

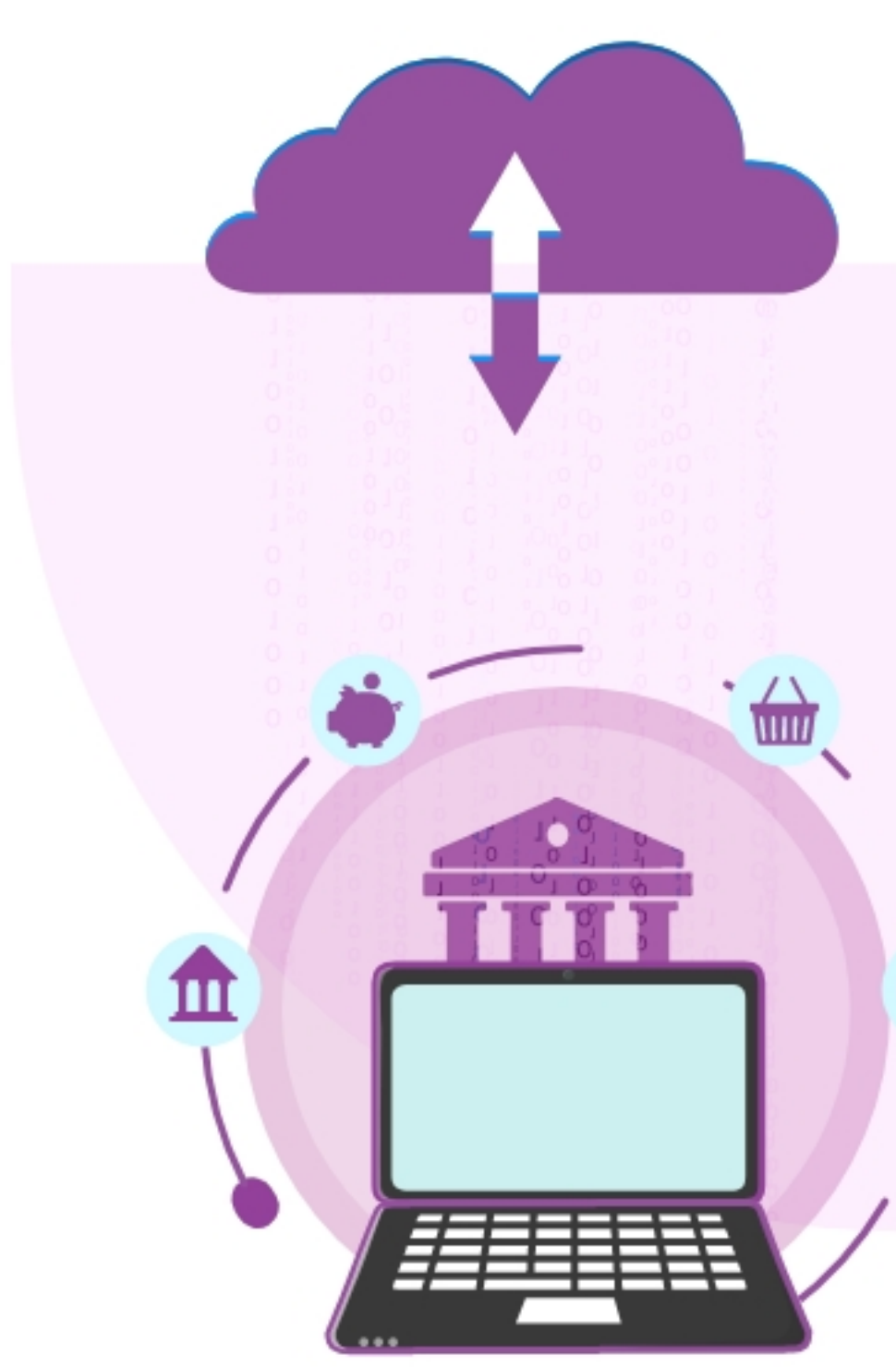
## Emerging Technologies to Baseline – Should Cloud Now be the Default Set Up?

