



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.

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“Roubini ThoughtLab focused this year’s research on how financial institutions across the industry are rethinking their strategies, processes, products, and business models to meet the digital needs of investors.”

WEALTH AND ASSET MANAGEMENT 2022: THE PATH TO DIGITAL LEADERSHIP,” ROUBINI THOUGHTLAB, 2017

THE ROUBINI REPORT PARTICIPANTS

The Roubini ThoughtLab team surveyed 1,503 investment providers from around the world—universal banks, full-service investment management firms, but also the more specialized asset management firms, mutual funds, private banks, retail banks, investment advisers, broker-dealers, alternative investment firms, and a range of institutional investors. To ensure a forward-looking view, the survey also covered fintech companies and online trading platforms.

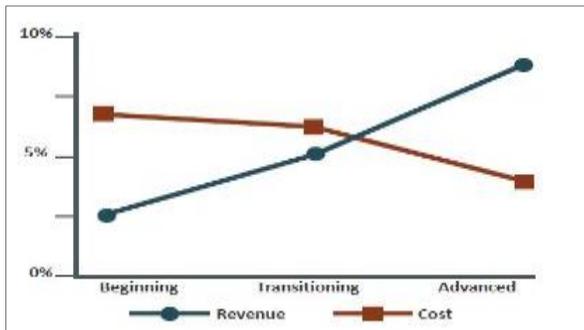
Fewer than three percent of the businesses surveyed for this report could be categorized as digital leaders.

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Integrated Cloud Applications & Platform Services

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A bonus? Roubini reports that as FSIs move toward a digital marketplace and the technology matures, revenues will increase and costs will go down.



Revenue increases and cost decreases as institutions move to the “inexorable 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

Roubini'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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