TATA COMMUNICATIONS

TATA

Laying connectivity cornerstones

can make banking and financial services enterprises smarter and more secure

How a redefined WAN can help enterprises tackle digital transformation

With digital transformation sweeping across banking, financial services, and insurance (BFSI) we must adapt to the growing demands. Accelerating during 2022 and beyond, expected developments include omnichannel CX, greater reliance on AI, multicloud, continued globalisation, and increased regulatory compliance. Together they will shift the BFSI landscape.

In reshaping how the world does business, attention must be paid to the infrastructure that powers and interconnects such systems. Those who fail to do so will inevitably fall behind. To embrace digital at scale, BFSI enterprises are constantly striving for three key drivers – to bring agility in mainstream, to continuously deliver innovation, and to ensure customer experience as a differentiator. As digital transformation is a complex journey, there are technologies that continuously evolve and help simplify these complexities by solving challenges at every stage of the transformation process. The WAN ... or Wide Area Network is one of those evolving technologies, that brings people and technology together.

To know how can a redefined WAN help enterprises enable digital transformation?

Read on

Read on

Five

Trends defining the future of the banking and financial services industry

The onset of the pandemic led to a global seismic shift in the way businesses and industries operated. Similarly, the financial industry also quickly transformed overnight, ramping up the digital infrastructure to ensure corporate and retail customers had access to services 24*7. Exchanges shut down their trading floors and moved to remote trading, mobile banking transactions spiked, personal trading apps saw record transaction volumes, and call center personnel kept customer support going by working from their living rooms.

Financial institutions are now thinking strategically about their technical setup and questioning whether the legacy network infrastructure they earlier relied on is going to be able to support the digital tsunami. Here are a few major network themes we've identified as being likely to dominate financial industry conversations and technology roadmaps:

1. **Future Secured Network Architecture**
2. **Hybrid working for BFSI operations**
3. **Payments anytime and anywhere**
4. **Connectivity on-demand**
5. **Getting to grips with CX and security challenges**

