FORTINET®

How retail banks can securely disrupt the market

Unlock business value with an intelligent and integrated security platform.

Introduction

Inspired by a tsunami of disruptive digital innovation, the last decade has seen perhaps the most rapid evolutionary change ever within the retail banking system. A combination of greater expectations from customers and the sustained development of the financial-technology (fintech) sector, banks are now unrolling new, cutting-edge solutions to enhance the customer experience.

For retail banks to succeed in this increasingly digitised landscape, priorities include simplifying their legacy systems, updating their information-technology (IT) operating models, taking their software-as-a-service (SaaS) credentials beyond the cloud, adopting robotics and artificial intelligence (AI), and preparing the architecture to connect to "anything, anywhere".

Legacy banking systems and infrastructure are regularly found lacking in both meeting the demands of today and future trends of tomorrow.

There's also a wealth of unlocked value to be extracted from siloed business unit data within banks' operational systems to help them service customers and grow business.

Newer systems are more capable of supporting the latest digital products, services and applications that banks seek to provide to their customers. This means that by shifting towards such systems, banks can optimise the user experience and operate in a more flexible and dynamic manner.

Those banks who streamline their operations reduce the considerable costs of maintaining such systems and by adopting the latest technologies will benefit from the improvements that those innovations offer in terms of utility as well as reduced risk and **strengthened security**.

This e-book explores the benefits you gain when you invest in Fortinet as your cybersecurity partner.

Fewer than 20% of executives feel well-prepared for the future[1]

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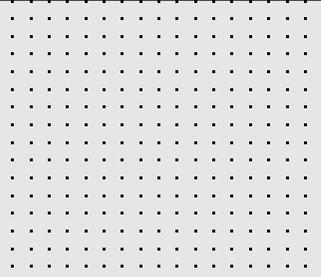
The new market drivers

Differentiated and seamless customer experiences

Customer experience has reached a paramount level of importance in recent years. Heightened customer standards are being driven by advancements in technology and commoditization of services. The implications for banks is clear – if you want to maintain loyalty among your current client base, you must build an improved omnichannel customer experience and use it as a competitive differentiator.

Online and mobile banking services must be adapted to the digital world as real value resides not only in the banking services you provide but also in the way you deliver them. Customers want to access your banking services anytime, anywhere, with an experience that is immediate and simple. In turn, your bank employees require a 360-degree view of the customer that incorporates every channel touchpoint so that they can provide a more personalized experience.

To drive these customer-centric initiatives and develop a true omnichannel experience, you need to strategically invest in technology that delivers an integrated, automated, agile, and highly available environment for both your customers and employees.

## Answering FinTech disruptors: an imperative, not just an ambition

Banks must rethink their business models to reinvent themselves and compete in the future banking market. It is a future driven by open practices and a sharing economy.

Traditional banks are falling behind their digital-native competitors in the innovation race. Accrued technical debt and layering new technology on legacy infrastructure hampers agility.

According to the latest World Fintech Report, **only 21% of banks say their systems are agile enough for collaboration with fintechs**[3]. Furthermore, digitalisation efforts driven by business units working in silos can lead to duplicated effort, with costs and complexity quickly escalating as new services are introduced.

Banks that move from siloed and vertical models to more modular and platform-based ways of working (e.g. Banking-as-a-Service, Banking-as-a-Platform) will be able to successfully create new revenue streams, augment their existing offerings, and reach new customers and markets. For example, banks that sell their infrastructure as a service to others, and leverage the cloud to do it, will benefit from significant new source of revenues.

61% of bankers believe a customer-centric business model is very important, only **17%** are very prepared for it[2]
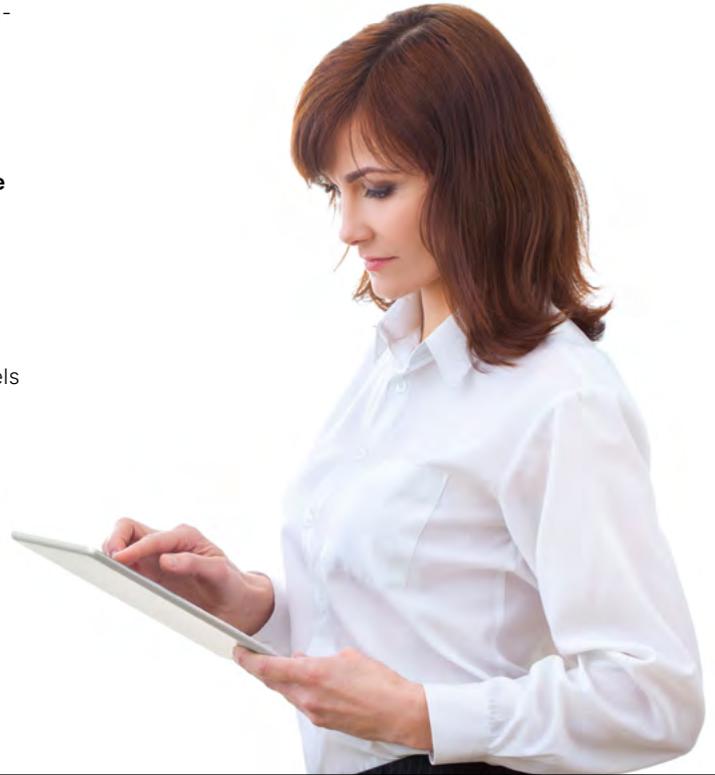
The new market drivers

