

New service models to accelerate innovation in banking

How can financial institutions transition from a builder to a conductor model on their journey to a digital enterprise?

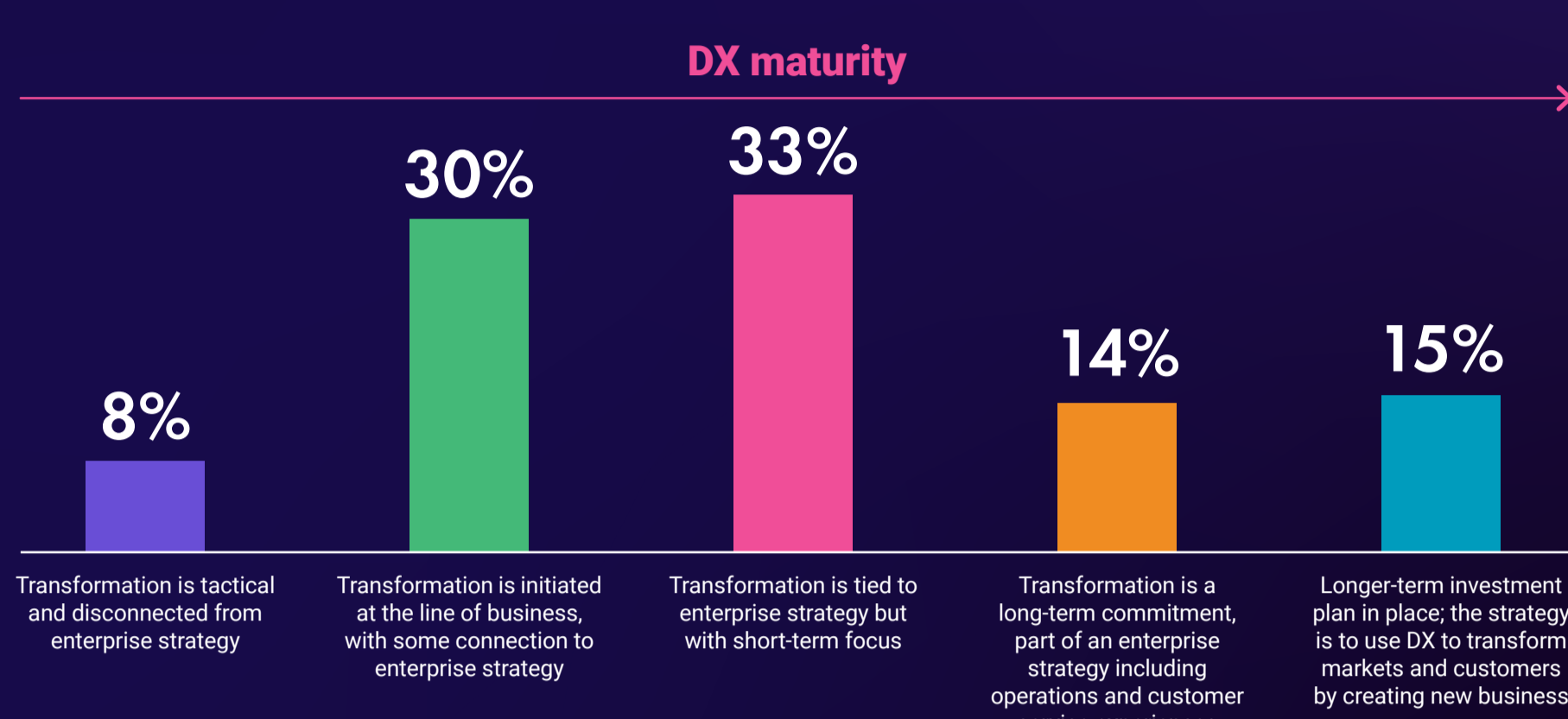
Digital transformation (DX) maturity

40% of financial institutions reported that responding to the pandemic has forced a quick shift to a digital-first strategy.

Top three benefits experienced in 2020 through investments in digital transformation:



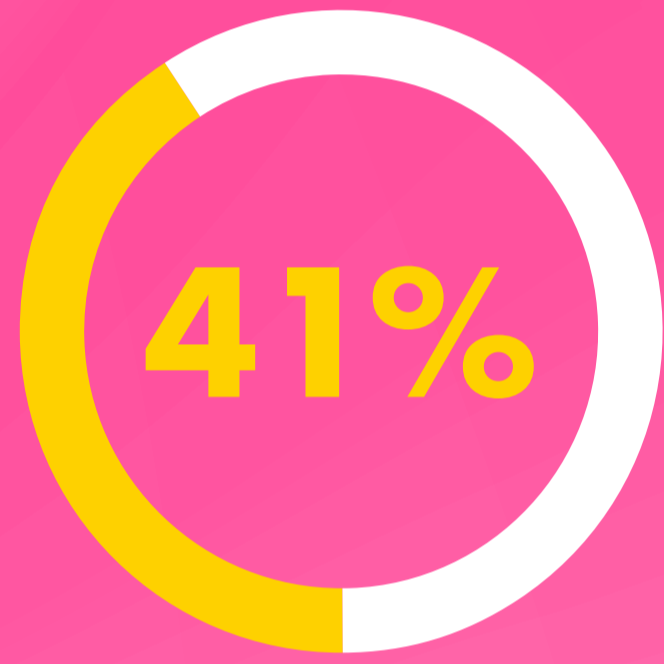
Yet only 15% of financial institutions have a long-term investment plan in place for DX.



* Future Enterprise Resilience and Spending Survey, IDC, January 2022

What is challenging financial institutions to move forward with modernization?

In 2021 and 2022, IDC conducted interviews with a number of bank executives. Several common themes emerged as challenges to the longer-term goals of transformation at their institutions:



of institutions are looking to increase their capacity to deliver more capabilities within existing cost structure and timeframes.

The shift from builder to conductor

To effectively manage every aspect of delivery from the increasingly complex infrastructure, the IT executive's primary role must evolve from a builder to a conductor.

	Builder	Conductor
New products and services	Leads software development team to create customized applications as needed	Creates development tools and leverages external partners to enable low-code/no-code product composition
Provisioning	Buys technology	Provisions and/or partners for platforms
Operations	Monitors a collection of workload-specific management utilities to scan for disruptions	Uses automation platforms to track disruptions regardless of platform and/or workload
Relationship with line of business	Enabler, but as a single point of resource, limiting pace	Enabler and orchestrator, leveraging external partners to accelerate innovation

To transition successfully, banks need to partner for success.

Institutions need service partners that can holistically support every aspect of the organization's transformation journey:



New service delivery models to transition to a conductor role

Software-led managed services

Managed services that use the provider's scale and focus on the software, combined with industry best practice, processes, tooling and automation to maximize quality, reduce operational risk and deliver business value.

Orchestrated IP-led services

An end-to-end set of services, leveraging the unique capabilities and investments the services provider has built.

To explore the full research, we invite you to read the IDC Infobrief: **New service models to accelerate innovation in banking sponsored by Finastra.**