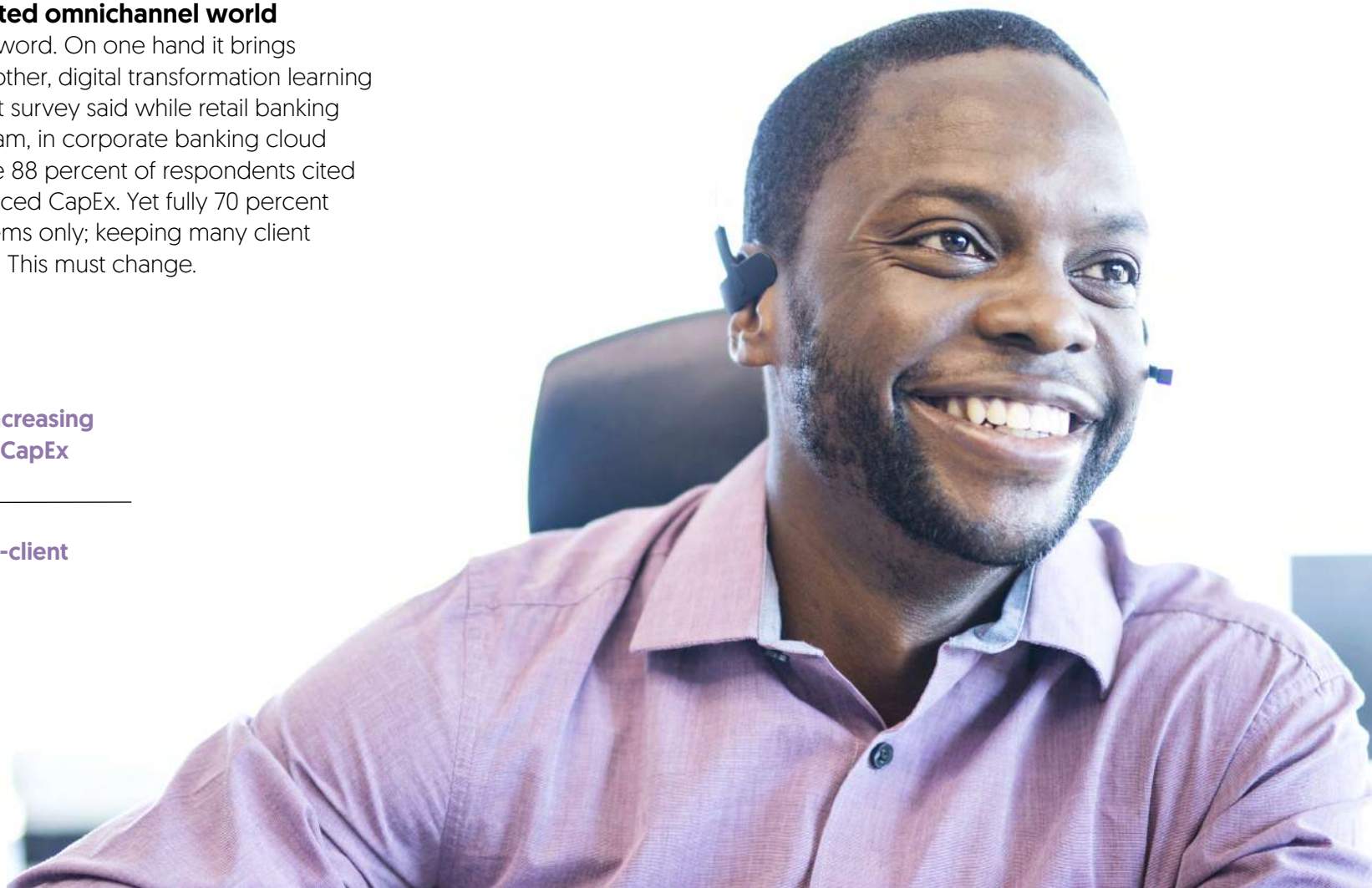
BFSI business and technology background

Cloud and AI intersect with regulated omnichannel world

Technology can be a double-edged sword. On one hand it brings innovation and advancement. On the other, digital transformation learning curves make for steep climbs. A Celent survey said while retail banking thinks of cloud computing as mainstream, in corporate banking cloud adoption is moving more slowly. Some 88 percent of respondents cited benefits like increasing agility and reduced CapEx. Yet fully 70 percent chose cloud for non-client facing systems only; keeping many client platforms and customer data on-prem. This must change.

88% cited benefits like increasing agility and reduced CapEx

70% chose cloud for non-client facing systems only



Artificial intelligence (AI) is a massive growth area. Boosting the customer experience by creating responsive and conversational bots, AI helps people acquire new services or answer simple queries. Using AI for fraud and risk management offers predictive capabilities, identifies and analyses zero-day threat signatures, and helps stem the rising cybercrime tide. Other popular uses include customer identification and authorisation like biometric security.

Business evolution

Online, in-person, or phone-based digital tools are vital. Omnichannel contact centres offer services across all channels. Customers get mobile access from the convenience of their smartphones. Banks once struggling to find a strong digital voice now attract younger generations. Omnichannel provides what's needed, while new connections bring front and back offices together to unify the employee experience (EX) and the customer experience (CX).

Much financial information, once stored centrally in physical data centres now resides with hyperscalers, where big data lakes store vast quantities, along with the analytics to turn such riches into innovative customer-centric products. Regulations, however, dictate sometimes the most sensitive information must be secured on-prem. At the same time, other sources must be as close as possible to the network edge to assure fast responses for remote working and the superlative CX required from customer-facing apps.

The multi-cloud adoption, and acceleration of collaboration services to support the needs of hybrid workplace have made traditional WAN architectures irrelevant as they fail to deliver on agility, security, and performance. To support this evolving business landscape, a performant IZO™ SD-WAN has become the binding element – bringing remote users, applications, and enterprise digital assets together to deliver agility and a secure user experience; all while reducing the overall TCO for enterprises.

Fortunately, today's network architecture has evolved a chameleon-like ability to change its nature as business ebolves. As enterprises continue to embrace cloud first and internet first principles, IZO™ SD-WAN has become a key enabler to deliver on all the key aspects of digital transformation.

The five following trends have been chosen to reflect those directional tendencies.

IZO™ SD-WAN has become a key enabler as it promises to deliver on all the key aspects of digital transformation.

Trend 1:
Secured network architecture for the future

The financial tech sector is one of the most disruptive in the world, and its growth has boosted the development of cybersecurity. As mobile and contactless banking become mainstream, the sector has become more vulnerable to security threats and fraud.

