

# Financial Services

## Top 10 Business & Technology Trends

**Jerry Silva**

Program Vice President,  
Financial Insights

IDC

**CIO100**

Produced by **CIO** |  **IDC**

## Financial Services Top 10 Business & Technology Trends

**A tight nexus between technology and business is needed more than ever**

**But the gap between the needs of the business and what technology can deliver seems to be getting bigger**

**Nonetheless, IDC believes that financial institutions are positioning well to future-proof their organizations**

**The most important factors to success will be prioritization, cultural changes, and trust**

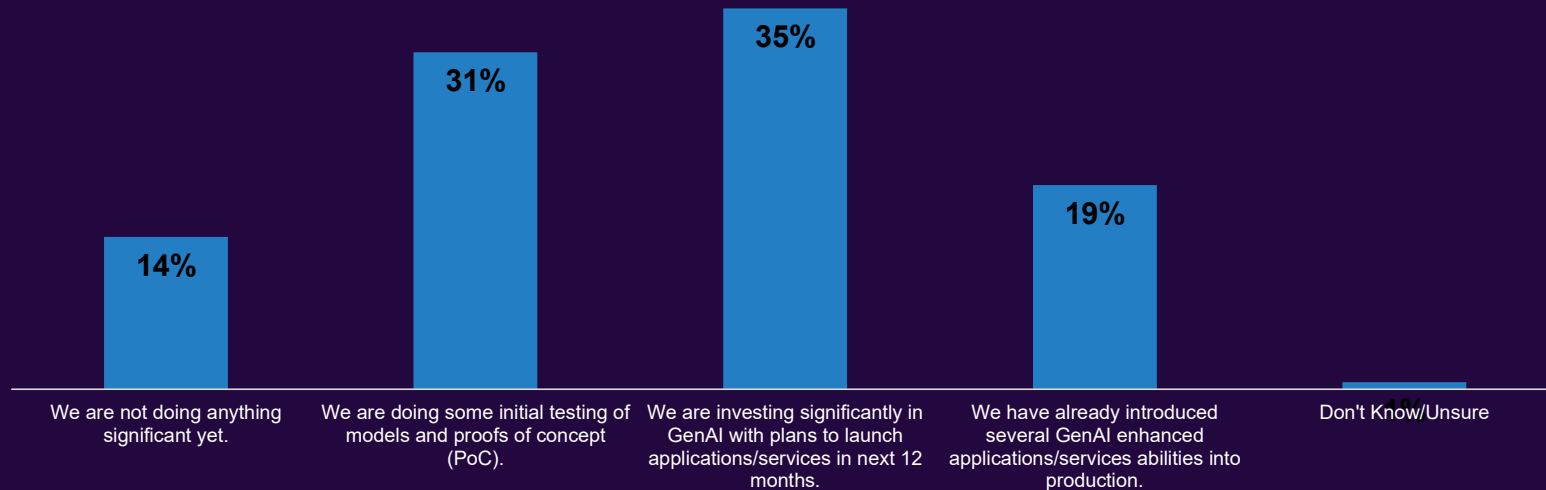
# Financial Services Top 10 Business & Technology Trends

01

## AI/ML/GenAI

AI affect every area of financial services, from customer experience to credit decisioning to pricing & revenue management, to business intelligence to fraud forensics. Explainability is becoming a requirement for all AI implementations.

What is your organization's current state of evaluating or using Generative AI (GenAI)?



