

Leading Technology-Driven Growth in Financial Services

How a cloud-smart strategy
accelerates innovation



“CIOs need to make the leap from tech leader to business driver.”

McKinsey & Company

Overview

Financial services organizations recognize the first-mover advantage of successful change. Yet until recently, banks had been cautious with cloud. While driving business value in pockets, fully modernizing with one or multiple clouds was viewed as complex and risky, creating cloud chaos. Now mindsets have changed and multi-cloud is accelerating.

Sterling National Bank was one of the first traditional banks to fully embrace the public cloud. Teaming with VMware and Deloitte, the bank exited two data centers within a year, and implemented a scalable, reliable, and secure platform. The modern cloud platform allowed Sterling staff to use existing skills, tools and processes to speed its cloud time to value. Other financial services institutions are now working to do the same, moving to become cloud smart to compete and thrive in today’s digital economy.

Authors of a McKinsey report assert, “CIOs need to make the leap from tech leader to business driver.” That starts with these critical make-or-break priorities that better align IT with business goals:

- Know your customer as well as you know your technology in order to shape strategy, not just implement it.
- Put cloud at the center of your financial services strategy to capture its full value.
- Make the developer experience the cornerstone of talent strategy, upgrading existing workplaces as a critical first step.

Financial services organizations that move fastest will be best positioned to scale business, advance innovation, transform customer experience and drive growth while increasing employee engagement and productivity. What’s now essential to achieving digital business success and staying competitive is technology architected for agility, flexibility, security and consistent operations. This includes a platform capable of ensuring banks can efficiently and effectively rationalize their app portfolios for modernization, take advantage of multiple cloud platforms and services and empower their anywhere workforces.

1. McKinsey Digital, “The CIO agenda for the next 12 months: Six make-or-break priorities





Navigating the new technology landscape

Change is a constant that business leaders have traversed for decades. Disruption, powered by technology, is different. Its expanse and velocity are upending the financial services industry and creating new market makers. The challenge is for financial services leaders to lean into technologies that can help their banks run faster today while future-proofing for tomorrow.

To accelerate change and business growth, financial services leaders are lining up behind these key technology-driven initiatives:

- **Cloud** — 85% of financial services executives report that the complexity of their cloud infrastructure is constant or growing, according to a VMware 2022 Executive Pulse Survey.
- **Modern apps** — The number of executives boosting app modernization is also skyrocketing. A full 94% of financial services respondents to the same survey say they are pursuing app modernization over the next six months.
- **Hybrid workforce** — Workplaces are changing. Six in ten (61%) employees believe remote work, which used to be considered a perk, now is a prerequisite.²

Each of these areas—cloud adoption, app modernization and hybrid workforce—present your business with an opportunity for technology-driven growth.

Technology	Business outcomes	Real-world business results with VMware
Cloud	Optimize and modernize cloud infrastructure, operations and apps for competitive advantage.	41% less cost and hours spent on infrastructure. ¹
Apps	Secure, run and manage modern banking applications consistently across all clouds.	35% revenue increase from faster delivery of modern apps. ¹
Hybrid workforce	Enable anywhere work with secure and frictionless employee experiences.	35% productivity increase across a distributed workforce. ¹

1. VMware Executive Pulse Survey 2022

2. Vanson Bourne, "The Distributed Work Dilemma: When innovation and job satisfaction compete." August 2022



Cutting cloud complexity

As financial services institutions have increased their cloud-centric priorities and spend—including adopting multiple public clouds—VMware has continued to be a proven partner in the cloud journey. VMware delivers choice and flexibility that maximizes business outcomes because VMware products break down silos and eliminate false tradeoffs, while ensuring workload portability and application-to-platform best fits.

VMware cloud solutions help financial organizations optimize their investments wherever they are on their cloud journeys. With VMware solutions, institutions can **build, run, manage and secure all their apps across any cloud**. **In addition, VMware improves experiences for both financial services customers and employees, including delivering** secure, remote access to apps and services.

The cloud-agnostic VMware technology portfolio cuts through cloud complexity so financial services organizations can go faster, spend less, be free from lock-in and provide governance guardrails that secure everything inherently across clouds, endpoints and edge environments.

Why VMware?

VMware welcomes change, empowering financial service enterprises to turn ideas into successful business results. In collaboration with or alongside large system integrators and strategy partners, VMware is distinguished by a dedication to driving business growth through technology innovation. As a result of a more than two decade partnership with financial services organizations, VMware is the:

- Preferred financial services partner — The top 10 global banks are VMware customers
- #1 trusted vendor for enterprise workloads running across clouds²
- Purveyor of the most comprehensive multi-cloud application services platform
- Most flexible provider for adopting cloud at your own pace
- Intrinsic security leader, enabling teams to secure apps at every level of the stack
- Neutral party of multi-cloud with the most comprehensive ecosystem

VMware solutions continue to power IT modernization while speeding modern app development, for example, by making Kubernetes accessible to everyone. VMware helps lower risk by building security everywhere—apps, cloud and the distributed edge—no matter where and when work happens.

2. Management Insights. "FY22 VMware Workloads Tracker," January 2022.

Business results

Sterling National Bank exited two data centers in one year, achieving 80% of its goal of onboarding 100% of its new clients digitally, speeding client access while reducing staff effort.

FISERV built new loan products and services in 28 days to serve 18,000 businesses with small business loans.

Access Bank transformed its data center into a scalable private cloud. Its new online loan product can dispose a loan to a qualified customer in less than 10 seconds.

The United States Senate Federal Credit Union keeps data secure in the cloud while empowering employees to work remotely. Hybrid work solutions have increased productivity and reduced end-user support costs by two thirds.

To find out more, go to [VMware Financial IT Solutions](#).

Powering your digital business strategy with VMware

VMware helps propel organizations grappling with complexity and cloud chaos to cloud smart—reaching the tipping point where the strategic advantages of multi-cloud outweigh the well-documented complexities. In parallel or consecutively, undertaking the following three strategic initiatives with VMware empowers your team to accelerate time to market for new and modern banking applications, take the fastest, easiest path to cloud and empower your hybrid workforce.

Integrate and operate a cloud-native platform at scale to drive top-line growth

The majority of new application development is born in the cloud using cloud-native architectures. To build the kind of financial services applications that create great customer experiences, it's critical that banks support and solve for the developer experience gap by enabling modern app architectures and embracing native cloud Kubernetes services, APIs and an expansive open-source ecosystem. VMware solutions give developers choice, flexibility and a fundamentally improved experience that allows them to build better apps faster.

Similarly, modern banking apps and new technologies—like microservices and Kubernetes—demand a modern approach to security, operations and compliance. VMware solutions also help teams incorporate DevSecOps practices into the modern software supply chain to ensure security, automation and efficiency are an integrated part of every new app build or app modernization initiative.

Optimize and modernize cloud infrastructure, operations and apps for competitive advantage

In addition to running financial services apps in public clouds, banks will continue to run core banking applications in data centers and private clouds. To address this cloud hybridity and gain parity with new applications, financial firms will need to manage applications with modern cloud infrastructure and a unified cloud operating model. VMware solutions enable financial institutions to build, deploy and operate any application securely and efficiently across any cloud.

Empower the hybrid workforce

Today's distributed and remote workforce faces key challenges, including fragmented security, operational complexity and subpar user experiences. The cloud-based anywhere workspace solution from VMware allows banks to empower employees to be productive from anywhere while leveraging distinct management and security capabilities that safeguard users, apps and data across all clouds.