Challenges posed by digital transformation, IoT, and hybrid working are pushing compute and storage ever closer to the edge. Architectures based on hyperscaler clouds in massive, centralised locations no longer cut the mustard. For example, automation demands lightning local responses. Low latency is the new normal. Hybrid working calls for enterprise security levels, at home or on the move. Apps need to be served as if they're right here, right now.

That's where secure access service edge (SASE) comes into play. As defined by Gartner, SASE consolidates security and network connectivity into a single cloud-delivered platform. SASE network architecture will protect essential assets while maintaining their functionality by combining multiple systems and connecting security solutions to obtain the best possible outcomes.

Gartner predicts by 2024 more than 70 percent of IZO™ SD-WAN customers will have implemented a SASE architecture, compared with 40 percent in 2021. That includes zero-trust networking for remote workers in place of VPNs.

As SASE deployments become commonplace, the market may see a divergence. SMEs are likely to be attracted to all-in-one offerings, where simplicity and a single point of contact take priority over advanced capabilities. On the other hand, large enterprises won't compromise on security, reliability, or CX. They will likely look to a dual-supplier model, pairing a best-of-breed IZO™ SD-WAN partner with a cloud-delivered security partner.

70% **of IZO™ SD-WAN customers will have implemented a SASE architecture, compared with 40 percent in 2021.**

Trend 2:
Hybrid working for BFSI operations

Even as the pandemic (hopefully) becomes a distant memory, hybrid working beyond the office is surely here to stay. With this, the number of users requiring remote access to corporate network has expanded tremendously, leading to increased bandwidth requirements and more applications moving to the cloud.

Another trend that's witnessed growth is the emergence of BFSI microbranches. Combining enterprise-class Wi-Fi access with sophisticated multi-path IZO™ SD-WAN and enhanced internet connectivity for reliability and consistent user experience, we'll see enormous growth in purpose-built microbranch offerings like access to subject matter experts for the customers even from distant locations.

IDC predicts by 2024 some 45 percent of contact centres supporting finance, retail, and hospitality industries will adopt branch-of-one architectures, enabling efficient and secure enterprise-class work-from-anywhere experiences. Built for today's edge-to-cloud enterprise, they'll deliver the highest quality CX and EX, no matter where applications reside.

Linking distributed locations to private data centres as well as IaaS and SaaS will attract small businesses. Some transactions, like mortgage processes, are consultative and customers prefer face-to-face interactions. Now, in a branch too small for the foot traffic to justify a home loan specialist, customers can talk to staff in larger branches or contact centres over video. Insurance companies want to get closer to customers. A brokerage can extend its reach into small towns with agent-on-demand kiosks. That means delivering innovative services without the garbled audio and glitchy video that made new services unfulfilling.

45% **of contact centres supporting finance, retail, and hospitality industries will adopt branch-of-one architectures**