Gain agility and efficiency

With customers demanding personalized experiences plus increasing cost pressure from competitors, bank executives are leaning on their IT departments to find agility and efficiency improvements. This includes;

- Eliminating legacy technology debt and achieving future ready systems

- Leveraging data, an agile core and intelligent IT to overcome existing challenges and become a customer-centric, efficient, platform-driven business

- Reducing provision time for new facilities and contributing to branch transformation into smart branches with deployment of IoT-enabled solutions

- Implementing a shared-services model for activities such as online and mobile banking, customer retention and customer analytics

Customer intelligence driving revenue growth and profitability

As customers become more connected through social media, they are more demanding and less loyal. To remain relevant, banks must leverage their data to engage millennials with the right offer when the relevant buying opportunity presents itself.

Banks are looking at mass customization in order to deliver a far more personalized customer experience. To achieve this they will have to make sense of a torrent of data that defies human comprehension. The requirement is to gather, interpret and present massive quantities of data in real time. This is where big data, artificial intelligence and machine learning come into the play.

In a regulated world, this cannot be done without proper data control, whether hosted in the cloud for collection, processing and provisioning, or held in private locations to better protect your most sensitive data.

The transfer of large datasets is often required across geographically disparate locations. And these transfers need to be protected from security risks. To answer this need, organizations must establish an approach to authenticate and authorise access to applications, specifically in the cloud.

Those focused on growth should deploy a full range of interventions, including productivity improvements, stronger risk management, and better stewardship of equity capital[4]

The challenge for banks isn't becoming 'digital'– it's providing value that is perceived to be in line with the cost. Or better yet, providing value that consumers are comfortable paying for[5]

Business opportunities
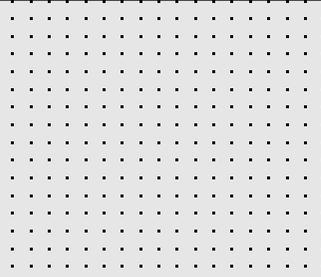
Business opportunities

Create a customer-centric bank with seamless experiences

Stop cybersecurity from being the barrier to CX improvement.

Start enabling the seamless customer experience today's market demands.

Across retail banking, digitalization is changing everything. Increased digital channel use has caused a slew of closures of unprofitable, underutilized branches. The branch is now elevated beyond its original purpose; guided by a sales culture, data analytics and the technology to link operational elements into a single, cohesive whole. A recent survey by PWC[6] shows a significant proportion of consumers say branch location close to home is the primary reason for selection.

When it comes to digital customer experience, seconds matter. Remaining protected without overburdening systems with security overheads is crucial to produce the seamless experiences that customers expect.

The customer experience transformation across physical and digital realms requires unparalleled connectivity built on a strong security foundation. It is exactly this secure foundation that Fortinet provides so that you can scale and securely

adopt digital business models for customer-centric initiatives. With security and connectivity integrated onto one platform, we bring visibility to your branch. This allows you to access business critical applications no matter where they reside, provide secure and uninterrupted services to your customers and employees, and protect your critical assets at the branch (e.g. ATMs).

Fortinet provides the secure foundation so you can safely deliver new services and adopt digital business models for your customer-centric initiatives

Business opportunities

Lead the banking marketplace of the future with new business models

Stop doggedly adhering to legacy business models that stifle innovation.

Start thinking beyond traditional banking, to become something more.

With open banking here to stay, the future for banks may well lie in industry-adjacent disciplines with a broad range of services and experiences offered to customers.

To make that future a reality, retail banks must think beyond legacy business models with security that can stretch and flex to enable it without increasing risk. Either through regulation or customer expectation, you must allow third-party access to your existing customer data (with their permission) through APIs, and the way to achieve this is via broader cloud adoption.

But there are many challenges in shifting from an on-premises model to a cloud-based model from dealing with heterogenous environments to different tools from each cloud platform. All this adds to the cost of operating the solution and results in a complex non-uniform network security infrastructure. Industry best practices dictate that the only viable answer is a unified security solution that runs across multiple environments.