Source: Future Enterprise Resiliency & Spending Survey Wave 5, IDC, May, 2024

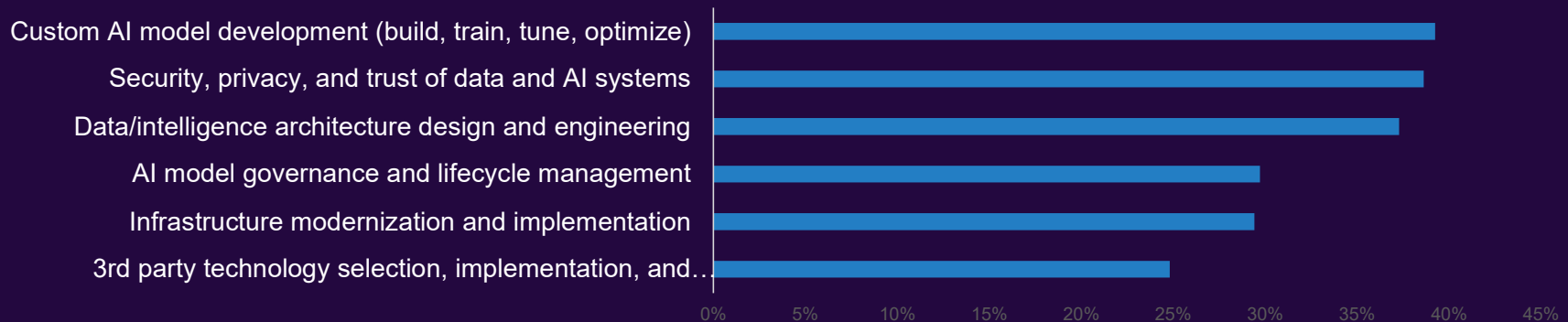
# Financial Services Top 10 Business & Technology Trends

02

## Enterprise Intelligence

Data is the foundation of the institution's business and is becoming more challenging to manage given the expanding physical locations for the institution's data. This will be felt acutely with technologies like GenAI demanding more data. Enterprise information and decisioning platforms will be needed.

For which of the following technology-focused areas related to your AI initiatives will support from external services providers be most important in the next 18 months?



Source: Future Enterprise Resiliency & Spending Survey Wave 1, IDC, January, 2024

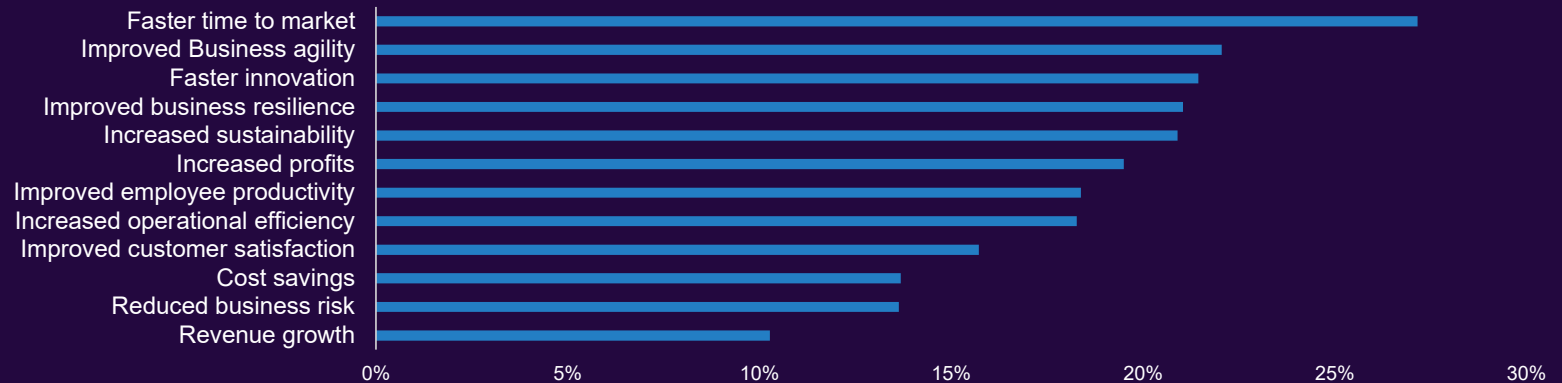
# Financial Services Top 10 Business & Technology Trends

03

## Digital Infrastructure

Cloud has been adopted in every area of financial services, from customer experience to revenue management to back-office operations. But at the same time, 29% of institutions plan on keeping dedicated resources, like mainframe, in private datacenters in 2 years.

What annual percentage change in the past 12 months did your organization experience in each of the following as a result of investments in digital infrastructure?



