

# Leading Technology-Driven Growth

How the right financial services digital platform accelerates innovation



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

*-McKinsey & Company*

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## Overview

Financial services organizations recognize the first-mover advantage of successful change. Yet until recently, banks had been cautious with multi-cloud. While accelerating business value in pockets, fully modernizing with multi-cloud was viewed as complex and risky, the pandemic changed everything. Sterling National Bank, a prime example, was one of the first traditional banks to fully embrace the public cloud. Working with VMware and Deloitte, the bank was able to exit two data centers within a year. Additionally, even with the limitations posed by the COVID-19 pandemic, Sterling was able to implement a scalable, reliable and secure platform, and embrace other new technologies.

“I’m more concerned about not being bold enough than about being too cautious,” one CEO emerging from the crisis and navigating fast-paced economic recovery recently explained to McKinsey & Company. “The clear implication,” McKinsey analysts assert, is that “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, accelerate 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.



## Navigating the new technology landscape

Change is a constant 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 fast today while future-proofing for tomorrow.

These are three key technology-driven initiatives that financial services leaders are lining up behind to accelerate change and business growth:

- **Multi-cloud** – 85% of Financial Services executives report that the complexity of their cloud infrastructure is constant or growing in 2022, according to VMware’s Executive Pulse Survey.
- **Modern apps** – The number of executives boosting app modernization in importance is also skyrocketing. 94% of Financial Services executive pulse respondents cited they are pursuing App Modernization over the next 6 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.

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

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

\*VMware Executive Pulse Survey



## Cutting multi-cloud complexity

As VMware customers have increased cloud-centric priorities and spend—including teaming with multiple public cloud providers—we have continued to be a proven partner in multi-cloud journeys. Choice and flexibility maximize business outcomes, which is why these traits are infused in our DNA, and why our products break down silos and eliminate false tradeoffs, while ensuring workload portability and application-to-platform best fits.

Our recently introduced VMware Cross-Cloud™ services is an integrated portfolio of software-as-a-service (SaaS) solutions and interoperable technologies focused on helping financial services organizations maximize the business benefits of using multiple clouds. With Cross-Cloud services, companies can build, run, and secure applications across any cloud, increase governance and control of all apps and infrastructure across clouds, and facilitate an anywhere workforce—without jeopardizing security.

With our cloud-agnostic portfolio cutting through cloud complexity, financial services organizations can go faster, spend less, be free of lock-in, and provide governance guardrails securing everything inherently across clouds, endpoints and the edge.

## 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 our dedication to driving business growth through technology innovation. As a result of our more than two-decade partnership with financial services organizations:

### **VMware is the #1 trusted vendor for enterprise workloads running across clouds<sup>1</sup>**

- **Financial services runs on VMware** — 10 of the top 10 global banks are VMware customers
- **300K+** global organizations rely on VMware solutions
- **20+ years** innovating and reducing complexity around enterprise apps, driving IT modernization
- VMware is a primary contributor to Cloud-Native Computing Foundation
- VMware is leading the effort to make Kubernetes accessible to everyone

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

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

## Seeing business results

- **Sterling National Bank** – This financial services organization 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 during pandemic
- **CLAL Insurance** - smoothly transitioned 3700 insurance clerks and call service center representatives to home offices who answer daily thousands of calls from agents and customers transformation plans

At the center of it all, driving business growth and resilience—not only for retailers but for almost every industry—are applications.

Learn more at [VMware.com](https://www.vmware.com)

## Powering your digital business strategy with VMware

VMware provides a path for banks to further disrupt the financial services industry without compromise. In parallel or consecutively, undertaking the following three strategic initiatives with us empowers your team to accelerate the DevOps revolution, 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 overwhelming majority of new application development is born in the cloud using cloud-native architectures. To build the kinds of financial services applications that create great customer experiences, it's critical that enterprises 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 to give developers choice, flexibility, and a fundamentally improved experience that enables 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. Organizations must 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, ops, and apps for competitive advantage

In addition to running financial services apps in public clouds, banks will continue to run core banking applications in the data center/private clouds. To address this cloud hybridity and gain parity with new applications, banks will need to manage applications using modern multi-cloud infrastructure and microservices architectures that enable Dev and Ops 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. A cloud-based anywhere workspace solution 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.