

ARTICLE

# NOW IS THE TIME TO MODERNIZE YOUR CORE

## Why Now is the Time to Modernize Your Banking Platform

It would be logical to assume during these uncertain times banks would focus on nondiscretionary spending, tend to customers and keep their infrastructure operational. But many banks are doing more, seeing COVID-19 as a lever to start or accelerate their modernization journey. Since the pandemic began, we haven't seen any slowdown in bank peer groups who look at their competition to see what's happening, and we've also seen some new transformational journeys start.

Now is the time to move toward a modern cloud-enabled solution. Modernization requires more than updating channel solutions and data analytics. It's also about the foundation of the banking business: the core banking platform. A modernized core will help you support customers and meet them wherever and whenever they are, while ensuring you have the tools and technology to stay ahead of their needs. Banking modernization is also a move to real-time, component-based plug-and-play ecosystems – and to a core banking platform that can best support them.

## Advantages of a Modernized Core Versus a Legacy Core

A modern core allows you to easily pivot to new market demands to meet customer needs, and to do it cost-effectively and in a manner that expedites the process. For challenger banks, it's not about what products and services you create, but how you get them to market faster. The value-added extension is using data to understand your customers better. Customers want personalized experiences from their bank, so having a 360-degree view of them – including real-time data – is a key advantage of a modern core.

The FIS Modern Banking Platform framework is founded on application programming interfaces (API first) with an event-based architecture. Analytics engines process events – i.e. customer interactions, a change in state to system records, a system action, etc. – as they happen. Communications are issued immediately to your bank and directly to customers, so they can receive timely and relevant insights, notifications and recommendations. This is important, because without this framework, as soon as a customer leaves an interaction point, the opportunity to sell or enhance that experience is lost. Event-driven architecture delivering a real-time experience for your customers today and in the future is imperative. Creating an omnichannel is enabled through an API layer which is real-time through the event architecture, allowing you to easily plug in capabilities to the core to extend it and bring new features and functions quickly to the marketplace.

## Banking Modernization Puts Your Customers at the Core

The banking modernization journey provides a prime opportunity to closely examine and improve every customer communication touchpoint and flow. Simply stated, banks exist and succeed by successfully servicing their customers and meeting their needs. However, those needs are ever-changing, especially in the past few months as a response to the pandemic.

The most successful banks will harness the power of artificial intelligence and machine learning to effectively and proactively communicate, promote customer retention and loyalty, and attain algorithmically derived results. That's why banks we're working with have either already started their journey or are now considering how to begin.

## The Risks and Limitations of a Legacy Core Platform

A bank that decides to keep playing the waiting game is taking a major risk. An extremely competitive landscape is emerging, with the growth in challenger banks and nonfinancial institutions that are beginning to catch on in the marketplace. "Big tech" players – like Amazon, Google, Facebook and possibly Microsoft – appear as a new form of competition as they enter into financial service markets. Keeping and maintaining legacy technology constricts growth, and by not making needed modernization changes, banks will struggle to compete with tech-savvy new entrants.

There's always inherent risk involved when moving an entire technology stack to a new modern core. To help mitigate this risk, FIS works closely with our clients to orchestrate the transformation. We provide our clients business and technology benefits iteratively and enable the conversion to occur at a pace that works for them. In some cases, our clients have chosen to transform everything at once, while others transform incrementally.

With modern banking platforms, data powers the next-generation banking experience. With traditional or legacy cores, access to data remains a major constraint. Also, most traditional legacy cores focus on accounts and not customers. A new modern core serves as a customer-centric platform coupled with API enablement and event-driven architecture.

A modern core delivers value through improved customer experiences. By keeping customers at the center of everything, you can deliver the personalized experience they expect. The coming together of real-time payments and a real-time core transaction engine are critical, and we're seeing demands from our clients to truly go real-time.

## Be Ready for What's Next

Most banks realize that, in order to compete, they must change. They want to navigate the future with confidence, knowing they have solutions to scale their business. Now is the time to invest to help you answer the crucial question, "what's next?" If you can make the change now, why not get started? For banks not wanting to get left behind, there's no better time than now to modernize.

To learn more about how FIS Modern Banking Platform can help you meet the unique challenges and opportunities of today's world, [click here](#) or contact [getinfo@fisglobal.com](mailto:getinfo@fisglobal.com).