Source: Future of Digital Infrastructure Worldwide Sentiment Survey, IDC, June 2023

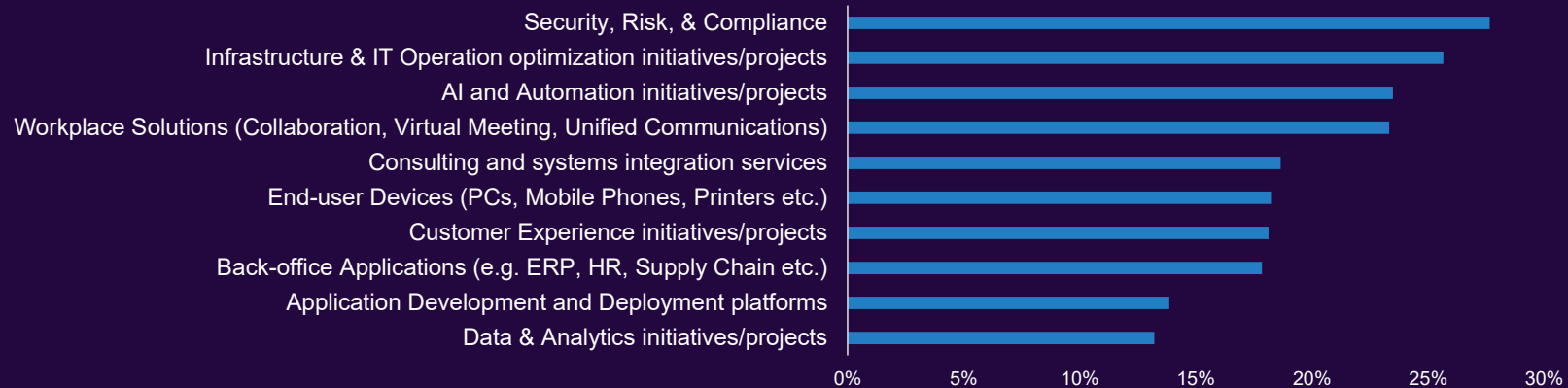
# Financial Services Top 10 Business & Technology Trends

04

## Security, Resiliency, Scale

Institutions are being challenged to build in the security, resiliency, and scale to ensure uninterrupted operations. This has already become a regulatory requirement in Europe's DORA, Canada's OSFI E-21 guidelines, while the Federal Reserve Bank, FDIC and OCC look to consolidate existing regulations into Sound Practices.

Which of the following areas are most immune to budget reduction in next 12 months regardless of the economic environment?



Source: Future Enterprise Resiliency & Spending Survey Wave 5, IDC, May, 2024

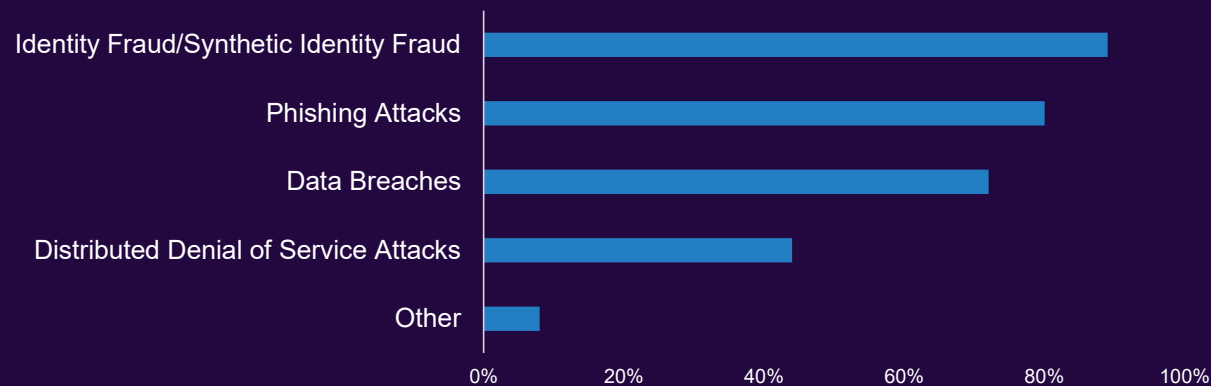
# Financial Services Top 10 Business & Technology Trends

05

## Fraud, Risk

With every new technology and the digitization of the industry, institutions must improve their ability to manage their risks, minimize their exposure to bad actors, and adopt more innovative technologies to detect and prevent fraud further forward in the supply chain.

