

## Market commentary

# Modern consumer experiences run on cloud

## Cloud technology is on the rise in the world of banking and finance.

Traditional financial institutions (FIs) are moving to the cloud at an increasing rate, and challenger FIs are exploding onto the scene having only used cloud. Finance executives the world over are coming to the realization that cloud provides their organizations with the secure foundation needed to rapidly harness emerging financial technologies.

Technology-focused FIs are motivated by their goal to acquire and retain customers using agile innovations, all the while remaining lean, compliant and secure.

To accomplish this, FIs know they need to deliver highly relevant customer experiences, gain easier access to innovation and reduce their total cost of technology ownership. Add to this monumental task the need for FI teams to manage security and infrastructure and the concept of on premise becomes quickly unsustainable.

Cloud provides an effective and simple solution to this complicated challenge. It improves technology and service resilience, agility and responsiveness, and

lowers cost of ownership while accelerating product innovation.

Before the outbreak of COVID-19, all FIs professed to hold digital transformation as a strategic initiative. Since the spread of the coronavirus and its resulting lockdowns and move to remote work, digital channels have come under heavy usage and exposed the inadequacies of many FI technology ecosystems.

FIs already transformed onto cloud technology benefited greatly from this societal transformation. Those with expert platform partners were prepared for the precarious terrain of new and shifting regulations. Platforms with high-quality APIs and robust digital offerings were also



able to meet the onslaught of customer demands for online banking, mobile banking and contactless payments.

Cloud even positioned many FIs to painlessly transition employees to their homes for the remote work revolution. The majority of FIs now see digital transformation as an imperative for today – a catalyst for bringing omnichannel finance and communications to their institution. Cloud is the key to effectively expedite this transformation.

In addition to the organizational readiness cloud provides, FIs using cloud are seeing a tangible ROI. Investment in public, private or even hybrid cloud technology is delivering revenue growth from new business channels and is improving client onboarding and retention. IT also enjoys savings on costs related to operational efficiencies and risk reduction.

Transformation to the cloud is no easy feat, requiring strategies for a multitude of work streams. As customer expectations are formed by exposure to all manner of exciting consumer tech, retail and consumer markets require best-in-class user experiences. These frictionless and pleasing experiences must reach across the breadth of an FI's banking channels to create a ubiquitous customer experience. FIs must leverage agile methodologies to create both robust micro services and open APIs designed for seamless integrations. Finally, every FI must consider how they will store and leverage the data their run-time environments will be generating and consuming.

The past year may have been unpredictable, but it's clear now that the future of finance is made up of enhanced banking

experiences, accelerated innovation, and collaborative fintech ecosystems. As we like to say at Finastra, the future of finance is open.

Cloud Technology is how you'll get there.

## Employ scalable cloud technology and premier tailoring tools to help you achieve an empowering CX. Meet the expectations of your customers and lead the way to financial freedom.

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