Fortinet gives you the confidence to transform, and provides the resilient, agile foundation upon which to build your future ecosystems and services. With Fortinet's adaptive cloud security, you can standardize on industry-leading security for each cloud environment and benefit from a modular security approach that is cloud native, cloud delivered, or cloud consumed for maximum operational efficiency. Also, we offer the largest ecosystem of partner integrations via APIs for broader visibility and a stronger end-to-end security solution.

With Fortinet's adaptive cloud security, innovate and create value, no matter your cloud strategy

Business opportunities

Deliver the agile, efficient, and resilient bank

Stop fixing individual vulnerabilities in isolation.

Start adopting a security posture that's fit for the future.

Competition in retail banking is becoming fiercer. In response, financial institutions look to cost-reduction measures while re-shaping their IT and technology estate to answer digitalisation challenges.

For digitalisation efforts to scale effectively and deliver projects with real business value, one of the more rewarding measures involves IT vendor consolidation and solution rationalisation.

Driving efficiency further, with the right security architecture, banks could improve their security rating and hence lower cybersecurity insurance premiums. As a result, banks can gain a competitive advantage by differentiation against the standard security rating for the banking industry.

Fortinet can provide security standardisation across your estate with true visibility and effective policy enforcement, paving the way for advanced automation.

Fortinet also brings radical simplification across the entire attack surface – sweeping aside dozens of solutions with a single pane of glass that secures your entire estate and all at a significant cost reduction.

Fortinet provides security standardisation and advanced automation across your estate significantly improving resiliency and operational efficiency

Business opportunities

Empower disruptive innovation with intelligent data

Stop wasting the opportunities that lie in the assets you have today.

Start creating the retail bank of the future.

Never before has Clive Humby OBE's quote, "data is the new oil" been truer. The future for retail banks lies in their data. It is the fuel for advanced analytics and future monetisation.

However the bigger the data, the larger the risk. All user data accumulated and processed must remain safe at all times. Legacy systems struggle to keep up.

To that end, a multi-cloud approach that leverages the strengths of each cloud will become the new standard, ensuring every system runs optimally across a sprawling estate of service offerings.

Fortinet allows you to benefit from the native security capabilities of each cloud while levelling up your protection across the estate to bring the consistency, standardisation and comprehensive protection improving your risk posture.

While native security for each cloud may suffice in itself, chasms of vulnerability can be found between them. Fortinet's approach is to leverage cloud-native features and deliver advanced security– such as firewalls, intrusion prevention systems (IPS), and end-to-end high-performance encryption and inspection. It means you can protect your cloud workloads, resources, applications and data in the most dynamic cloud environments.

Additionaly, thanks to its purpose-built Security Processing Unit (SPU) technology, Fortinet delivers unprecedented scale to meet escalating business needs in hyperscale environments where big data manipulation demands high performance without introducing delays.

Section three:

The value
of Fortinet

The value of Fortinet

Your partner to securely enable banking disruption

Becoming a banking leader requires ingenuity and trust when choosing a technology partner because investments need to create business value. At Fortinet, we've developed an innovative approach to security, the Fortinet Security Fabric, which is an intelligent and integrated security platform designed to underpin your business initiatives. We've worked with major banks around the world to help them realise their potential and business ambitions with secure innovation.

By taking care of your security and connectivity needs, we build the foundation that will accelerate your path to future differentiation enabling you to:

- Create a customer-centric bank with seamless experiences

- Lead the banking marketplace of the future with new business models

- Deliver the agile, efficient, and resilient bank

- Empower disruptive innovation with intelligent data

Best-in-class or standardised? You don't have to choose.

The Fortinet Security Fabric is intelligently engineered to provide broad, integrated, and automated security across your entire technology estate. Security is unified and consistent which means that each service, user, device, network, cloud, and application receives the same world-class level of cyber protection. Protect your innovation strategy with our security by design approach that safeguards the value creation of your technology investments. Unlock the full potential of your cloud strategy with a consistent security policy, framework and visibility for any cloud platform. Drive cost efficiency and contribute to carbon footprint reduction initiatives with networking and security converged onto one platform. Safely manipulate big data with high performance technology.

But Fortinet isn't just a technology partner. We are a partner in every element of your security strategy including people and processes. Fortinet provides employee security awareness and training via our Network Security Experts (NSE) training program. And as a collaborative partner, we can integrate with the technology you have now, and whatever investments you make in the future with our Open Ecosystem of fabric partners.

With Fortinet, you can truly enable the bank of the future, agile and securely.

Get started today. Contact: FSI@Fortinet.com

[1] PwC, Retail Banking 2020

[2] PwC, Retail Banking 2020

[3] world-fintech-report-2020

[4] McKinsey Global Banking Annual Review 2020

[5] Ron Shelvin, Director of research at Cornerstone Advisors

[6] PwC, Building a Customer-Centric Business Model for Retail Banks

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