

RETAIL BANKING CORE RETAIL SYSTEMS

Is Your Core Stopping Your Digital Plan?

“High legacy costs are the biggest impediment to banking in improving their digital sophistication.”

There is an ever-increasing demand for faster payment channels, integrated and easy-to-use online and mobile platforms, and the ability to link all aspects of one's financial life.

However, if you're looking to upgrade your digital offering, you need to examine your core first. Legacy core systems can be difficult to manage, expensive to maintain, and slow to evolve. In fact, legacy costs are the biggest impediment when it comes to community banks and credit unions tackling digital projects. According to a recent Celent report, high legacy costs are the biggest impediment in improving digital sophistication. However, we know that the demand for digital services requires a change in operating models.

How Does Core Banking Affect Your Digital Offering?



If you have an older platform, you'll need to plug in a digital layer on top of your legacy platform to bring the digital products to market.



The majority of legacy systems don't have the capability of digitizing the application process for accountholders.



While faster payments are growing in demand, legacy systems may not be able to keep up e.g., payment failures where payments and direct debits go missing.



Legacy systems need to be able to set up too maintain the safety and security of accountholder data while supporting their banking activities digitally.



Legacy systems are one of the biggest barriers keeping banks and credit unions from achieving digital experiences similar to pioneers like Apple, Google, and Amazon.



Legacy systems obstruct the movement of data between silos, which prevents a 360-degree view of the customer or member needed to provide personalized services on all channels.



By building layers on legacy core systems to support digital offerings like mobile banking, it becomes difficult to move quickly. So updating mobile banking apps or tying together smartphone, tablet, and online banking experiences becomes a hardship.



If legacy core systems are not able to keep up with the demands of today, they most likely will not be able to accommodate the demands of tomorrow.

Digital Requires a Change in the FI Operating Model



Products
and Services

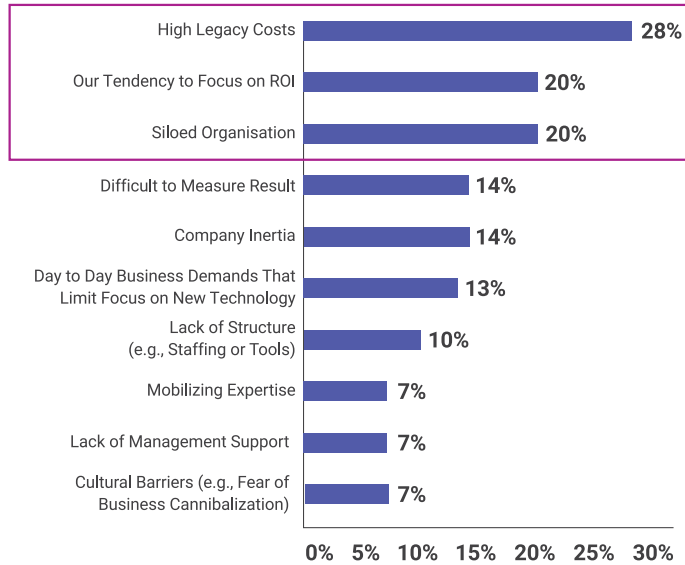


IT



Organization,
Culture and Skills

Q. What tends to be the great impediment to banking in improving their digital sophistication?



Source: CELENT

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