What are the most significant Cybersecurity concerns?



Source: North America Banking Technology Survey 2023, IDC, November, 2023

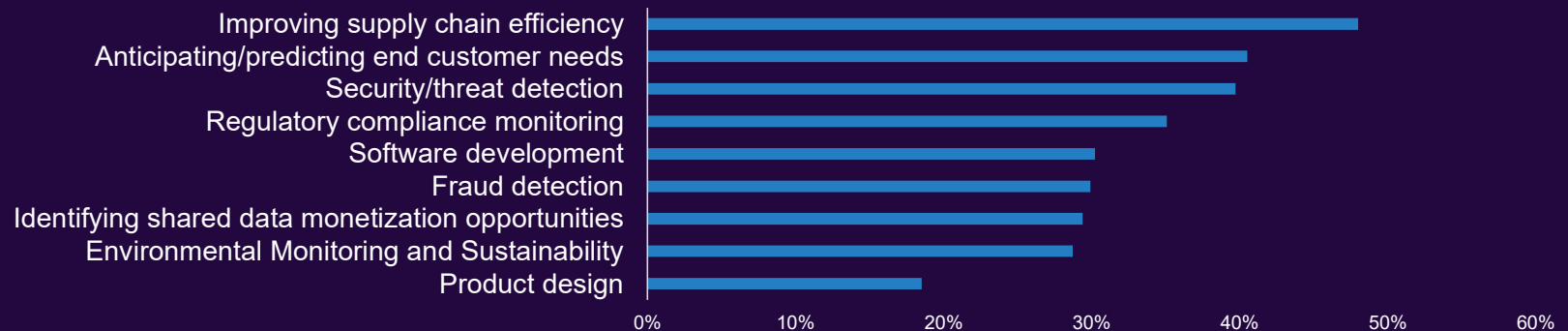
# Financial Services Top 10 Business & Technology Trends

06

## Customer Experience

AI and digital channels are improving the customer experience, while improving revenue opportunities and lowering costs to serve the consumer, small business, and corporate customers. New pressures to comply with the Web Accessibility Act in Europe and AI explainability will further drive digital innovation.

For which industry ecosystem initiatives does your organization currently or plan to leverage AI/ML/NLP?



Source: Future Enterprise Resiliency & Spending Survey Wave 5, IDC, May, 2024



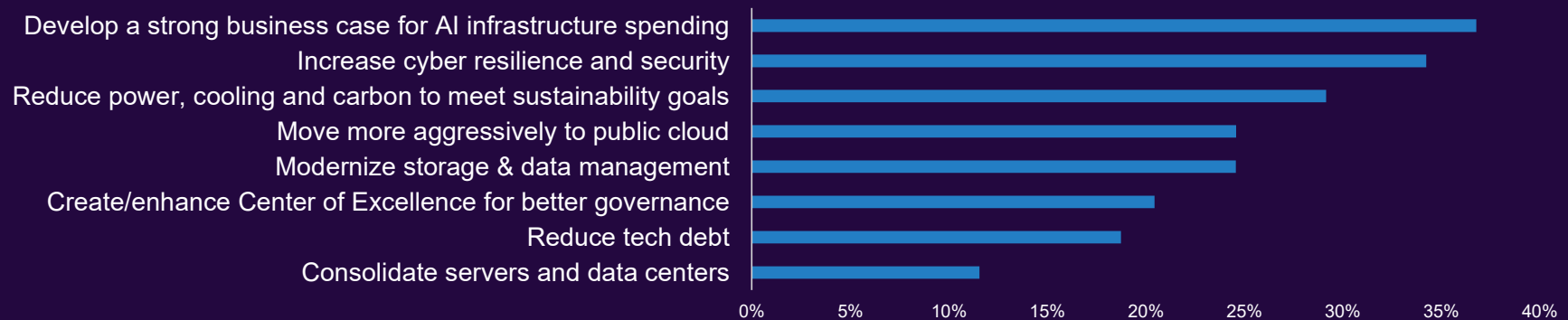
# Financial Services Top 10 Business & Technology Trends

07

## ESG

The International Sustainability Standards Board and the Global Reporting Initiative is putting pressure on how institutions report their ESG risks. What started as a focus on carbon footprint is now expanding to responsible finance. Concern over the cost of GenAI model training's impact on carbon footprint. The demand for sustainable investments are growing as well.

