Forging Your Path to Digital Leadership

Momentum is Building. If You’re not Leading, Then You’re Falling Behind

The Roubini Wealth and Asset Management 2022 report calculates the high cost of moving too slowly as a “laggard penalty” of almost US$80 million per $1 billion of revenue. In addition, late adopters could easily lose their relevance to the next generation of customers—as well as their position in tomorrow’s marketplace. For those institutions planning to be part of the banking and financial services ecosystem of the future, it’s go time. Accelerate the development of your digital leadership with complete cloud services from Oracle.

Leader or Laggard?

The revenue and growth figures are game changing—as are the penalties for lagging behind. The difference between being a digital leader and being a digital laggard can be measured in months, but the effects are long-term and can determine the future of your institution.

Today, digital leaders in financial services institutions (FSIs) are seeing: a 17 percent increase in assets under management (AUM), a nearly 10 percent improvement in profits, almost 21 percent improvement in productivity, and a stunning 16 percent improvement in market share. These leaders generate a full 39 percent of their revenues through digital channels today; that’s expected to grow to 59 percent by 2022.

Tangible and Intangible

FSIs that hesitate must consider the possibly irreparable damage to that less-tangible asset: reputation. As the banking and financial services industry evolves to encompass the new realities of technology, the perception of those who come late to the party (or those that choose not to attend at all) will suffer. In an industry highly dependent on its continued relevance, a reputation for being “behind the times” could be catastrophic.

The Business of Technology

According to the Roubini assessment, the adoption of leading technologies such as blockchain, AI, and open platforms is expected to grow between 25-35 percent between now and 2022. Those institutions able to take advantage of this opportunity have the potential to drive significant operational efficiencies while opening up new sources of revenue.
The clock is ticking.

in or out?

the banking and financial services industry are being made over the next five years. Are you

benefits, but they don’t downplay the challenges of the journey. Decisions about the future of

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A bonus? Roubini reports that as FSIs move toward a digital marketplace and the technology

timelines, revenues will increase and costs will go down.

Revenue increases and cost decreases as institutions move to the “inevitable shift toward

a digital marketplace.”

Digital First: The Foundation for an Exceptional Customer Experience

Making good technology decisions right from the start is critical: cloud, scalable, open,

integrated; bad choices can set you back months. But across the board, in organizations that

Roubini has classified as digital leaders, C-level executives have embraced and built on

technology—not just as a strategy—but as a business model that helps them define goals,

set priorities, and chart the future of their organization. For example:

» SMAC. Social, mobile, analytics, and cloud. These items in the SMAC stack will become

utility technologies by 2022, making your choice of the right cloud-based solution even

more important to the success of your journey toward digital leadership.

» Blockchain. With a predicted growth rate of 110 percent, blockchain is an eventual

“game-changer” for the industry as it speeds up transactions, enables smart contracts,
cuts out intermediaries, and creates new markets.

» Artificial Intelligence. Considered the “biggest technological breakthrough in our lifetime”

by Bill Gates, AI is the darling of savvy venture capitalists and—with a predicted growth rate

of 108 percent—will disrupt every industry in one form or another. FSIs will use AI to

leverage data more fully and to accelerate key activities such as customer engagement,

portfolio management, and back-end operations.

» Open Platforms/APIs. With a predicted growth rate of 28 percent, this “new rail to

connect the new world” provides agility in a fast-moving industry, letting organizations

quickly add services and adapt to market and regulatory shifts.

Partner with Oracle for Digital Innovation

Oracle's Digital Innovation Platform for Open Banking helps FSIs and fintechs accelerate

innovation and minimize time to monetization. With a comprehensive set of PaaS capabilities

and an open API framework, this digital innovation platform helps organizations collaborate

and enables the development and deployment of fintech capabilities—all on a common

platform in the cloud.

By bringing together banking, fintech, and Oracle customers on an open API cloud platform,

Oracle is helping FSIs forge a path to digital leadership.

In or Out?

The few organizations that have already crossed over are seeing amazing changes and real

benefits, but they don’t downplay the challenges of the journey. Decisions about the future of

the banking and financial services industry are being made over the next five years. Are you

in or out?

The clock is ticking.

PORTRAIT OF A DIGITAL LEADER

Digital leaders work differently. They operate on different assumptions and use different

models that better reflect the changes happening in the industry. According to Roubini,
digital leaders also

• Invest up to 19% of revenue

into technology

• Derive 39% of revenue from

digital channels

• Grew market share by 9% last

year from technological

applications

WHAT DIGITAL LEADERS DO WELL

Roubin's survey associates a
digital leader with these actions:

• Maps out a clear process to
digital transformation, allowing

them to stay ahead of an

industry in flux.

• Nurtures a digital culture,
drawing on advanced analytics,

smart technologies, and a keen

sense of customer.

• Builds digital teams for the

future, developing talent that
can (for example) manage

portfolios, attract new

customers, and service existing

clients.

• Takes customer centricity to the

next level with digital-first

engagement, building a

seamless, omnichannel

customer experience

• Claims a place in the future

marketplace, driving continuous

product development and

ensuring airtight cybersecurity

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