

# Realization for change

accelerating action now



Digital  
deployment  
and sustainable  
growth

**Atos**

# What significant findings has the research uncovered?

Long-term low interest rates, pandemic-led loans, a fast-evolving competitor landscape, and increased regulation have put Financial Services and Insurance (FS&I) organizations' profitability under pressure for years. FS&Is are having to pivot their operations and business models to respond to increasing customer demand for tailored, context-based ('lifestyle'), frictionless services and engagement, and are having to keep up with the shift towards creating open and collaborative financial ecosystems.

Most have run some digital transformation initiatives in response, but, industry-wide, driving business value from such investments-and doing so quickly-continues to be a significant challenge. One significant factor behind this challenge is that IT budgets remain tied up by the costly demands of running and maintaining legacy systems. Yet the pressure to transform and innovate is increasing, with customers and shareholders demanding that banks prepare ahead and ready their platforms and operations for future crises.

This is leaving FS&Is facing a difficult dilemma: they must digitize core platforms and processes to compete and survive, yet the costs of doing so (and the potential risks) are seen as prohibitive, despite the potential revenue opportunities and operational cost savings that could be achieved.

This is validated by research into FS&I executives' opinions and experiences, commissioned by Atos and its key technology partners, which revealed:

Furthermore, despite over half of respondents recognizing that competition from disruptors is one of the greatest threats to their business, 79% of respondents maintained that their business model couldn't be disrupted or compromised in the next three years. This suggests either many FS&I executives aren't aware of the speed of change and disruption or they feel they have 'done enough' to compete, or-more worryingly- some may be burying their heads in the sand, as they can't see a viable way forward due to the costs of transformation incurred to date.

Now the advent of open finance and banking-as-a-service mean that a new mindset, with regard to transformation, innovation adoption, and 'cost-cutting', is urgently required. Incumbents who don't act quickly enough may end up in a cost-cutting-led 'race to the bottom', while more nimble and innovative competitors will gain from the advantages of digitalization and the new revenue streams that this creates, to take an ever-greater proportion of the finance market.



55%

named innovation and competition from disruptors as one of the greatest threats to their business



50%

of respondents ranked pressure on profit margins as a top-five threat



50%

cited cost as the greatest barrier to business transformation

Only 50%

have moved data and processes to take advantage of economies of scale and OpEx financing models offered by cloud-based platforms.

# How is Atos helping the world's leading Financial Services organizations increase their digitalization and accelerate their path to sustainable growth?

Financial Services organizations have been able to accelerate their digital transformation and realize business value within months rather than years **with Atos's expert consultancy, proven change management methodologies, and frameworks.** Combined with best-in-class technology solutions from Atos's **technology partners Dell Technologies, IBM, Intel, Microsoft, Verizon, and VMware,** FS&Is can **adopt the digital platforms and tools** they need while minimizing risk or impact on business as usual (BAU).

A **business-driven approach toward transformation** ensures investments are assessed effectively and value is understood in advance, to help customers understand how and where they can use digital and emerging technologies effectively to meet commercial as well as technical requirements.

As a recognized leader in the adoption of secure hybrid cloud and digital banking platforms, Atos is helping customers recognize and realize the benefits of new and profoundly different approaches to operational optimization, rationalization, and profitability. With expertise in emerging technologies and innovation such as **blockchain, Artificial Intelligence (AI), and Machine-learning (ML),** Atos enables the intelligent adoption of solutions that further expedite FS&Is' transformation to support better performance, employee engagement and customer experience as well as future-proofing revenue growth.

By providing an extensive range of technical skills backed by deep domain knowledge and decades of experience, Atos has helped FS&I customers create and execute digital transformation strategies that **quickly deliver the required business outcomes, while laying the foundation for new revenue streams and growth in a fast-evolving financial marketplace.**

The Atos logo is displayed in white, bold, sans-serif font against a dark blue circular background on the right side of the page.

# Key questions:

## 1. How is Atos and its partners helping FS&Is transform and adopt new digital core platforms and tools to seize the new revenue opportunities offered by banking-as-a-service and context-based 'lifestyle' financial services offerings?

