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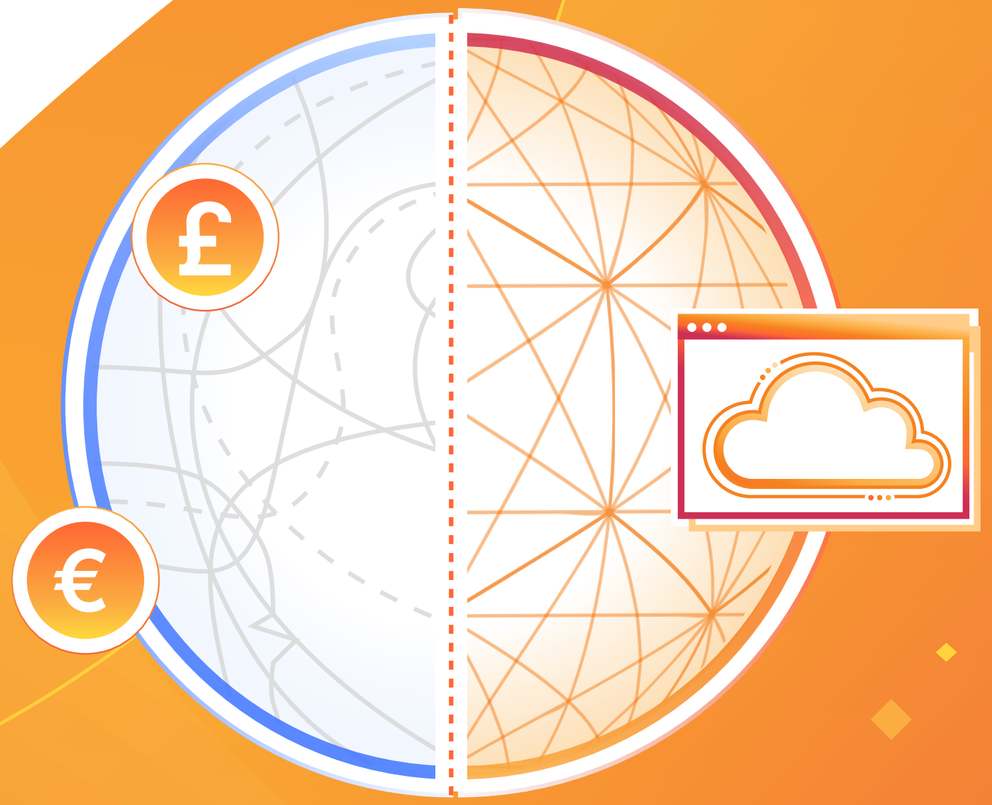
EBOOK

Driving down IT stack complexity in banking

A new approach to platform consolidation for banking



For forward-thinking banks, platform consolidation presents both a priority and a challenge

Platform consolidation — the integration of multiple tools and infrastructure into a single, cohesive platform — is a strategic priority for banks' security and IT leaders, driven by increasing tech stack complexity and economic challenges.

Eighty-eight percent of IT leaders are actively consolidating and optimising their technology stacks. Generally, they do so to achieve several closely intertwined benefits specific to Financial Services:

1. More efficient digital banking operations

When more digital and mobile banking services live on fewer platforms, there are fewer integrations to troubleshoot and fewer vendor relationships to manage. In addition, fewer tools to manage simplifies visibility and means fewer tickets and fewer process steps are required to make changes. So, you can roll out updates and new services more seamlessly, with less impact on customers' access to accounts and transactions.

2. Cost savings and better use of resources

IT budgets are increasing for most banks, but inflation and rising costs can offset those increases — preserving pressure to reduce costs in existing services. Sunsetting legacy data platforms, consolidating vendors and optimising cloud spending are just a few ways to save resources and fund new and more impactful digital banking innovations.

3. Improved security for online and mobile banking

Multiple integration points create security gaps, block visibility across the attack surface, and introduce risk. Platform consolidation is the way to get control of security and compliance, and implement consistent policies from a central control point — helping avoid missed threats, reducing the need for qualified specialists, and simplifying attack response.

4. Greater focus on innovation and strategic initiatives

The easier your bank's technology stack is to manage, the more time your teams across IT, security and development have for long-term strategic and innovation projects. Platform consolidation gives banks a competitive edge by allowing opportunities to develop products and services, and for the integration of new technologies

Unfortunately, platform consolidation projects often struggle to meet expectations due to gaps between what platforms can do and what it should do. As a result, IT and Security team productivity slows even further, and business initiatives attempting to connect and secure the organization's technology stack fall short.

