Replacing yo to achieve

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"Banks and FIs need to cut the cost of running - often outdated - IT systems while still responding to customer expectations for ecommerce-grade products and services."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 Outdated and fragmented IT systems developed decades ago using outdated languages and legacy technologies hold many FIs back from adopting new operating models.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. Remember to ask

3

As well as thinking about why, and when,

The IT team will play a crucial role in implementing a new core, and will have the closest working relationship with technology partners. But the danger of introducing

a new core without

Consider your

strategic future

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.

Change can create uncertainty, so clear and consistent communication

with everyone affected

by the migration is vital.

Explain why business

Take your

people with you

processes will be impacted and how they will bring value to the bank as a whole, to its employees and to its customers.

One Step (Big Bang)

The new way of banks doing this is to involve customers, whether it's through focus groups or

surveys, early on to get

their feedback. This is best

your customers

for their views

done before they are fully committed to a project plan, rather than waiting until after they go live to get the feedback.

Without a clear definition of outcomes that can

be shared with their IT

partner, the project will

be in danger of failing to

4

Bring in

the experts

reach its objectives, and investment being wasted.

Phased / Progressive

Build a new core platform and integrations

with initial launch for one line of

business / product first

3 **Green Field**

(New Customers)

Phased journey to future state.

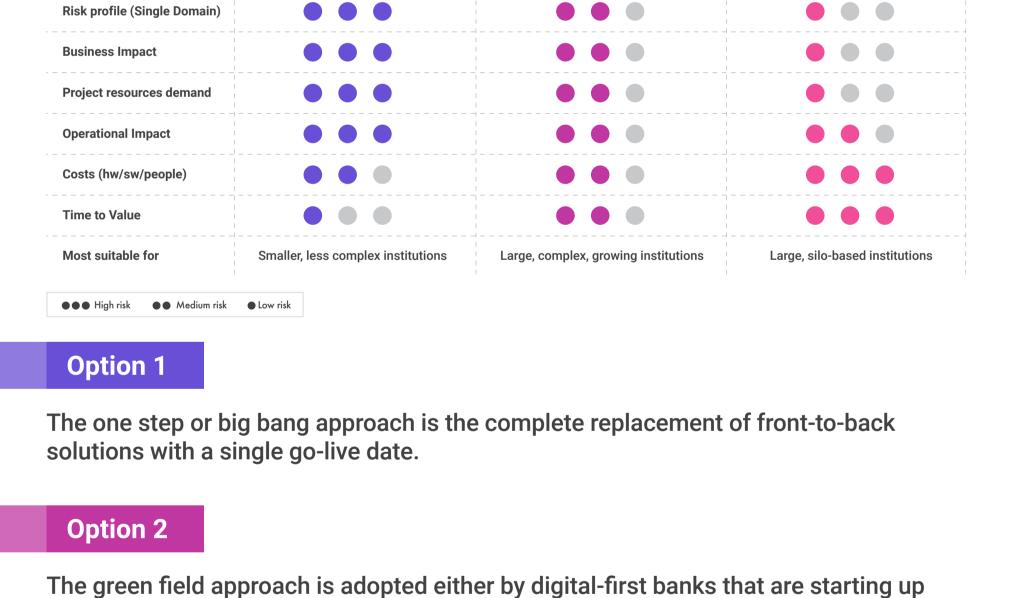
New customers first, existing customers

migrated over time

What are your options for a new banking core?

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

Migrate: providing you choice



Option 3

from scratch, or by financial institutions that are on a phased journey to their planned

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

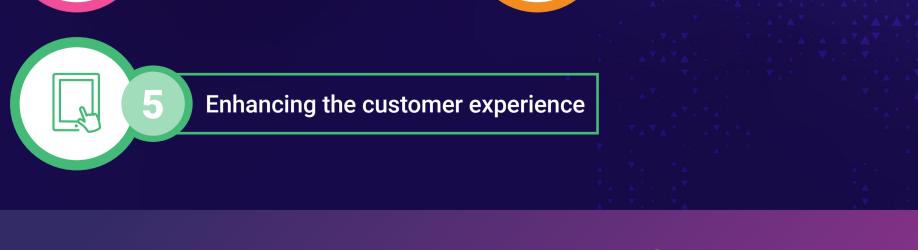
institutions that introduce a new core (or keep the existing one), then digitize lines of

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
 - 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, 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.

Download now

To find out more, visit finastra.com

ID-84805 / 0925

services at a faster cadence, or improve resilience?

Reduced risk /

Improved compliance