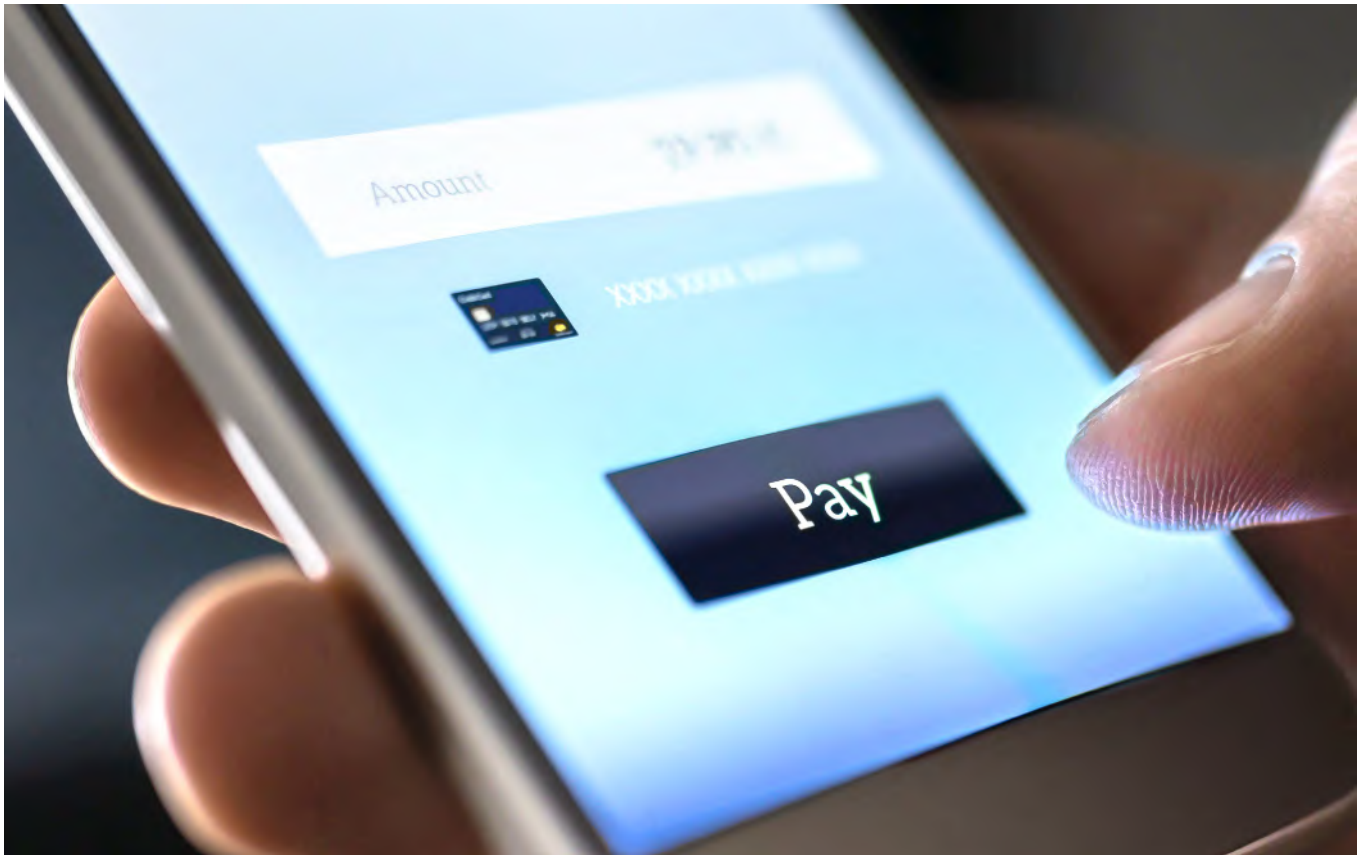
Thus, financial institutes require secure and reliable access to the corporate network from individual locations. Coupled with a performant underlay IZO™ SD-WAN allows organisations to reap the benefits of better application performance with service-level agreement (SLA) assured performance. With a single software platform that meets networking and security needs, smaller attack surface, and ultimately lower cost of ownership, IZO™ SD-WAN helps organisations of all sizes overcome the challenges and complexities of on-premises, hybrid, or multi-cloud environments.

Trend 3:
Payments anywhere, anytime, anyhow

It's become clear the next payments revolution will be driven by open networks. Over the past decade, payments have been revolutionised to a point where consumers can pay and get paid anywhere and at any time. We are about to enable them to pay in whatever way they choose.

Financial services institutions enable digital payments worth billions of dollars. With offices, employees, and customers around the globe, they rely heavily on the wide area network to stay connected and in business. But, until recently, those connections could happen circuitously.

For example, a payment request originated from an office in India and needed to reach a resource in New York. The request may first have been sent to a local point of presence. From there to a data centre in Australia, and then to a data centre in Belgium. And, finally, to the intended New York data centre. That's a long and tiresome four-hop journey. BFSI enterprises can gain significantly by leveraging the transport agnosticism of IZO™ SD-WAN, allowing approved transactions to travel directly between India and New York (or, in fact, from anywhere to anywhere) and avoiding the world tour. That helps enterprises eliminate CX-affecting latency and realise revenue a lot faster.



