



synnovation

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FULL SPEED AHEAD!

In the race for first place, know where you're going, how you're getting there, and what technologies, processes, and tools are equipped for the journey.

EDS Getting There First

By Charlie Feld

XEROX Catch the Next Wave

By John M. Kelly

EMC Beyond the Need for Speed

By Mark Daniel

SAP Built to Adapt

By Chakib Bouhdary

ORACLE Speed and the Human Element

By Robert Shimp

EDS Becoming a Synchronized Whole

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INTEL Ready, Set, Go...to Market

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CISCO Working at the Speed of Collaboration

By Carlos Dominguez

SUN Executive Interview

With Greg Papadopoulos



How Fast is Fast Enough?

Speed: the good, the bad, and the lessons learned in the financial services industry.

By Michael Coomer, EDS, an HP company

How fast is fast enough to support both a marketplace spinning at a relentless speed and customers who expect immediate results? Answering that need brought considerable change to the financial services industry during the past few years.

On the plus side, many banking, capital market, and insurance institutions leveraged mergers and acquisitions to quickly grow their organizations. Others rapidly expanded through increased globalization. But speed also hurt financial services across the board, as the rush to take advantage of cheap capital led to some bad decisions that propelled this industry in directions it didn't want to go.

It's the demand side of speed—consumer-centric and customized—that's now shaping market direction.

Technological innovations have conditioned customers to expect fast access and service. This means the next generation wants to approach banking and financial transactions in a very different way—connecting through edge devices and self-help applications. So financial services organizations are positioning themselves for a more technology-based, contact-less way of doing business.

This is especially true in emerging markets. Asian institutions, for example, are becoming much more sophisticated as a result of globalization

and technology. They are advancing into credit card issuance, online banking, and other areas at a fast pace. And customers are responding in a very positive way.

Organizationally, financial services companies are also quickly adapting to this demand by moving toward Service-Oriented Architecture (SOA), which allows them to operate on existing legacy systems but extract and move data more efficiently. Thus, these businesses can immediately respond to the market and get better results with less capital investment.

Financial institutions looking for speed are also examining ways to streamline operations, turning to a full-service model that makes front and back office functions much more efficient, which in turn hastens responsiveness and frees more resources for innovation in this re-energized industry.

This accelerated operational model is expected to come wrapped in security and regulation. Financial services institutions are trying to recover a reputation of trust and stability—lost in part through inherent fraud and identity management issues in edge device usage, and in part as credibility diminished in the recent lending rush. Federal governments are expected to step in with increased regulation to assure that these economic challenges don't happen again. And the industry will likely be looking for 21st century security solutions that allow customers to have enhanced access while still protecting vital data.

All these developments are changing the face of the financial services industry and significantly altering its future. The key will be to harness the power and potential of speed and channel it in a controlled way, making the most of this dynamic business driver. |s|

Michael Coomer is executive vice president of the Asia Pacific and Japan region and leader of the Global Financial Services Industry group at EDS.