- Atos and its partners can help FS&I customers **take leaps forward in their transformation** so they can compete against FinTech and digital banks to develop new revenue streams.
- FS&I customers can **offer targeted services, aligned to their end customers' lifestyles and specific requirements at a designated moment in time** (such as buying a new car or moving to a new office location), by modernizing core platforms and applications.
- A **"Banking-as-a-Service" (BaaS) operational model enables FS&Is to monetize their investments in innovation and infrastructure** by providing some of that cloud-based infrastructure, services, and funding to third parties, who can then offer financial services under their own brand. FS&Is get the platforms they need to compete by making those platforms 'self-funding', while independent analysis has shown that **BaaS architectures can reduce the cost of customer acquisition by up to 95%<sup>1</sup> —a cost reduction impossible to achieve through current approaches to cost-optimization.**
- **Atos's digital platforms for insurance and banking, deep domain expertise, and strategic consultancy** help customers to fuse data silos, streamline processes, and consolidate workflows, to create a scalable, resilient, and secure foundation that supports advanced AI and ML solutions. They provide the predictive and contextual analytics required to **improve the targeting of services, understand where and how FS&Is can monetize the output from such analytics, and use automation to provide governance and reduce time to serve in complex and highly regulated transactions.**
- **For example, FS&I customers can optimize and enforce governance processes while minimizing impact on customer service and experience.** Currently, only 51% have developed digital products or services to maintain regulatory compliance, despite this being a burden on budgets and leading to delays in customer onboarding and access to services or accounts.
- Atos and its partners also bring **extensive cybersecurity and risk management expertise along with best-in-class secure platforms and solutions designed for intensive, open, and multi-party/collaborative environments such as BaaS.** Secure-by-design, these

solutions support a transition to a **Zero Trust approach of regulatory compliance and risk management.** Offerings such as Compliance-as-a-Service and the protection provided by Atos's 14 Security Operations Centers are complemented with advanced intrusion detection, and access and identity management solutions, to automate and enforce monitoring, checks, authorization, and access.

- Atos works with best-in-class technology partners and also invests in its own FS&I tools and accelerators to speed and de-risk the FS&I transformation journey, for example Atos's next-generation AI automation Syntbots and Payment Services Directive 2 (PSD2) enablers.
- Access to the **Atos Labs** enables customers to work alongside Atos's technical engineers to quickly design, develop, and test minimum viable digital products based on industry best practice, proven methodologies, and reference architectures.

- By **easing and de-risking operational digital transformation** with proven, secure, digital core banking platforms run on premise, on cloud, or as a managed service, Atos helps FS&I customers quickly gain the technical foundation they require to **develop new revenue models unencumbered by legacy-system complexity or cost.**

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## 2. How is Atos and its partners helping FS&Is adopt digital customer experience (DCX) solutions and gain insights to improve customer experience and engagement across multi-channel financial ecosystems?

- Atos and its partners enable FS&Is to **speed development and use of digital products, tools, and services that automate tasks, empower employees, improve customer experience and onboarding, and strengthen governance and security**. Atos's expertise and domain experience are combined with best-in-class innovation from its partners and the Atos FinTech ecosystem, to provide solutions that are effective and at the correct size for the issue being addressed.
- **Atos brings a proven business transformation framework plus expertise to address the challenges of weak customer experience and to help FS&I customers get the 360° insight they need** to support decision-making and optimize performance across diffuse ecosystems. Atos|Syntel's digital platform, ATOM, helps customers build the next generation of smart business applications with ready-to-use solution building blocks that improve developer productivity and time to market by 20–40%. This helps FS&I customers to integrate Mobility, User Experience, Social Media, Big Data powered Analytics, Artificial Intelligence, Microservices, and IoT powered connected devices, to create a superior customer experience.
- 80% of FS&Is think employee collaboration tools and technologies such as Artificial Intelligence and Robotics Process Automation can help increase revenue by supporting employee engagement and customer interactions out of branch. Atos and its partners offer cloud-enabled unified communication and collaboration (UCC) platforms, DCX and omni-channel customer-journey design expertise, plus the Atos CX Labs where point digital CX products can be designed and tested, to speed time to deployment. These form part of a holistic suite of solutions that accelerate FS&I customers' adoption of digital tools and solutions, to improve end-customer targeting and experience.
- 47% of those surveyed identified that a reduction in office space is a way to cut costs, while 70% agreed that adopting a decentralized corporate structure will increase their business efficiency. Atos helps FS&Is design a strategic approach to ensuring employee engagement & collaboration and then implements and integrates the right mix of digital tools and managed services to help FS&Is adopt secure hybrid- and remote-working as part of their operational optimization efforts.



