Name: Bernadette Kogler

This interview was conducted by Courtney Vaughan, WHF Member

Membership Contribution: I am a Co-founder and the CEO at RiskSpan, and co-founder of SmartLink Lab, a subsidiary of RiskSpan that focuses on blockchain technologies. At the WHF Annual Symposium last April, I was invited to speak about the impact of blockchain and fintech on mortgage and structured finance. RiskSpan has sponsored WHF events in the past, and in 2017 I spoke at a brown bag lunch on blockchain in structured finance. RiskSpan also hosted a Public Policy breakfast with Virginia Delegate Marcus Simon at our Virginia (VA) headquarters in Rosslyn. We hope to host other events on the VA side of the river, as needed. As a senior professional and leader in the financial services industry, I always encourage young professionals to become WHF members, as they can benefit from both networking and educational events, particularly the brown bag lunches.

Hobby: I am a big Nats fan and Villanova basketball fan and am becoming addicted to my Peloton.

Hometown: I am from Summit, New Jersey.

How long have you been a member of WHF and how has the organization benefited you? I have been a member of WHF for almost 20 years. I find the networking aspect of WHF extremely beneficial, and I particularly enjoy meeting so many accomplished women in a wide range of professions. WHF is a wonderful organization and I plan to get more involved in the revitalization of the mentorship program. I also hope to help to build on the expansion of WHF younger professionals and promote awareness about WHF gender diversity.

What attracted you to the Financial Services Industry and were you involved in tech when you entered the industry? I started my career in the late 1980s as an analyst in the financial services industry. That was the pre-internet, pre-email and pre-cellphone age, so my career has lived through some massive technological change. In my early career, I was a credit analyst, assessing counterparty risk for Prudential Insurance Company. I later worked at KPMG's mortgage and structured finance group for 10 years, providing consulting and securitization services for the mortgage industry. I have always been attracted to and fascinated by technological innovation and the impact is has on industries. Technology in our industry enables better business processes in addition to providing for better data and more sophisticated analytics. I feel privileged to work with a brilliant team of technologists today and am excited to be in the midst of massive technological transformation across financial services.

When did you start RiskSpan and how did you manage your transition and the integration of software with analytical tools into the business process? In 2002, I started a consulting business that provided cashflow analytics and predictive modeling services. During the 2008 financial crisis, I merged my company with a team of technologists, combining technology with services. Today, RiskSpan is a leading provider of risk, data and analytics software and services to capital markets, lenders and servicers. Our SaaS platform, RS Edge, streamlines data management, predictive modeling and the management of credit and market risks for all loans

and structured securities. Through our innovation lab, we are developing applications that leverage machine learning and blockchain to automate processes and provide for more reliable data and analytics.

When I think about risk, "risk mitigation and insurance" comes to mind. Who are some of your clients and are there any insurers in your portfolio? We serve institutional asset managers, some of which are wholly owned by large insurance companies. Our clients also include lender/ issuers, loan servicers, and Government-Sponsored Enterprises (GSEs; Fannie Mae and Freddie Mac). On the insurance side, we serve mortgage insurers and reinsurers, particularly those invested in the GSE credit risk transfer transactions. We equip clients with normalized data and predictive technological support to help analyze and predict risks, hence enhancing their ability to mitigate risks.

As technologies evolve in the financial services industry, what measures are RiskSpan taking to remain relevant as a solutions provider in the Fintech space? In 2016, we formed a subsidiary called *SmartLink Lab* so that we could dedicate a team to focus on blockchain technology. We believe that blockchain will be disruptive in financial services, streamlining business processes, changing roles and making some institutions obsolete. We are working on a platform involving a few clients where blockchain, combined with machine learning, will provide for a better due diligence and securitization process, as well as a better way to control the dissemination of *personally identifiable information* (PII). We use technology to eliminate redundancies and risks in the marketplace. However, it's not just blockchain. Our platform incorporates *machine learning* applications and is a core component of its value. SmartLink Lab was a natural extension for RiskSpan, as data quality is central to both companies. At RiskSpan, we host, normalize and manage data that support analytics and new machine learning applications as well. We believe that this is the *next frontier* for analytics in financial services and we are helping clients use innovation as a competitive advantage.

I see that your technology has big impact on processes, resulting in huge efficiency but yet it can disrupt labor in many instances. How are you involved in retraining displaced human capital, and are academic institutions adequately preparing students for the skilled labor that the financial services industry demands? There is a certain amount of labor displacement that results from automation. That is a fact. Retraining is hard, and I always encourage individuals to take control of their careers and embrace continual learning. I have seen many individuals reinventing themselves later in their careers. Although they may not be formally re-training in the sense that you mean, they are applying their skills to new areas. I am also a big believer in the independent contractor workforce and have been thrilled to see its expansion over the past ten years. We have been particularly successful in employing women looking to reenter the workforce after staying out to care for children or aging parents, or other people looking for more flexibility in their work schedule. There is a lot of great talent in the market if companies can be a little flexible.

At RiskSpan, we actively recruit from undergraduate and graduate programs, including data science, mathematics and economics. Our new recruits are highly skilled, particularly with open-source technologies. However, I am a big believer in liberal arts and we also seek out those with strong communication skills as we will always need strong writers and communicators. We also

provide our own small training program that focuses on our domain, for example, *understanding mortgage data*. I believe that academic institutions are doing a great job at preparing their undergraduate and graduate students for work in this space.

How difficult or easy is it to retain workers, especially the millennials and independent contractors in this regard? Washington is a highly competitive talent market. Retaining our talent is a major focus for our firm. We take certain measures to manage our team so that turnover is exceptionally low at RiskSpan. We encourage our team to speak up and proactively seek opportunities that interest them. We also encourage continuous learning, including online learning, much of which is free. I believe that organizations have to proactively manage their talent pool to ensure that both the staff and the organization grow. It is a very exciting time in the financial services industry because of technology advancement.

How do you manage cybersecurity in your service portfolio as a contracting firm? We have a cybersecurity officer, a security committee and policies that follow Federal government security guidelines. Our management team meets monthly with our security staff to review information or activities associated with risk exposure and cybersecurity.

As CEO of RiskSpan, co-founder and a female leader in the *financial technology space* what would you like to tell other females who desire to enter, expand and lead in this space? I encourage young women to be confident. When entering a conference room, take a seat at the table and not in the row of chairs behind the table. Speak up and share your voice and your opinion and don't think that you need to have all the answers. Also, network early in your career and don't underestimate the impact of this.

How do you make the best use of your day? I limit the number of internal meetings I attend to avoid internal "noise". RiskSpan uses an OKR (objectives and key results) methodology to keep us on track for meeting the goals we set for the quarter and the year. Our team meets for 30 minutes once a week, to rank our continual progress.

What do you like most about what you do? Innovation and change are exciting. Innovation as well as interacting with clients who share the same enthusiasm for innovative technology are the two most exciting parts of the job.

What inspires you? Designing and developing change that can improve the lives of others.

What is the best advice you have ever received? One great piece of advice I once received was to "put the pencil down and go to lunch." Don't underestimate the value of networking and face-to-face interaction. I've always felt that this advice should particularly resonate with women. A lot of women are very task-oriented and will work through lunch to complete a task rather than take time to build a professional network. A good balance of personal concentration and interactive collaboration is necessary for advancing your career.

What do you look up to the most and why? I admire trailblazers and leaders who are fearless yet humble, and who value their team as their greatest asset.