White Paper
Hybrid IT and a growth agenda for banking

Do you consider yourself a progressive IT leader? Are you...

- **One of the minority** in financial services (FS), according to our research[1], **to have fully capitalised on** new technologies including **cloud, mobile, social and Big Data**?

- Able to **balance innovation, agility** and **business growth** with **security, control** and **cost reduction**?

- Aware **65% of enterprise IT organisations** will commit to **hybrid cloud** technologies **before 2016**[2]?

Cloud, in its many guises, has become part of the standard delivery model for progressive CIOs today. At Fujitsu, we believe as organisations grow their portfolios of cloud services, new challenges instead arise around the integration, aggregation and management of those portfolios, and the balancing of existing, traditional IT services.

We call this new model Hybrid IT. It's fundamentally about embracing all types of cloud - its compelling economics and operating model – while also being able to derive value from traditional IT. That's critical for the typical two-speed enterprise – fast and growth-driven on the back of cloud but less agile in places when managing its traditional IT estate - in financial services, as in other sectors.

Digital innovation
Cloud in all its forms stands for agility – about getting competitive advantage early, sharing investment costs with others and upping the pace of innovation.

It's about building digital processes. A cloud-based service such as Fujitsu RunMyProcess can rapidly address the banking innovation agenda – rapidly building new device experiences or streamlining digital processes, for example – as well as a modernisation agenda, helping you evolve and connect new and old systems.

In short, Hybrid IT approaches such as this will underpin the companies of the future. They will deliver infrastructure and applications that establish balance across innovation, risk and cost – and drive a growth agenda in your industry.

How to get the most out of Hybrid IT
We're excited to embrace a cloud-first future, where your financial services business stays relevant. But that means a few things. It means accepting a world where mobile, digital and the Internet of Things – and data derived from all of these – are changing our lives more rapidly than ever. It means being relevant in the face of previously unheard customer expectations and competitor pace.

It means knowing public cloud isn't always the right way. Nor is it always the wrong way. We believe software-as-a-service (SaaS) or public cloud should be what you consider first but sometimes your IT needs to be hybrid or private. It also depends on the application and where your data must live[3]. Sometimes SaaS must become platform-as-a-service (PaaS) or infrastructure-as-a-service (IaaS). It simply depends on what's appropriate for you and your organisation's appetite. Clearly in banking we do have more curbs than some sectors, including regulators, but that shouldn't hold you back.

Anne MacRae
Head of Financial Services, Fujitsu UK

What does Hybrid IT mean to me? It's all-encompassing, it's flexible, it's about being pragmatic and looking forward rather than focusing on what you have now.

Most of all I'd say it's about evolution not revolution.

People have called cloud a disruptive technology for a few years now but it needn't be destabilising when part of a Hybrid IT strategy.

That's because Hybrid IT is about much more than cloud. It is about marrying legacy, risk and cost with agility, innovation and a way to grow responsibly.

Our Hybrid IT services incorporate Fujitsu's values. We don't make promises we can't keep, we care about what's right for you and we will work responsibly, often with partners, to deliver that.

Is it the right approach for this sector? Well we've helped some of the biggest banks take this step. Who? Some of the large UK players, of course, but also banks around the world.

We'd like to hear your views on Hybrid IT and how you might see these evolutionary changes drive benefits for your business. Let's talk.

Email me at **askfujitsu@uk.fujitsu.com** or tweet me on **@AnneMacRae2** .

---

[1] http://www.fujitsu.com/uk/solutions/industries/financial-services/report-2014
[2] IDC FutureScape cloud predictions 2015.
[3] While there are strict EU GDPR privacy and data laws on their way, there has been some movement in relaxing data residency obligations, for example AWS data in the US being cleared by the EU for businesses in the EU.

And it means going head to head with some of the new players. Challenger banks such as Atom Bank are routinely cited as dynamic upstarts, just like some other pure-play digital businesses that pick off profitable parts of market segments including short-term loans, payments and mortgages. They often talk about making SaaS the norm, with clear benefits in terms of more investment in development, better infrastructure and reduced cost.