**of FS&Is think employee collaboration tools and technologies such as Artificial Intelligence and Robotics Process Automation can help increase revenue by supporting employee engagement and customer interactions out of branch**



**of those surveyed identified that a reduction in office space is a way to cut costs**



**agreed that adopting a decentralized corporate structure will increase their business efficiency**

Proof points include:

- increase in customer loyalty, satisfaction, and acquisition by over 25%
- reduction in the operational cost-to-serve by 20%
- a 20% improvement in predictive modeling and trend forecasting
- a 30% saving on processing time and a 51% cost saving by extending best practice with no missed SLAs for a leading global Financial Services and bank holding company
- a cloud migration factory delivering 40% faster application migration and lower total cost of ownership (TCO), having migrated over 250 applications, for a multinational charge card, travelers' cheque, and credit card group:
- a reduction in cost to serve for a classical bank by +30%
- Atos's transformation of the digital environment of one of the world's largest Financial Services companies, achieving more than 15% in cost savings over a 5-year term.

### 3. How is Atos and its partners helping Financial Services customers adopt digital tools, analytics, and automation, to improve the effectiveness of their operations?

Atos helps FS&Is improve the effectiveness of core operational processes by unifying platforms, applying AI and ML, and leveraging its extensive FinTech community to help FS&Is access and quickly deploy new digital services and products that will deliver specific business outcomes. For example:

- Less than half of FS&Is (43%) report that they are already working to digitize their supply chains (automation, analytics, IoT, and intelligent edge). By improving supply-chain visibility with insights and automation, Atos helps FS&Is reduce wastage and achieve better cost management.
- Only 44% of FS&Is questioned are automating security and compliance policies across their business. And of those that have started digitizing processes and workflows in order to optimize them for compliance, 62% are finding the process challenging. Atos and its partners can help FS&Is deploy intelligent automation that enforces and enables governance, reports issues, and speeds reporting for compliance purposes.
- 78% of FS&Is agree that digital technologies are essential for meeting decarbonization targets. Atos offers a range of services and tools to help FS&Is digitize their sustainability monitoring, measuring and reporting processes, to help them achieve their decarbonization goals and map their path to Net Zero.



**43%**

report that they are already working to digitize their supply chains



**44%**

of FS&Is questioned are automating security and compliance policies across their business.



**78%**

agree that digital technologies are essential for meeting decarbonization targets

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# What is the Financial Services profile of Atos and its partners?

Atos serves 15 of the top 20 banks in the world, has more than 280 Financial Services clients in total, and is one of the largest third-party Capital Market service providers, delivering tailored consultancy services that resolve some of the most challenging issues that the Financial Services industry faces.

Atos employs 25,000 experts dedicated to Financial Services—including 16,000 in Retail Banking, 6,500 in Capital Markets, and 2,200 in Payments. Atos actively develops, maintains, and runs business-critical Financial Services environments, covering millions of end customers.

## **DELL**Technologies

### Dell Technologies and Atos in Financial Services and Insurance

Dell is an industry leader in helping financial services organizations to build a modernized IT infrastructure that empowers tomorrow's innovations. We help our customers to innovate through digitization, delivering the end-to-end technology solutions they need and digital transformation accelerators to develop and quickly drive value from new digital tools and services. We provide a flexible, end-to-end, modern IT infrastructure built for digital transformation from device to cloud to edge. Agile, smart, scalable and secure technologies help FS&I customers adapt at speed, so they are ready for change.

With on-demand flexible IT financial services customers can create digital solutions to enable employees to stay engaged and work from anywhere, while harnessing data innovation and accessing digital tools and services that power meaningful customer experiences.

[www.delltechnologies.com](http://www.delltechnologies.com)

## **IBM**

### IBM and Atos in Financial Services and Insurance

Executives are excited about the latest technology and often cite cost reduction as a key benefit.

Together Atos and IBM deliver on this benefit bringing their industry knowledge and end to end solutions for financial services comprised of AI, Automation & accelerators to a Secure Hybrid cloud. The speed of adoption of these latest technologies in banking is accelerating as organizations look to achieve cost takeout to keep up with the market disruptors and customer demand. This requires leveraging proven best-of-breed solutions to reduce cycle time, decrease defect rate and cut solution spend whilst also addressing items such as fraud.

In the long term, this means using AI-driven automation and cognitive services across the financial industry, allowing banks, mortgage processors, insurance companies and more to streamline internal document onboarding and collaborative interoperability.