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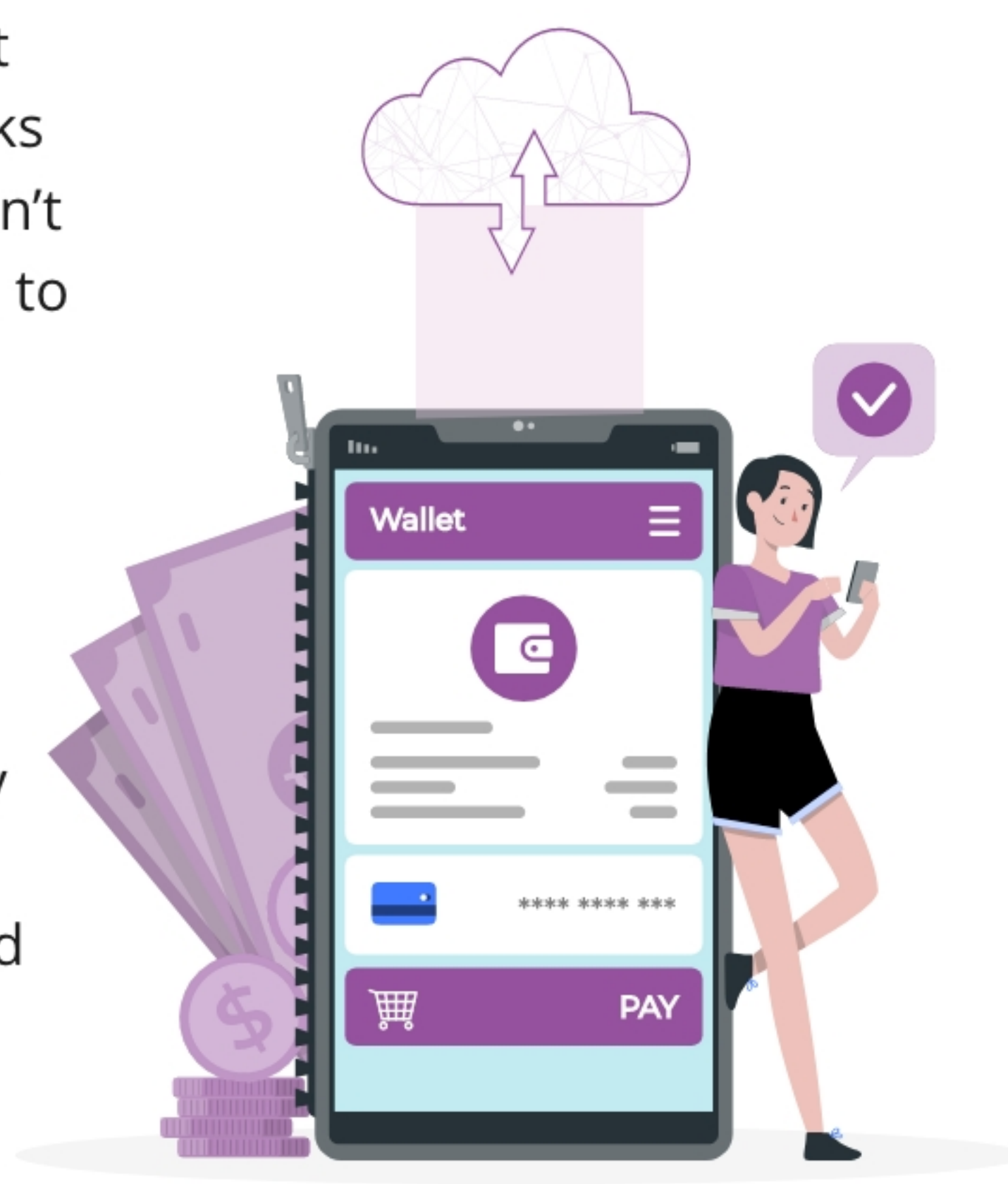
Technology is the bedrock of business across sectors today. For the banking and financial services sector technology is crucial for staying ahead of the competition and most importantly for meeting changing customer expectations. Most banks today have begun their digital transformation journeys, though not all have made the same progress. Concerns around security and data privacy remain and some banks are hesitant to make the leap to the public or hybrid or multi cloud model. But there are now powerful new technologies like Artificial Intelligence and Machine Learning that can transform banking and help organizations move into ecosystem models seamlessly.