This ebook explores the reasons for these struggles, and offers suggestions about how to overcome them.

Platform consolidation challenges faced by banks

Despite widespread interest in platform consolidation, few banks implementing digital services have made as much progress as they'd like.

One reason is natural and unavoidable: in the IT world, service deprecation and replacement simply takes time. Many banks, especially those still reliant on legacy systems, procure their services on multi-year contracts that can't be cancelled at the drop of a hat. But even when organizations are contractually capable of consolidating certain services, they often run into obstacles like:

Compatibility issues

A bank's digital environment will have proprietary infrastructure, multiple clouds, be subject to unique compliance demands, and need other highly specific tooling, processes and configurations. Finding consolidation platforms that work with all requirements can be difficult.

Misleading vendor promises

Consolidation is a common vendor promise, with many claiming to offer fully integrated services. However, these IT 'platforms' often run different services on different infrastructure, meaning banks still require time-consuming integrations to set up and maintain them.

High switching costs

Turning one security or connectivity service off – and another one on – often imposes high labour costs on the bank, whether in the form of internal team time, or managed services. The former approach also imposes an opportunity cost on other projects.

Organisational Inertia

Before agents of change can even start, they may find certain leaders or teams standing in their way, loath to change the bank's tech stack – no matter how inefficient it is – insisting that the devil you know is better than one you don't...

A connectivity cloud makes platform consolidation simpler for your bank

A connectivity cloud is a unified platform of cloud-native services that provides secure, any-to-any connectivity for a bank's entire IT environment. These services span security, networking/connectivity, and development use cases. And the underlying platform is designed with the following architectural factors:

Deep integration: A connectivity cloud is integrated natively with the Internet and with digital banking networks, offering low-latency, infinitely scalable connectivity – with security as a priority – between every user, application, and infrastructure. In addition, all services can run on every server in every data centre in the underlying network, and don't require manual integration to work together.

Programmability: A connectivity cloud's architecture provides limitless interoperability and customisable networking, letting it adapt to multi-cloud deployments, proprietary infrastructure, the Financial Services sector's unique compliance needs, and other highly specific tooling, processes, and configurations. All layer 2-7 connectivity is fully API programmable via serverless functions that live on the same servers as every other service.

Platform intelligence: A connectivity cloud has a wide range of banking-grade security and connectivity services, and analyses extremely high volumes and varieties of traffic from all of them in order to automatically update threat and network intelligence models.

Simplicity: A connectivity cloud offers all of these services from a single pane of glass, and provides the visibility modern digital banking requires by ntegrating with any cloud log storage and analytics platform.

These qualities are designed to address the common challenges of platform consolidation, as the table on the next page shows:

Consolidation challenge	Connectivity cloud solution
Compatibility issues	**Programmability:** Fully programmable connectivity lets organisations customise where data lives and is decrypted, helping meet unique privacy and compliance requirements **Deep integration:** Since the connectivity cloud is natively integrated with the Internet, enterprise networks, clouds, SaaS apps, etc, it's able to work with whatever other tools the organisation requires
Misleading vendor promises	**Deep integration:** Since all services live on the same infrastructure and are built to work together, implementation and integration become much more straightforward
High switching costs	**Deep integration:** Since all services are built to work together and run on the same infrastructure, they take less time to set up, and integrate out of the box **Simplicity:** Since all services are available from one pane of glass, there's less new training for the team
Organisational inertia	**Programmability:** A connectivity cloud's ability to integrate with any flavour of service and infrastructure means organisations can keep their favourite tools while using the connectivity cloud to fill in the gaps **Platform intelligence:** A connectivity cloud's massive body of cross-domain threat intelligence is an upgrade over many point solutions, which may help leaders feel more confident about switching

A connectivity cloud delivers tangible consolidation benefits

Organisations that consolidate onto a connectivity cloud tend to make significant progress in their overall consolidation goals. According to recent studies of connectivity cloud users, these Organisations report:

1 Improved operational efficiency

50% improved efficiency and more resources freed up to focus on strategic projects

UP TO **75%** faster response times to security incidents, helping reduce organisational risk exposure

2 Significantly lower TCO

50% reduction in TCO of security and network investments

3 Better overall business outcomes

54% accelerated time-to-market for new innovations

Ultimately, these benefits point towards a common aim: helping IT leaders and their teams focus on strategic projects that accelerate the business in its ability to grow, scale, and beat the competition.

Platform consolidation can help you...