We like that. But can you do those things? Disregarding legacy?

Let us tell you a couple of stories…

Customer conversations

We listen – closely and often – to CIOs and others driving forward large financial services companies around the world. We've learnt that helping organisations is about being pragmatic and doing our best to give you the balance of practical solutions and innovation you need to succeed.

Our research, referred to earlier, shows us that in the uptake of the most important technologies, especially cloud, banks lag the progress made by other sectors. Why is that?

Take the example of a large UK retail bank. We've come a long way together, removing legacy, minimising risk, reducing costs and modernising. But even this enlightened bank has to work to hundreds of compliance points. So it strikes a balance. It will use an on-premise private cloud to allow for some robust hardware restrictions. But that might compromise the cloud's promise of utility and agility.

So is it any surprise, faced with fierce competition and customers always wanting more, that business units at some banks have forced the agenda and turned to sometimes unsuitable public cloud as an enabler of business?

No. But the clue in that last line is the word sometimes. *Sometimes* the public cloud is what's appropriate. It's certainly often great for speed and innovation. But as our example with a large multinational bank shows (see box), the secret is to unlock that innovation and freedom with the CIO engaging business units to support their needs.

It's about the different use cases and bringing public cloud – all cloud, in fact – to bear alongside traditional on-premise IT, for whatever is required.

From our perspective, as an enabler, this isn't a 'this or that' choice. Hybrid IT means integrating with multiple vendors. We'll work with AWS, Google, Microsoft, Oracle and non-cloud vendors too. Fujitsu has 2,500 cloud integration connectors and over 10,000 people dedicated to our $2.5bn cloud business.

Central IT teams are able to win back control and trust from federated business units that have done their own thing. And they do this by delivering the agility and flexibility that still allows business innovation and growth.

Bottom line

To Fujitsu, Hybrid IT is about much more than cloud or hybrid cloud or replacing legacy infrastructure with an eye on cost. It is an evolutionary and balanced approach that will allow businesses to grow and innovate without unacceptable risk to security, reputation or cost.

Hybrid IT is about giving you the right platform for whatever you want to achieve next in your business. We will help CIOs and others deliver business value through balance.

Ian Thomas
CMO, Fujitsu RunMyProcess

Part of the promise of Hybrid IT is very much about applications and platforms that can drive a business forward through the rapid development and connectivity of services.

The goal is to help in the business source a range of applications - on-premise and off-premise, legacy and new - and then empower IT to integrate them within processes that are more agile, innovative and efficient than ever before.

We talk to IT departments about making their departments more relevant but Fujitsu RunMyProcess also unashamedly helps CIOs empower anyone in their business to build simple apps - in a single platform and governance framework.

We allow businesses to start small but scale fast. This is nothing short of transformational. We have shown this can work in highly-regulated industries, such as Healthcare and Utilities (see below).

Veolia

For utilities giant Veolia we provide apps that support 100,000 people around the world.

Are they 'business critical'? In one of our first rollouts, they were 'life critical'- controlling travel arrangements for staff undertaking maintenance in dangerous environments.

The Fujitsu RunMyProcess approach allowed us to build and roll the improved process out globally in 30 days.

Australian multinational bank

Some banks are already embracing Hybrid IT. Starting in 2008, led by a progressive CIO, a large Australian multinational bank embraced cloud and sought to rebalance what it spent on basic infrastructure – the classic 'keeping the lights on' – and what it could use for strategic advantage.

It has used in-house data centres but also cloud platforms from a variety of vendors including Fujitsu. With a focus on cloud sweet spots such as pay-as-you-go services, automation and workload portability it drove down costs by around 40%, freeing up budgets for strategic investments.

Another key area was contestability. When the bank needed a development platform, Fujitsu helped it set up a marketplace that allows suppliers (internal or external) to bid for services, which means prices are driven down.