Considering your digital infrastructure priorities for the next 18 months, which of the following is the most important for achieving your business goals?



Source: Future Enterprise Resiliency & Spending Survey Wave 3, IDC, March, 2024

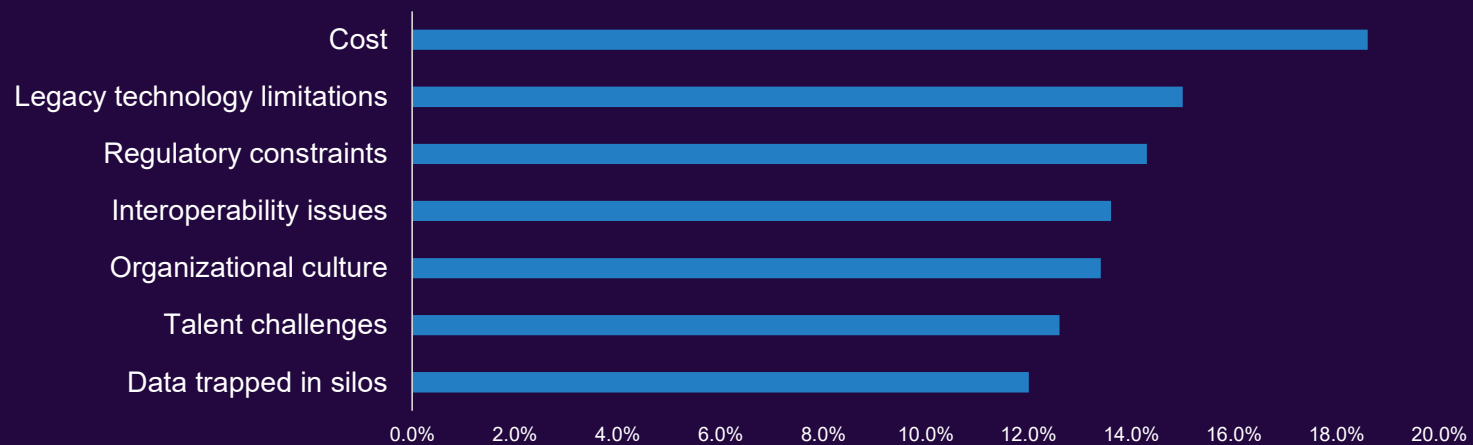
# Financial Services Top 10 Business & Technology Trends

08

## Real Time

The move to more standard real-time payment rails continues to gain momentum globally. This is driving a need to operate at real time across the enterprise, impacting every area from fraud detection to finance.

What are your top three challenges for providing real-time operational data to stakeholders?