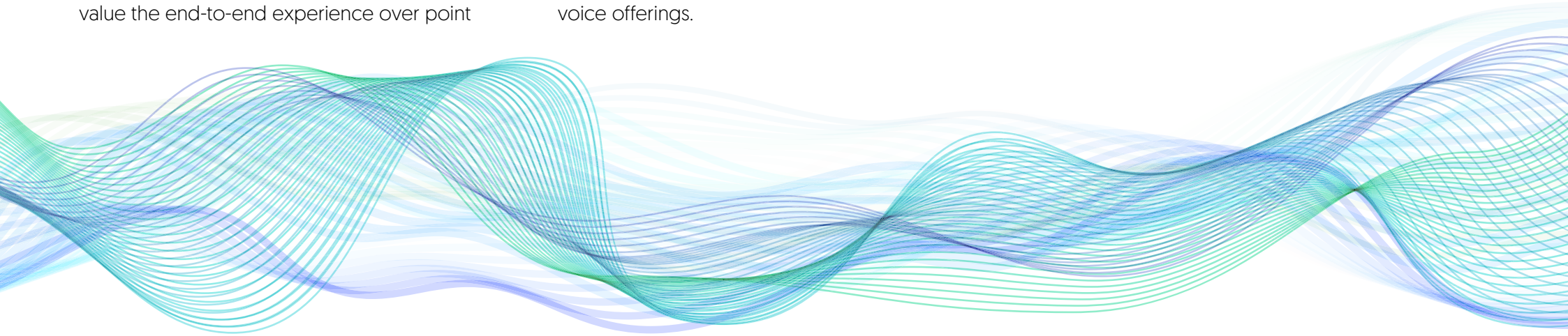
Trend 4:
Connectivity on demand

The accelerating focus on the customer experience (CX) in the BFSI sector has given rise to an unprecedented increase in connectivity choices needed to eliminate back-office and front-office siloes to improve the employee experience (EX) while making sanitised and analysed data available across the entire institution. As we have seen, mass cloud traffic, consumer-facing apps, and collaborative technology demand totally different treatments.

Even as we speak, the architectural model is shifting to one in which connectivity itself is becoming another 'as a service' flavour. NaaS (network as a service) mimics the way consumers value the end-to-end experience over point services. During 2022 firms across all sectors – but in BFSI in particular – will lose their focus on CapEx-intensive devices and gain more intent on the business outcomes of their operational spending.

Organisations wanting greater financial flexibility and cost predictability, while increasing efficiency and keeping pace with innovation and digital transformation, will seek even more flexible infrastructures to allow for this changing paradigm. This will drive an enormous increase in NaaS demand. It will do away with the complicated nature of networking, presenting services to customers through simple interfaces that open the door to a wide range of interconnection and voice offerings.

An extension to IZO™ SD-WAN topology, through technological advances in smartphones, mobile telecoms, and networking NaaS will further boost virtualisation's versatility and appeal. Through Naas, enterprises will be able to consume network services through as a service model, directly offered from cloud and technology providers SD-WAN attributes of centralised management with abstraction of the control plane from the underlying infrastructure will continue. As will a holistic view over the entire shooting match with better oversight, security, analytics, self-help, and zero-touch deployment. The difference will be in how those services are consumed, experienced, and paid for.



Trend 5:
Getting to grips with CX and security challenges

BFSI enterprises have evolved fast, adopting digital technologies with the aim of delivering 24/7 services and transforming CX whether in omnichannel contact centres, on the web, at ATMs and other self-service touch points, or face-to-face at a branch. They've got used to meeting customers' needs to avail themselves of services whenever and wherever the need arises – even more so in our hybrid new normal.

In accommodating these challenging customer behaviours, BFSI enterprises have enabled features like video-enabled ATMs to support customer and staff interaction, and pop-up branches to deliver services at reduced cost in low-population or hard-to-reach locations. Such innovations have led to financial services firms growing more cloud dependent, with greater need to transmit large documents to and from data centres or offer online consumer apps with almost imperceptible response times.

Such feats increase the demand for faster and more flexible networks at higher bandwidths. Nevertheless, at the same time hybrid working and a massive increase in the use of online financial apps open backdoors for viruses and other malicious actors.

Why BFSI enterprises need to partner with Managed Service Providers for laying connectivity cornerstones

BFSI enterprises are mandated to continue on the path of innovation for serving their customers better. Thus businesses are looking to use their internal IT staff to drive innovation and leave the day-to-day operation of managing their network infrastructure to specialised MSPs. For BFSI enterprises, MSPs play the dual role of not only managing their current infrastructure but also becoming advisors to drive network evolution. By offloading network operations to MSPs, BFSI organisations will be better placed to map network needs to business growth.

While choosing a MSP, enterprises should evaluate contenders that can help in:

Creating a business-fit SD-WAN solution

As multiple vendors keep positioning their IZO™ SD-WAN solutions, identifying benefits and pitfalls has become a challenging task for the enterprise. More often, the technology conversation is confined to the WAN space. Enterprises should partner with service providers that take a comprehensive view of the entire construct and focus on the bigger picture, thinking beyond the WAN; and utilise their multi-domain and integration capabilities in creating validated solutions that are business-fit for enterprises.

