

Disruptive Technology, Part 3: Managing the Risks, Reaping the Rewards

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In the recent survey conducted by ALM's *Corporate Counsel* on behalf of Winston & Strawn, financial services executives reported that the pervasive use of disruptive technologies in their industry is introducing new risks to their organizations. To continue to innovate with new technologies, companies will need to find ways to address this increased risk profile. That may not be easy, but it's not impossible. "There are regulatory and legal risks involved, but they are not insurmountable," says Winston litigation partner Danielle Williams. "Financial services companies can identify those risks and manage them so that they can take advantage of the opportunities."

Many are doing just that—and taking steps to keep up with the legal and regulatory challenges created by disruptive technology. The industry already has strong compliance capabilities, of course. Nevertheless, six out of 10 companies have revised their compliance programs or created new programs in response to evolving technology-driven risks. These changes include training, the purchase of new compliance tools, the hiring of external experts, conducting global risk assessments, and revisions to policies. In addition, 78% say they are protecting disruptive technology innovations from IP theft through patents, trademarks, trade secret protection, and copyrights, as well as formulating IP strategies for technology.

Looked at another way, however, those findings also mean that four out of 10 companies have not modified or improved their compliance programs. In addition, only slightly more than one-third have a comprehensive IP strategy in place to protect technology innovations. In other words, there is room for improvement—and with the rapid advancement and deployment of disruptive technologies, not changing is likely to mean falling behind.

Read the full article [here](#). This article is the third in a three-part series exploring executives' perspectives on disruptive technologies in the financial services industry. Previous installments looked at [how the industry is using these technologies](#) and the specific areas [where executives see potential risk](#).

In February 2019, ALM's *Corporate Counsel*—in conjunction with Winston & Strawn—conducted a survey to capture the thoughts and opinions of legal and IT professionals regarding the legal and regulatory impact of disruptive technologies in the financial services industry. As a result of that survey, Winston & Strawn partners Basil Godellas,

Amanda Groves, Susannah Torpey, and Danielle Williams co-authored a [white paper](#) entitled [Disruptive Technology: Understanding the Risks and Rewards](#).

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