

IBM CLOUD FOR FINANCIAL SERVICES: KNOWIS JOINS ECOSYSTEM

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In the competition for customers, the pressure on financial institutions continues to grow. To keep up with the rapid pace of their competitors, they inevitably have to take banking to the cloud. However, meeting the strict requirements for security and compliance in such a highly regulated industry is a major hurdle. IBM has brought renowned partners on board to pave the way for financial service providers and is growing a trusted ecosystem around IBM Cloud for Financial Services, the first public cloud tailored to the needs of this industry. With its isfinancial banking platform, knowis AG is among the first 30 companies worldwide who have committed to onboard their solutions on IBM Cloud for Financial Services.

The financial services industry across the globe is facing multiple challenges: regulatory demands for enhanced transparency, increasing cybersecurity breaches, rising customer demands for new innovative products and services, growing pressure from existent and new competitors. Therefore, traditional financial service providers have been focusing on their digital transformation for several years now, to create new operating and business models that enable them to deliver with competitive speed.

The **effects of the Covid-19 pandemic** have shown even more clearly that innovative services must be delivered quickly when needed: during lock-down, all banks suddenly had to function online seamlessly, from internal systems to external channels. One of the reasons why many financial institutions are still not exactly in the fast lane when it comes to innovation lies in the **complexity of their legacy IT** that has grown over the years and often slows down the development of new solutions. Young financial start-ups whose infrastructure is tailored to the requirements of a digital age have a clear advantage in this respect.

Just like other industries, the financial industry is therefore increasingly turning to cloud technologies to reach the agility that is now more than ever required to stay competitive. The public cloud provides the flexibility and efficiency needed to drive innovation. The catch for banks: reconciling these advantages with the highest security standards and the stringent, constantly changing regulatory requirements for financial services is a major challenge.

MADE TO MEASURE: IBM CLOUD FOR FINANCIAL SERVICES ADDRESSES THE NEEDS OF THE INDUSTRY

To help financial institutions deploy cloud services securely, **IBM announced in November 2019** that it had developed a public cloud specifically tailored to the needs of the industry. With Bank of America, a powerful partner was involved in the venture from the very beginning. In July 2020, Big Blue finally announced that **with BNP Paribas, now also a major European bank was backing Big Blue** in meeting the specific requirements with its financial cloud.

A differentiator of **IBM Cloud for Financial Services**: It is the world's only public cloud platform with a policy framework for monitoring and managing compliance and regulatory requirements, while providing the highest security standards and keep-your-own-key (KYOK) encryption capabilities. With its latest **announcement to embrace a financial services cloud ecosystem**, IBM also opened the door for financial institutions to benefit from a growing network of companies offering solutions that meet all the requirements of the policy framework of IBM Cloud for Financial Services.

KNOWIS IS PART OF THE IBM CLOUD FOR FINANCIAL SERVICES ECOSYSTEM

knowis AG is one of the independent software vendors and software-as-a-service providers who are working to make their solutions available on IBM Cloud for Financial Services. The **knowis banking platform *isfinancial*** has been designed for the development of insight-driven software solutions that help financial institutions to significantly increase operational efficiency and revenue. The platform is based on the principles of co-creation and open innovation and leverages a cloud environment to unfold its full potential.

Although knowis is already successfully offering *isfinancial on cloud*, outsourcing in the financial industry is still a challenge for all parties involved. To ensure that the specific security and compliance requirements are met and regulatory obligations of supervisory authorities are observed, complex contractual agreements are required; elaborating these contracts is an extremely time-consuming and resource-intensive task.

The comprehensive policy framework of IBM Cloud for Financial Services can therefore become a major advantage for *isfinancial*-on-cloud users in the future as it will simplify and accelerate the onboarding experience. As a result, knowis customers will be able to further reduce the time to solution.



The policy framework of IBM's banking cloud is not the only factor that will drive the digital transformation of financial service providers. For knowis, the security and compliance controls and technological innovations in data protection and encryption were particularly decisive in bringing *isfinancial* on IBM Cloud for Financial Services and furthering its development as an IBM partner. "We believe that it has the potential to set a benchmark in the cloud transformation of the financial services industry," said Gerald Gaßner, CEO of knowis AG.

CONCLUSION

Besides the **high security and transparency requirements**, the competitive environment will put even more pressure on banks to increasingly take advantage of cloud technologies. Cloud platforms can form the basis of ecosystems that enable financial institutions to leverage innovative solutions and integrate third-party services to meet the needs of their customers – and to do so rapidly, because speed is key today. With its industry-specific cloud offering, we believe IBM is on the right track to fuel co-creation and open innovation in the financial industry.