients, "Our ambition is simple yet may seem very bold. What I want to do in this role is to put our clients' transformation at the centre of our own transformation." Citi's differentiator in the market has focused on its mutual evolution alongside its clients. As clients moved their treasuries to build shared service centres which became global or started procurement efficiencies, they have in turn, evolved. They will continue in this vein says Gupta, "Over the next few years, we want to be in line with the commercial organisations. In order to do this, we have to build our armoury of solutions and within the next year, we will be investing around one billion dollars in our technology budget¹. Secondly, we aim to transform with the clients' commercial organisation because that's where most changes are happening."

The banking industry goes through a process of changes around every three to five years as Gupta sees it and he is excited to face this transformational challenge. Digital transformation continues to sweep across the banking and payments industry. Innovative thought leadership partnerships complemented with our global network have enabled a sustained digital client engagement providing clients with new, fresh insights and to accompany them on their global growth journeys. Solution differentiators include Citi global instant payments that is available in over 60 countries, allowing clients to access the solution via a single API; cross-border payments into digital wallets which offers clients in over 100 countries near-instant deliver of funds and the Sustainable Trade and Working Capital Loans solution available to clients in 80 countries.

As he puts it, when it comes to industry changes, “Rather than be disrupted, we disrupt together with it.” With this transformation comes an evolution in the kind of talent that Citi is hiring into these new supergroups both internally and externally, says Gupta, “We need catalysts internally and externally. I’m a perfect example in that I’ve been hired to do this job internally, but we also added to our bench strength from across our Institutional Clients Group (ICG) franchise with colleagues experienced in covering healthcare, consumer, and wellness groups, from senior MDs to directors, across all levels. These people have just come on board and our activity levels are increasing in pace.”

Challenging the status quo

As Citi challenges its norms across the board, one of the things they are focusing on within the healthcare, consumer and wellness supergroup is to work with fintechs who are operating within these spaces. As this collaborative energy combines with a new wave of talent and of mindsets coming together, it is something of a landmark moment for the global bank. As Gupta says, “I feel confident that together we are on the right track, and we have to stay laser focused on our execution for the foreseeable future.”

A new era

There is an enormous amount of energy around this new era for Citi. As Gupta describes it, “It’s like a relay race. A commercial banker onboards new names at a nascent stage of the evolution of a client and the TTS journey starts here. They mature and go to the corporate banker. In TTS, we’re organising ourselves horizontally, covering commercial banking and corporate banking. The biggest change today is that we are focused on taking care of a healthcare technology client as they evolve from a commercial to a large corporate client of ours. As they grow as a corporate, the TTS platform that we offer remains the same, so the client doesn’t feel that there are changes, it is just that their scale is growing. This evolution is what I call the ‘horizontal part’ of TTS. This cuts across both commercial and corporate and is the business evolution journey. I believe the continuity of that client relationship has a lot of value because that builds confidence and the long-lasting relationships.”

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