Embracing innovation

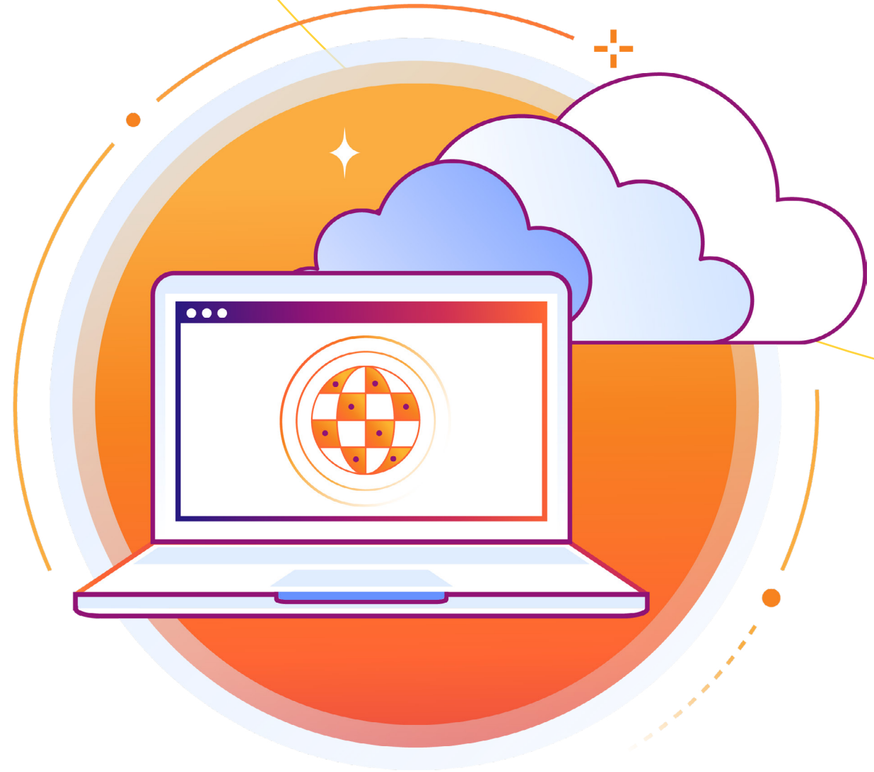
Enabled by digital transformation and a unified platform, the power of your bank to innovate – to revolutionise operational efficiency, risk management and CX – must be balanced against heightened security.

Adapting to future risks

Understanding risk is a business imperative for every bank. Agents of change see in consolidation the empowerment to face all forms of risk, from shifting geopolitics to increasingly sophisticated fraud.

Enabling agility at scale

In a dynamic banking landscape, those that adapt rapidly will thrive. An agile culture across people, processes and technology – at scale via a unifying infrastructure – is how to drive continuous improvement.



Next, let's see how innovative companies have leveraged a connectivity cloud to drive results.

Empowering innovation: Investec partners with Cloudflare to develop an integrated international open banking platform

When Investec began its strategic expansion into digital banking channels, its primary concerns were securing and connecting online services to an international user base. “A secure digital security posture is paramount [to] ensure our clients’ peace of mind,” says Christopher Naidoo, Investec’s Head of Digital IT Operations. “But we were also looking for efficient ways to build out our digital strategy.”

The bank partnered with Cloudflare to meet its specific needs – helping to anticipate and mitigate sophisticated attacks, while strengthening its overall security posture. With Cloudflare Zero Trust, Investec connects and secures users and data, deflecting ransomware attempts, phishing, zero-day vulnerability exploits, and more. Cloudflare L7 security tools further secure Investec websites and online applications.

“In the current FS landscape, DDoS attacks and botnets could bring down our services, networks, and data centres,” explains Naidoo. “Cloudflare makes us proactive rather than reactive – we can take a long-term strategic approach to security, while remaining nimble and able to react to sudden threats.”

As Investec continues to develop cutting-edge banking tools, Naidoo sees the role of Cloudflare expanding within its development roadmap, including further streamlining the deployment, configuration and interoperability of cloud-based apps using Cloudflare Workers’ Terraform integration.

> “Cloudflare mirrored our own vision to create a digital platform that integrated multiple services into a one-stop solution with a great user experience, great security, and great functionality... Our relationship has prospered.”
>
> Christopher Naidoo
> Head of Digital IT Operations

Investec

Ivanti: Five vendors replaced by one connectivity cloud

Ivanti came into existence from a merger of several companies, which meant relying on a complex IT infrastructure provided by disparate vendors. “Different parts of our organisation were relying on a patchwork of providers to address their respective needs,” said Andrew Ariotti, Senior Web Marketing Manager at Ivanti.

