Are you considering a change in your bank or FI's banking systems?

"Banks and FIs need to cut the cost of running - often outdated - IT systems while still responding to customer expectations for ecommerce-grade products and services." **Niamh Albertyn** 

Head of Global Pre-sales, Finastra.

core, but when. Outdated and fragmented IT systems developed decades ago using outdated languages and legacy technologies hold many FIs back from adopting new operating models.

Banks and FIs have reached a tipping point where it's not whether to replace their



#### of retail banks report that "it is more

**Over 75%** 

challenging to win and retain customers than it was 12 months ago.

### cite delivering greater speed and agility as a top three priority.

57% of banks



Source: Celent Technology Insight and Strategy Survey 2023

### One of the objectives that banks are increasingly looking for from replacement

**Building agility** 

projects is the ability to build the new products and services that customers want, delivered within much faster timeframes. This requires the type of agility that is not easy to achieve with cores built decades ago, and it's a key benefit of today's next-gen, flexible cores.

# you should think about the how. Click on the box for more information

X

As well as thinking about why, and when,

strategic future people with you

X

Consider your

and will have the closest working relationship with technology partners. But the danger of introducing a new core without considering the future shape of the business is that it fails to remove obstacles to whatever the FIs aims happen to be, from increasing profitability to improving cyber resilience.

The IT team will

play a crucial role in

implementing a new core,

uncertainty, so clear and consistent communication with everyone affected

by the migration is vital.

impacted and how they

Explain why business

processes will be

One Step (Big Bang)

Go-Live date

Change can create

Take your

will bring value to the bank as a whole, to its employees and to its customers.

doing this is to involve customers, whether it's through focus groups or surveys, early on to get

their feedback. This is best

done before they are fully

committed to a project

The new way of banks

Remember to ask

your customers

for their views

X

plan, rather than waiting until after they go live to get the feedback.

(New Customers)

Denovo or digital spinout, with

new customers first.

(Existing customers migrated over time)

Without a clear definition of outcomes that can be shared with their IT partner, the project will

be in danger of failing to

Bring in

the experts

X

reach its objectives, and investment being wasted.

**Phased / Progressive** 

Phased journey to future state by deploying a new core platform for

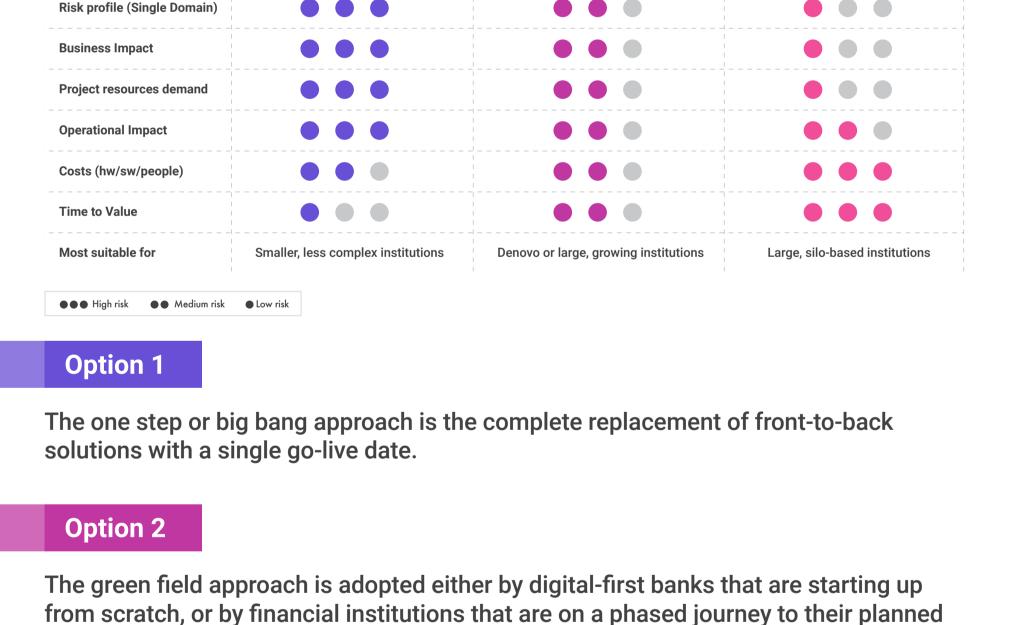
one line of business / product first.

## **Green Field**

What are your options for a new banking core?

Complete replacement or upgrades of front-to-back solutions with single

Migrate: providing choice



**Option 3** 

The phased or progressive approach is most often used by large, silo-based financial

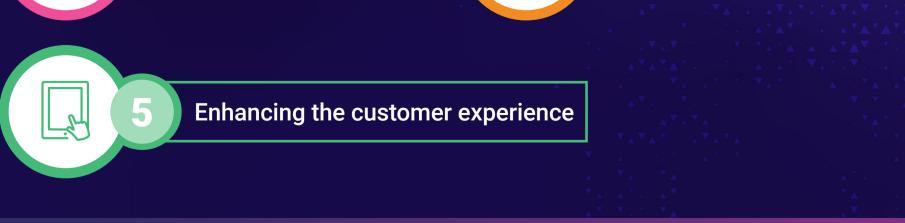
institutions that introduce a new core (or keep the existing one), then digitize lines of

future operational model.

business or products one at a time.

Measures of success Revenue growth **Operational efficiency** 

### IT cost-saving



## What do you need to know before replacing your core?

- What are our objectives from replacing our core? Do we want to reduce operational costs, introduce new services at a faster cadence, or improve resilience?
  - Do we have a business case that reflects those objectives that will help secure the budgets needed? Who should be involved in the core replacement project team? How do we plan for future growth with the right banking systems core and technology partner?

Read 'Replacing your core: Enhance organizational innovation, growth and agility', our new whitepaper,

Download now

to find the answers to these questions and more.

Finastra unlocks innovation across the world of financial services, through our trusted software and open platform. To find out more, visit finastra.com

Reduced risk /

Improved compliance





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