Source: Future of Operations, IDC, July, 2023

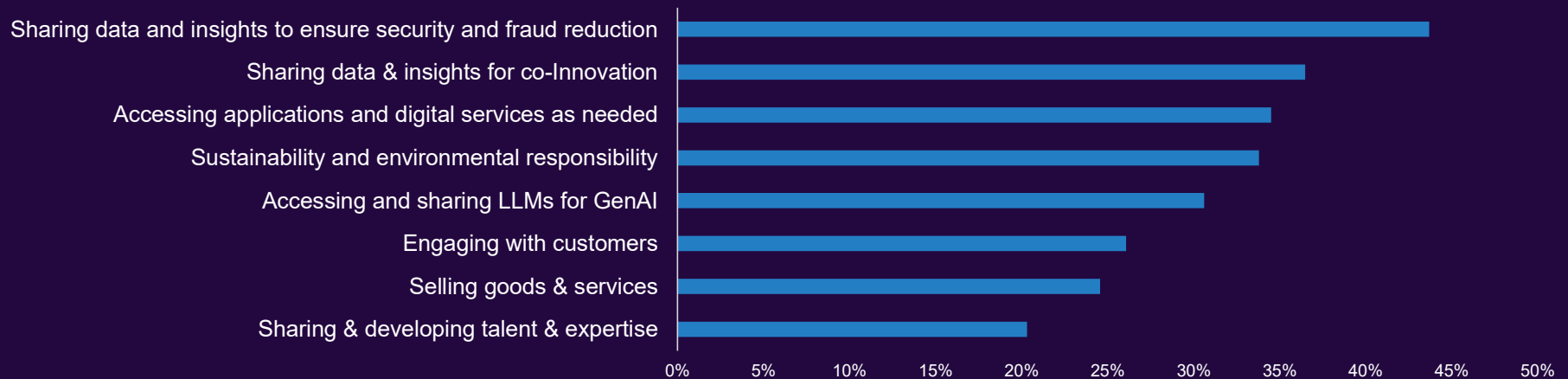
# Financial Services Top 10 Business & Technology Trends

09

## Embedded Finance

Industry ecosystems include a set of partners, customers, suppliers, service providers, industry organizations, governmental entities, experts, and competitors within and outside your industry that can dynamically collaborate & innovate with as necessary. Embedded finance becomes a viable business strategy, threatening some traditional institutions and providing business opportunities for others.

What are the top initiatives for your industry ecosystem(s)?



Source: Future Enterprise Resiliency & Spending Survey Wave 5, IDC, May, 2024

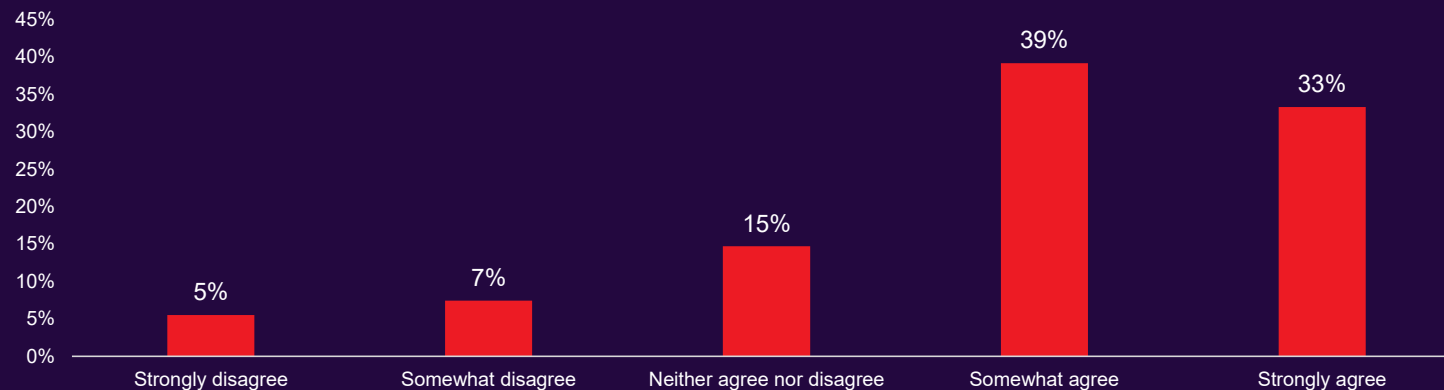
# Financial Services Top 10 Business & Technology Trends

10

## Partners, Services

So much technological modernization is happening, and the investments and adoptions levels in financial services are so high, that institutions must rely on partners to continue to innovate and operate. Partnerships will be in the form of software providers, infrastructure providers, integration services, and managed operations.

We want our strategic vendors and partners to take administrative and operational responsibility for infrastructure so internal staff can focus on the business



Source: Future of Digital Infrastructure Worldwide Sentiment Survey, IDC, June 2023

Ready to learn more?  
Let's continue the discussion.



Scan the QR code to  
connect with an IDC expert



Partner With IDC on Your Journey to the Digital Future

