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Bank One to keep tech an inside job

Job market and new efforts feed hiring binge

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Talent search: Austin Adams, Bank One chief information officer, says he has been deluged with résumés, which contributed to the decision to insource. Photo: Brett Kramer

Bank One Corp. has taken a new tack on tech.

Once one of the leading financial institutions in outsourcing technology functions, Bank One is bucking the trend by bringing technology support in-house.

In the last 15 months, following its decision to jettison information technology outsourcing agreements with IBM Corp. and AT&T Corp., the bank has been a virtual one-company employment source for Chicago's technology workers, many of whom lost their jobs in the dot.com bust. Bank One has hired 1,700 IT workers in Chicago and isn't finished yet, says Chief Information Officer Austin Adams.

The hiring spree is part of Chairman and CEO Jamie Dimon's plan to take control internally of Chicago-based Bank One's computer systems and technical support. While many other banks outsource technology because it isn't their core business, Bank One has decided it's better to form an in-house group of experts familiar with the company's technological strengths and shortcomings.



Not so long ago, young high-tech workers wouldn't have considered working for a staid bank. Now, Bank One is deluged with résumés.

"They would always laugh if you said, 'Let's go work for a bank.' But that's changed dramatically," Mr. Adams says.

"There's never been a better time to hire technology talent," he adds.

That shift was the biggest factor in Bank One's decision to move most of its tech functions in-house.

"If it had been the (job) market of three years ago, I wouldn't have tried to do it," Mr. Adams says.

Much of the hiring took place as Bank One undertook the big task of putting its various computer systems — accumulated over a decade of acquisitions that culminated in the 1998 merger of Ohio's Banc One Corp. and First Chicago NBD Corp. — on the same technological platform. Overhaul of the last major system, serving Illinois, was completed late last year.

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But Bank One intends to keep the personnel it's hired as it confronts new challenges, like providing the systems support for its new customized credit card that offers rewards of Walt Disney Co. products and vacations. Bank One, which will launch the Disney rewards Visa card in the spring, already has logged 60,000 computer programming hours in preparation.

Other tech efforts enable customers to view checks they've written within the last 90 days on their computer screens, and give tellers and bankers access to more immediate information about individual customers' transactions.

Bank One's "insourcing" makes sense only if upper management is prepared to focus on information technology in a way that few chief executives do, says Robert Thorp, executive director of FITOP (Financial Industry Technical Officers and Professionals), a Chicago-based non-profit group representing IT specialists at 30 Chicago-area financial service firms.

"One reason insourcing is more risky than outsourcing at a financial organization is because executive managements at financial institutions are not experts at managing global IT organizations," Mr. Thorp says.

Even with a technology officer running an IT organization, "(decisions on) expenditures probably will come from the board and the CEO," he says. So, a CEO has to be involved and supportive.

Mr. Dimon is exactly that, Mr. Adams says. "Jamie and I came to our first meeting, and we were in violent agreement about our philosophy on (insourcing)," he says.

Bank One's tech budget for 2003 is \$1.65 billion, down slightly from \$1.7 billion last year. But that decline is attributable in part to the completion of the computer conversion. With that massive effort finished, the bank is actually boosting investment in new tech projects, Mr. Adams says.

"Two years from now, I would expect our tech budget to be about flat," he says.

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