Value added services

Enterprises should also focus on value added services offered by the service provider that complement IZO™ SD-WAN [including security, AI/ML for operations, deployment standardisation, cloud connectivity, collaboration services, and integrations].

Network performance with consistent security

As the new application paradigm emerges, the demands on WAN throughput, security, efficiency, and reliability increase. For service providers, it becomes a fine balancing act between improving network functionality and service levels while at the same time lowering costs and ensuring security. Enterprises should evaluate service providers that have credible deployment experience, vast partner ecosystems, expansive global reach, and customised managed service offerings that suit their business model.

Time-bound and transparent delivery

Enterprises should consider service providers that can help ensure connectivity and security benefits of IZO™ SD-WAN along with accelerating IZO™ SD-WAN time to value through a secure, faster, and risk averse deployment methodology.

Single pane self-service portals

Managed service providers that offer centralised management of the entire IZO™ SD-WAN lifecycle, including reporting, inventory management, actionable insights, and third-party network management through a single pane self-service portal would help demystify technology for enterprises that are considering IZO™ SD-WAN complexities.

Commanding IZO™ SD-WAN position

Tata Communications has been recognised as the leader in Gartner Magic Quadrant for Global Network Services nine times in a row. We ensure customer satisfaction and delight with a consistent Net Promoter Score (NPS) of 84 percent. Tata Communications' IZO™ SD-WAN is widely recognised as a leader by analysts.

IZO™ SD-WAN

is widely recognised as a leader by the analysts.

- Leader in Avasant SD-WAN Managed Services RadarView Global
- Leader in Frost Radar: Indian Managed SD-WAN Company of the year
- Leader in Frost Radar: Asia Pacific Managed SD-WAN Services Market
- Leader in ISG SD-WAN Services UK
- Leader in Gartner Magic Quadrant for Global Network Services nine times in a row
- Leader in SDN Transformation Services Provider Lens™ Study UK

Tata Communications help customers by offering:

Integrated network and security
services leveraging comprehensive portfolio of underlay, overlay and cybersecurity offerings

Risk-free and time-bound
site turn-up with enhanced visibility through our transition frameworks, capabilities and tools

Accelerated delivery and enhanced SD-WAN
time to value with blueprint based and compliant deployment systems

Simplified management of infrastructure
with single owner of all network assets including BYON

Enhanced return on investment
with optimised and best-fit solution that supports business outcomes

Accelerated access to cloud
applications through globally distributed SD-WAN gateways for superior user experience

Enhanced network uptime
with proactive issue identification and resolution

Tata Communications service support key highlights:

4

Global Service Operations Centres

195+

countries served

300+

network partners

1,500

change requests executed per month on average

4,000+

Technical Service Support Experts

38,000+

CPE devices currently managed by the service desk

60,000+

Tickets handled by service desk per month on average

95%

incidents indentified proactively

95%

calls responded to within 10 secs

85%

incidents resolved within 4 hours

Delivered as a scalable, cost-effective managed service, benefits include:

Unique underlying hybrid transport services managed through a powerful software overlay, and 20+ global cloud gateways, ensuring consistent high-quality performance everywhere.

End-to-end cybersecurity assured by the definition and enforcement of next-generation policies for protection of sensitive data at all points across the infrastructure.

Possible TCO reductions of more than 30 percent from optimised bandwidth and lower network management and provisioning complexity.

About Tata Communications

A part of the Tata Group, Tata Communications (NSE: TATACOMM; BSE: 500483) is a global digital ecosystem enabler powering today's fast-growing digital economy in more than 190 countries and territories. Leading with trust, it enables digital transformation of enterprises globally with collaboration and connected solutions, core and next-gen connectivity, cloud hosting and security solutions and media services. 300 of the Fortune 500 companies are among its customers and the company connects businesses to 80% of the world's cloud giants. **For more information, please visit www.tatacommunications.com**

CX excellence

Against that background, centralised monitoring to optimise bandwidth utilisation is matched by reduction of latency and packet loss. That way, IZO™ SD-WAN architectures will support the most demanding customer-facing apps to maintain never-before-found standards of CX excellence.

TATA COMMUNICATIONS

Contact us