Against such a backdrop, what role does the cloud play and how important is it for banks to implement a robust cloud strategy? “Emerging technologies to baseline – should cloud now be the default set up” was the topic for an interesting fireside chat between **Alasdair Paterson**, Editor in Chief and Founder, FF News, and **Lucas Johnston**, CEO, Umber at SunTec Confluence 2022.



The world has been on a digital transformation drive for several years and now, the pandemic has pushed the digital first agenda even further. The cloud is the foundation for any digitization initiative as it provides a base that is flexible, agile, scalable, and reliable. It also forms the foundation for the deployment of advanced technologies like AI and ML. The banking world has, for the most part, understood the value delivered by the cloud. On premise models are rare today as most organizations have made the shift to the cloud. Running services on a on prem set up is not only expensive, but also resource intensive and time consuming. Moving to the cloud makes far better business sense.

Of course, there are still some organizations that argue their legacy on premise infrastructure works just fine and gets the work done. And so, they don't see the need to make any changes, far less move to the cloud. The question they should be asking themselves is whether their infrastructure meets the demands of the modern customer. It may support day to day banking activities but may require a scheduled downtime for updates and maintenance every Sunday at midnight. This may have worked perfectly well a decade ago when customers banked during banking hours only and did not expect anytime anywhere availability. Modern customers on the other hand, want to access banking services on-demand.



For example, students may want to check their account balances late at night on a weekend to figure out if they have the money to buy something the following week. If the bank is down for maintenance at that hour, they are likely to be unhappy enough to move to a competitor who ensures 24/7 availability via the cloud. The second factor to consider is how much effort, money, resources and time it takes to maintain the legacy infrastructure. Organizations need bigger teams to maintain and update outdated systems. As competition heats up, they can't afford to tie resources to maintaining legacy infrastructure instead of strategizing and building future forward business models.

The cloud is also vital for organizations looking to scale up quickly, and cost effectively. As the pandemic proved, the ability to scale up operations and remote access quickly, cost effectively is vital for businesses in times of disruption and cloud can help companies do that. Small businesses and start-ups find the easy scalability of the cloud particularly helpful as they can start with a small team, limited resources and test their offerings with a smaller customer group. Once demand picks up, they can ramp up their infrastructure accordingly. The cloud also gives them the freedom to automate and run basic processes initially, so they can invest in talent for more strategic purposes.



There is no doubt that the future of business will be powered by emerging technologies like AI and ML. Where earlier technologies were programmatic- i.e., they required incremental programming – AI and ML can teach themselves and evolve based on millions of datasets. The sheer compute power required for AI and ML based solutions cannot be met by on prem infrastructure. The cloud on the other hand, provides a powerful scalable and agile foundation on which to build such technologies. It is also easier to deploy AI solutions on the cloud. Most public cloud platforms like AWS and Google Cloud offer solutions that support easy implementation of AI and ML that are less expensive and take less effort and time than an on prem set up would require.



The cloud is now a ubiquitous part of any digital transformation effort. It is no longer a question of whether to move to the cloud but of identifying the best cloud strategy for one's needs. It is the bedrock of innovation and emerging technologies. In fact, today an increasing number of organizations are being born in the cloud. These digital natives are changing the rules of business and it is time for traditional enterprises to also up their cloud game to remain relevant.