This complexity caused inefficiency across the IT organisation, and made it difficult for the company to achieve three important goals:

1. Optimise page load times of the marketing website and related web assets
2. Protect web assets from potential DDoS attacks
3. Apply custom reverse proxy rules to allow routing traffic to different origin servers

To overcome all of this complexity, Ivanti used a connectivity cloud for DNS, content delivery, and search engine optimisation. The company **streamlined security workflows** and **protected access to apps, infrastructure, users and data** across the organisation – all without impeding performance.

Having a connectivity cloud “serves as a reverse proxy with POPs all around the world greatly enhances the robustness, performance, and security of our web assets,” Ariotti remarked.

Ivanti’s website is now faster and more secure. And a faster site improves a user’s experience, making them more likely to use the product again or refer it to others.

> “Different parts of our organisation were relying on a patchwork of providers to address their respective needs. We chose [a connectivity cloud] because it offered a comprehensive, cost-effective solution that checked all of our boxes.”
>
> **Andrew Ariotti**
> **Senior Web Marketing Manager**
> Ivanti

Applied Systems: Accelerated digital transformation and platform consolidation

Applied Systems builds SaaS solutions for the insurance industry. The company safeguards large volumes of sensitive data, but struggled to align myriad security solutions, which overburdened security and IT teams with endless tasks and no clear path forward.

“We had various components from different security vendors like Zscaler and Cisco and different networking paths to our data centres,” said Chief Information Security Officer Tanner Randolph. “Over the past few years, we’ve really focused on consolidating around a unified security and networking stack.”

In 2022, Applied Systems began consolidating large swathes of security and networking functionalities using a connectivity cloud’s programmable, composable architecture.

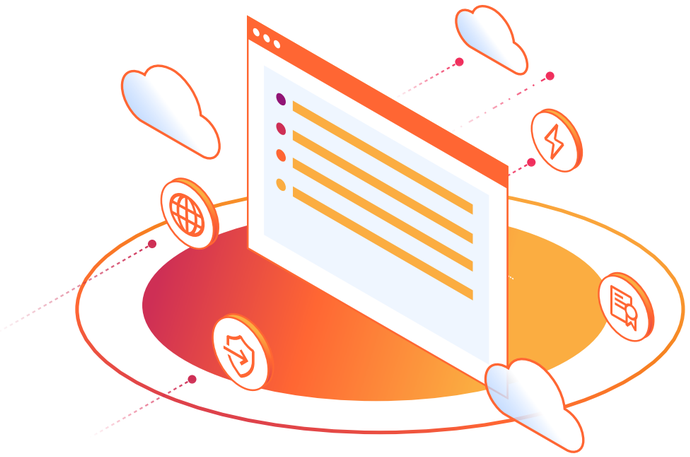
The ability to connect, protect, and build – across an entire IT environment – provided the company with **unified security controls** across web, cloud, and private app environments.

> “My teams can focus on driving business forward. I don’t know of a lot of security teams that can say that...”
>
> **Tanner Randolph**
> CISO

Connect, protect, and build with Cloudflare's connectivity cloud

Cloudflare provides an intelligent platform comprising programmable, cloud-native services that are integrated, future-proof, and designed for seamless integration with global scale. It meets the connectivity cloud requirements organisations need to meet their consolidation goals:

- **Composable, programmable architecture:** Services are all cloud native and interoperable with each other in every network location. Layer 2-7 connectivity is fully programmable.
- **Integration with all networks:** Built on a network spanning 310+ cities in 120+ countries, and which connects directly to more than 13,000 other networks (including every major ISP, cloud provider, and enterprise).
- **Platform intelligence:** Serving more than 50 million HTTP requests per second on average, and blocking hundreds of billions of threats every day.
- **Simple, unified interface:** One unified management interface spanning every security use case, network connectivity, and development.



Consolidating onto the Cloudflare connectivity cloud can significantly reduce TCO for Financial Services organisations by 50% or more. This reduction is achieved through modernising infrastructure, merging various point solutions into one, and cutting down on management overhead. Significantly, banks attain cost efficiency without compromising on security or performance. Beyond the financial advantages, consolidation also enhances agility and accelerates the time-to-market for new innovations by up to 54%, driving top-line growth.

See why the most successful enterprise companies, including banks, choose Cloudflare for platform consolidation.

Talk to our experts.

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