IBM brings all of this proven technology and with Atos a proven trusted partner for delivery and management.

For example, Atos has carried out several successful cost optimization projects where Atos has rebuilt the client's application to use AI and Microservices running on IBM Cloud. The savings on regulation compliance costs alone are expected to be 30%, but Atos can work with you to see what is achievable for your business by using the IBM Financial Services Compliance Saving Calculator.

[www.ibm.com/cloud](http://www.ibm.com/cloud)

## **intel.**

### Intel and Atos in Financial Services and Insurance

Financial institutions are going through a major digital transformation, directing their resources and investments to accelerate the development and new services and financial products while creating the conditions required to foster innovation. To pursue such a capability, financial institutions are not primarily looking for cost reduction but instead focusing their resources and attention on capabilities that reduce the friction involved in the conception of new financial products.

Thus, cost optimization, in opposition to cost reduction, is focusing on delivering the business outcome at the most effective cost structure, that holistically in a financial institution is directly tied with enabling a multi-cloud architecture so that software architects can design, develop and deploy new code and capabilities without the hurdle of and constraints of a defined limited environment.

[www.intel.com](http://www.intel.com)

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### Microsoft and Atos in Financial Services and Insurance

Microsoft is enabling financial services transformation by helping customers design and deploy innovative digital services and tools, and get the valuable insights they need from data, faster and with ease. Through our secure Azure cloud platform, agile office applications and accessible developer tools and development centers, Microsoft helps financial services organizations to realize the full power and potential from the digitization of their business. By providing customers with increased modularity and availability of core IT infrastructure and applications Microsoft helps them make insight more accessible to enable data-driven, AI-enabled decisions that drive growth and improve their resilience.

Access to our app solutions and developer services and toolkits enables customers to rapidly identify and respond to changing customer needs with digitally enabled data-driven marketing, sales and pricing. Customers can become more agile and scalable to quickly address disruptions in supply chain, logistics, facilities, development and corporate functions and improve risk management and compliance. And with secure devices and anywhere, anytime, availability to critical applications enterprises can also empower their employees to be more productive, collaborate effectively, and to drive their business forward.

[www.microsoft.com](http://www.microsoft.com)



### Verizon and Atos in Financial Services and Insurance

Our progressive transformation approach recognizes that there's no quick fix to digital transformation of a large company—and anybody who says that there is may have another agenda. Put simply, we help our partners and clients deal with shifting needs and bumps in the road. We couldn't do that without our global network. Of course, it can connect people and things. And it's robust, agile and secure. We're also making it smarter, more application aware, every day. We can do this because we've invested US\$145 billion over the last 20 years to re-engineer it from the core to the edge. This has created a platform not just for 5G, multi-access edge computing and the other technologies that businesses need today, but also for what comes next.

[www.verizon.com](http://www.verizon.com)



### VMware and Atos in Financial Services and Insurance

Financial services organizations need to establish a resilient, secure and agile 'new normal'. They must adapt and optimize what they have had to quickly put in place, address new security and risk scenarios, enable employees in remote and hybrid working environments, and deliver seamless customer experiences.

Together Atos and VMware partner to help financial services organizations to drive business value from the digitalization of services and processes with seamless, simple, end to end infrastructure and application management. This eases the digitization of workflows and accelerates delivery of digital tools and applications to create valued customer and employee experiences.

Atos and VMware solutions and expertise create a foundation for innovation, offering smart automation tools and solutions and technical skill sets to help create the agile IT environment financial services organizations need. Application development and management is simplified to speed delivery to market, ensure regulatory compliance, and de-risk change.

With Atos Digital Workplace and Atos Digital Hybrid Cloud, financial services organizations get the flexible, resilient and secure platforms and infrastructure they need to speed and simplify their digitization journeys.

[www.vmware.com](http://www.vmware.com)

**\*The realization for change – Accelerating action now in Financial Services and Insurance. Research conducted by Coleman Parkes on behalf of Atos and its key Financial Services partners (June 2021)**

**Atos, along with five global alliance partners—Dell Tech, IBM, Intel, Microsoft, Verizon, and VMware—commissioned an independent research survey of 800 senior decision-makers across Financial Services and Insurance institutions globally and revealed five key areas where leaders are struggling to enact the change needed to deliver the expected outcomes and business value from business and digital transformation.**

