

Technology Leadership Paves Path to Resilience and Growth for Financial Sector

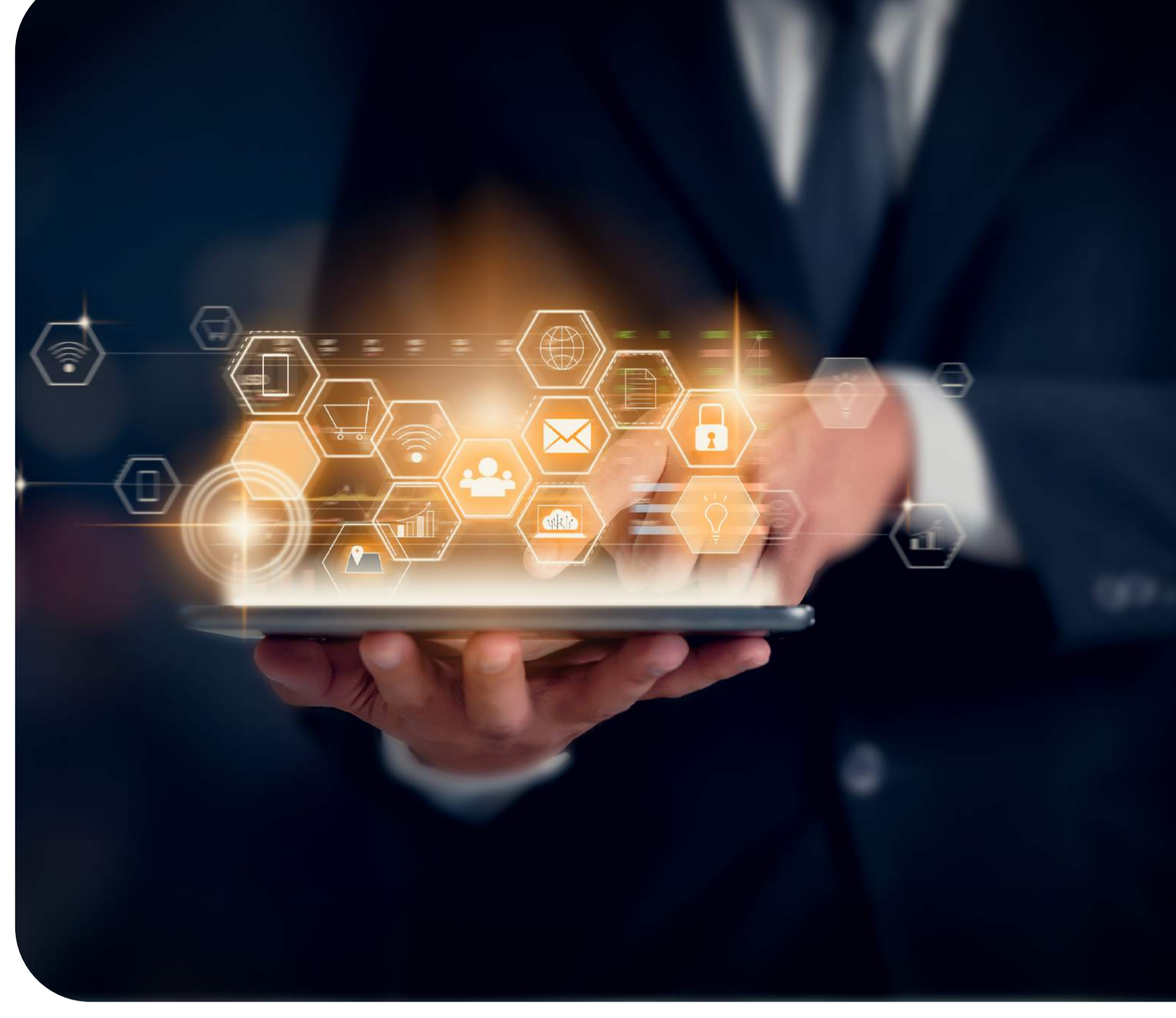
As a Financial Services CIO, you drive much more than technology programs at your organization. Right from user experience to employee access, from the health of assets to security of data and most importantly, enabling the success of business vision – your shoulders carry multiple responsibilities. There is much more at stake than ever was. In the wake of the pandemic, with remote working becoming a norm and customers demanding uncompromised seamless experiences with 100% security, the need for digital transformation was never more pronounced. The good news is, you are on your way to data modernization. The challenge, however is, there are many obstacles on the road.

