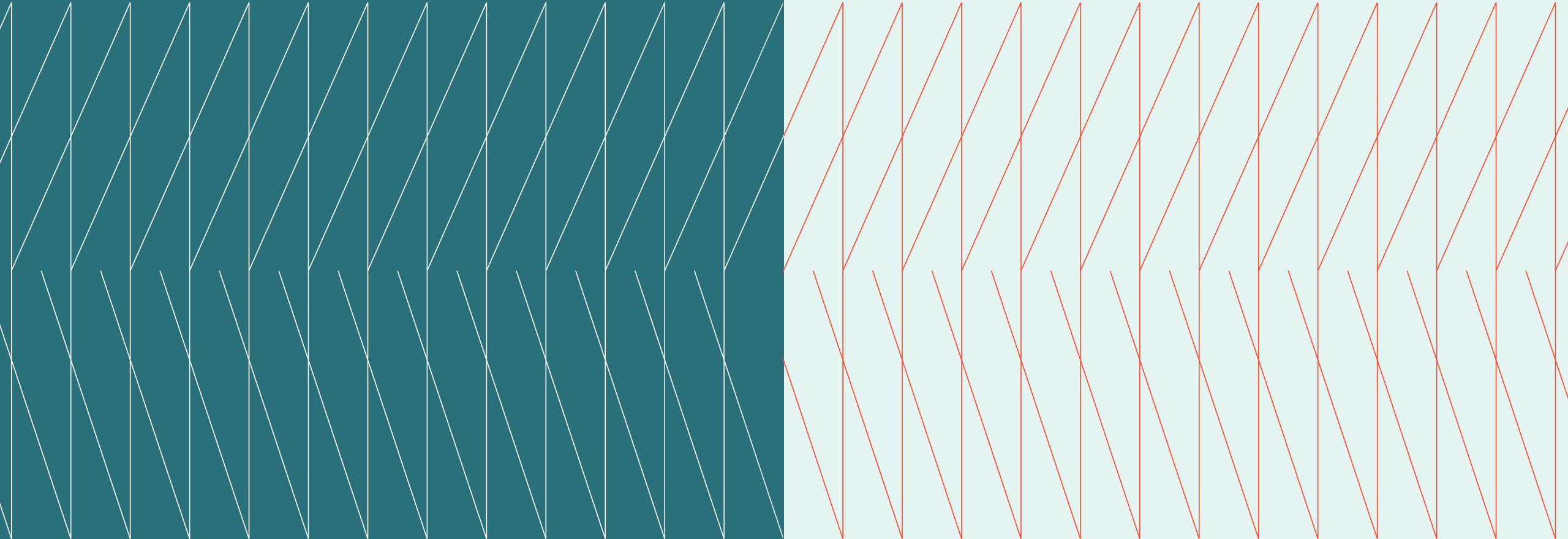


Financial Services

Kyndryl Thought Leadership Exchange

Exchange Summary
April 16, 2024





Overview

In this Leadership Exchange session, several CIOs and CTOs from financial services convened to discuss IT cost optimization, cloud strategy, and talent needs. The agenda was created based on advance interviews with participants.

Host

Andre Putter
VP, Head of Solutioning for
Strategic Markets

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Senior Partner and Chairman of the
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Key topics

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03 Optimize IT costs

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Executives are working to optimize costs during IT transformations.

- Cost optimization is a sharp focus for IT leaders, many of whom are feeling pressure to invest heavily in technological upgrades while still working with flat budgets. Different strategies to optimize costs include using a dashboard fed with real-time data provided by the cloud and Power BI to see where money is being spent at any given point in time. Dashboard data can also be useful in identifying where work can be done by AI, enabling staff to shift to less expensive locations.
- Many executives are working closely with their businesses to make the business case for IT upgrades. This includes defining outcomes and describing how upgrades positively impact the company infrastructure, operations, marketing, etc. Given the high costs of upgrades, building the business case is becoming increasingly key to securing the necessary investments.
- Building the business case with internal partners on the business side can also lead to an increased budget overall, rather than keeping technology upgrades solely under the IT department's budget. Leaders pointed out that new technology and tools, including generative AI capabilities and cloud services, are very expensive initially, and don't pay back right away. However, they do realize cost savings across the entire company over time.
- In addition to technology upgrades, many organizations are looking to increase their sustainable, or "green" practices. Because these efforts require so much data, tracking tools and infrastructure, in many cases the technology budget is helping companies reach their sustainability goals at the same time as they are meeting other business objectives.

"I am a strong believer of monitoring and knowing where we spend our money. So, for each dollar or euro spent to be able to map that with the business needs so that \$1 spent means something for our business partner."

– Leadership Exchange Executive member

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Moving to the Cloud provides savings over the long term, but there are advantages to keeping some data on prem as well.

- Leaders are in different stages of their cloud journeys, and most have some form of hybrid configuration. Despite the overall trend towards cloud adoption, leaders are being strategic as to how they move into the cloud versus keeping data and applications on prem. One leader shared that they have recently completed a four-year transformation and finally have all their data moved to the cloud. Another executive has done the opposite, with their company keeping all of its data on prem.

- Several executives expressed how they are wary of having all their data with just one cloud provider, as they don't want to become too overly dependent on just one provider. Consolidation is also a concern, with leaders noting how the recent acquisition of VMware by Broadcom will likely mean that the large cloud solutions vendor will raise their pricing.

“I think it depends on where you are in the lifecycle of cloud usage, because in the hybrid scenario, cloud might not actually be a lever to reduce costs. But it will be a driver to increase your costs. And it also depends on the maturity of the workload management you have in the cloud to even come down to the cost levels you have with an on-prem solution.”

– Leadership Exchange Executive member

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Despite advancements with AI, there is an ongoing need for talent in IT.

- The issue of finding the right talent remains high on the executives' lists of priorities. While cloud technology and the advent of generative AI and machine learning are reducing the need for humans to do certain types of tasks, there is still a need to find the right people to help transform and operate the systems. Taking full advantage of the benefits of cloud and AI depend on having people with the right skill sets and understanding of the technology.

- Due to a dearth of talent available, some organizations are beginning to implement in-house training and best practices programs, like centers of excellence, etc. Ideally, once the company has people with the right skills, they should give them the freedom and empowerment to do their jobs, using the latest technologies to augment their work.

“Empowering them and setting them loose is part of this, because the technology part is just technology. I mean, everybody can fix that. But understanding how to stitch it in and develop it, and then governing it going forward, that’s really the key part of it.”

– Leadership Exchange Executive member

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