A well-thought-through and strategic approach makes all the difference for a leader. In the post-pandemic world, the Financial Services sector must keep a steadfast focus on data privacy, a keen eye on regulatory compliance and fraud detection. All this without compromising on personalized customer engagement. Of course, data estate modernization leveraging cloud, automation, AI and data analytics is the key. As per Gartner, only 15% of CIOs are prepared with a concrete plan to drive AI investments though most are sold on its value. So how do you navigate the maze?

Here are top 4 focus areas to drive best outcomes, riding on technology innovation wave

Customer Delight with Enhanced Digital Experience

As per Gartner, BFSI sector has the highest opportunity to increase market penetration riding on enhanced customer experience. As such, your focus is rightly trained on improving digital engagement. However, there is a lot to be done in building organizational readiness. Technology platforms and systems geared to meet the scale and sophistication of digital experience are non-negotiable. Companies must modernize their legacy systems to keep pace.



Compliance Readiness and Fraud Detection

As per recent studies, almost 16% of CEOs cite compliance as one of the biggest challenges for banks. More than one-third prefer outsourcing their compliance processes as over 17% of their expense budget goes into data processing. This is on top of high personnel costs. Time, cost and effort aside, compliance readiness is a function of data. The ability to access, analyze and act on data in real-time not just allows them to meet regulatory compliance standards but apprehend fraudulent activities and bring down adverse impacts on revenue and reputation. Managing credit risk scores and safeguarding financial investments is one of the major focus areas for banks. Given the volume of transactions and the high velocity of false positives in fraud detection, companies are looking at advanced AI algorithms to step in. However, these require a safe, scalable and agile infrastructure.

Cyber Safety and Data Protection

The pandemic induced remote working environment increased security concerns, and malicious activities on the worldwide web increased manifold. Studies indicate that three in four financial institutions in the US noticed an increase in cyber mischief while the sector witnessed a whopping 238% increase in targeted cyber-attacks. An average data breach costs over \$5 million to a financial institution. No wonder then that the US treasury

Cybercrime department sees north of a billion dollars stolen every month. These numbers raise an alarm. The sector cannot wait any further to plug the holes and beef up data security. A hundred percent foolproof and fail-safe data protection system with zero trust architecture is the way forward. Many of your tribe are already making amends, and you cannot stay far behind.



Competitive Edge with New Product Introduction

Financial institutions must accelerate the pace to bring new products to market to stay ahead of the competition. Third party aggregators and mushrooming of financial service providers have put a lot of pressure on the companies to meet the rising expectations of the customers spoilt for choice. Faster GTM for new products would require seamless digital infrastructure, the right insights on platforms and control over digital assets. Companies must move fast and streamline their systems and accelerate their pace to stay relevant.

Acuvate Partners with Financial Institutions to Deliver Innovative Solutions at Scale. Acuvate is a trusted partner to leading banks and financial institutions across the globe. In a recent engagement, we supported a large wealth management bank to reduce application management costs by 40% with migration to Azure SQL. The bank was increasing its portfolio, and with it came a large volume of data and opacity in connecting customer conversion rate to the revenue generation for the bank. Our teams migrated the on-premise Oracle system to Azure SQL MI leveraging Azure Analysis and Power BI. Azure technology stack improved data processing, tracking, monitoring and reporting.

Data Modernization in Action

Enhanced customer experience, Improved Productivity & Cost Efficiency for a Large Wealth Management Bank

Client Context

Large wealth management bank increasing portfolio but challenged in managing data volume for timely and accurate insights

Technology Solution

- Migrating on-premise Oracle systems to Azure SQL MI
- Azure Data Lake for harmonizing multiple streams of data
- Azure stack for improved data processing, tracking, monitoring and reporting
- Azure Analysis Services and Power BI for better data visualization and insights

Impact

- **40%** reduction in application management cost
- **Improved productivity** of regional teams
- **Accurate correlation** of customer conversion rate to revenue of the bank

Charging Ahead with Confidence in Post Pandemic World

Opportunity is the flip side of challenges. The post pandemic world brings in unprecedented opportunities for growth and revenue generation, provided the financial institutions act in time and focus on planned data estate modernization. More than 60% CIOs believe they are on the path to success but not even in two actually have put together a specific and formal plan in place. Deloitte report suggests that 57% CIOs are planning data security initiatives as part of data modernization program but a lot needs to be done on ground.

Road to cloud and adoption of contextual automation is still opaque. The time is running out and those who can act fast would win the game. Partner with Acuvate to accelerate your digital transformation and data estate modernization journey and surge ahead with confidence.

