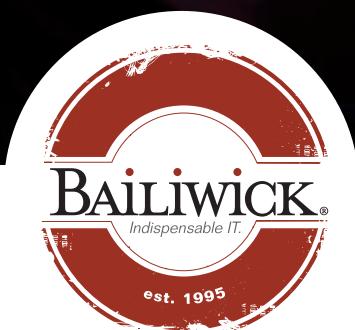




# TAKING “IT” TO THE BANK

2018-2019

Bailiwick's State of the Banking Industry & Technology Report





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### **Change is aplenty in the financial sector,**

and it spans well beyond how its customers are handling their dollars and cents. Today's banks are faced with a variety of challenges including:

- Keeping abreast of complex and diverging regulations
- Managing legacy technology systems while adding new solutions
- Responding to disruptive models and technologies
- Managing higher expectations from their customer base

With any set of challenges, however, comes opportunities. Financial services experts agree that organizations who transform into strategically-focused, technologically-modern, and operationally-agile businesses will continue to thrive in a rapidly evolving industry.

In this report, we'll explore three challenges across the financial sector and explore how IT organizations can and are leading the way in tackling solutions that bring positive improvements to the business.

- Customer Experience
- Productivity
- Brand Protection



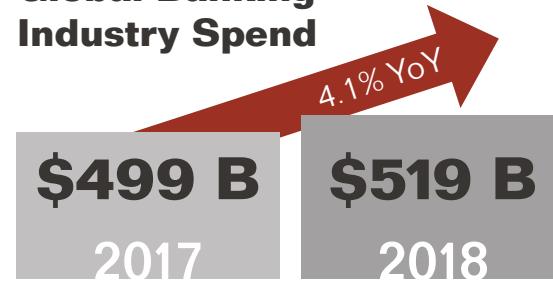
## Top Technology Challenges for Financial Institutions

### Keeping Core Infrastructure Current

It's likely no surprise to bank IT professionals that technology resources are increasingly difficult to manage with a large menu of systems, platforms, software and other technology devices. In addition, many of these devices often operate on legacy systems that require significant time, attention, and resources to ensure smooth operation.

According to Deloitte's 2018 Banking Outlook report, technology modernization is ranked as a high priority for many global banking organizations, and if it isn't, advises that it should be. "To 'change the bank', CIOs must simultaneously ensure that new solutions sourced from multiple external vendors are integrated to maximize value creations, while minimizing disruption."

### Global Banking Industry Spend



Source: Deloitte citing to Gartner, "Forecast: Enterprise IT Spending for the Banking and Securities Market, Worldwide, 2015-2021, 3Q17 Update."

## Mergers & Acquisitions

In response to the 2008 global financial crisis, banks experienced a wave of increased regulation in both European markets and here in the United States. While regulatory efforts continue in the EU, the U.S. is reducing banking regulations. According to a recent Accenture Banking trends report, with regulatory roll-backs, reductions in the corporate tax rate, and rising interest rates, U.S. banking "could very soon be back to pre-crisis returns on equity." That result, Accenture predicts, could allow banks to start flexing investment and competitive muscles in a way that hasn't been seen during the last decade.

In addition to the relaxing of regulations, legacy institutions are beginning to embrace financial technology companies through equity partnerships. Better known in the industry as "fintech," what were once seen by traditional banks as disrupters and a threat to traditional banks, are now becoming strong technology partners to improve customer experience and drive business efficiencies that mutually benefit both organizations. Take for example, loan origination.

A 2018 American Banking Association survey found 71% of respondents

**71% INTERESTED  
IN THIRD-PARTY  
DIGITAL PLATFORMS**

said their bank was interested in using a cloud-based platform for consumer loan origination options. By partnering with fintech, traditional banks can provide better customer experiences, increase revenue, and provide more loans without additional

risk or staff. Fintechs stand to gain access to a bank's loyal customer base, financial expertise offered by the bank, and help navigating the complex regulatory landscape. There is a strong interest in the industry to continue finding ways to partner with, or purchase organizations, that can allow for innovation to happen faster.

**The relaxing of the regulations and reduced fear has created a return to a more-normalized state in the banking industry and has experts predicting more merger & acquisition activity than the previous several years.**

With additional M&A activity, technology teams will be tasked with a need to expedite IT rollout at newly acquired branches, simplify the technology stack, and handle any wind-downs of consolidated locations. These efforts often require large-scale project management to drive efficiency, manage budgets, and minimize impact to customer experience. Forging new partnerships with fintech companies or acquiring software to expedite innovation will also require testing integration capabilities and require flexibility in working with vendors that come in all shapes and sizes.

**86% of Bank Business  
& IT Executives** agree that technology is increasing the level of integration between financial services and the rest of their customers' lives.



Source: Accenture, Banking Technology Vision 2018



## Top Technology Challenges for Financial Institutions

### Overall IT Experience

Today's bank IT departments have a lot on their plates. In retail banking, technology is front and center as organizations transition to a more mobile-centric and digital institution, while still maintaining a physical presence that often runs on legacy systems. In corporate banking, customer experience is driving changes in technology and go-to-market strategy.

Keeping up with these initiatives while also internally managing corresponding technology assets can quickly become costly and inefficient. To truly focus on achieving organizational agility and key innovation and differentiation efforts, Deloitte advocates that most banks will need to pursue key partnerships to help deliver solutions for both the bank and most importantly its customers.

CUSTOMER  
EXPERIENCE IS  
**DRIVING CHANGES**

#### A PENNY FOR YOUR THOUGHTS

Questions banks  
should be asking in  
an effort to simplify,  
modernize, and build  
technology agility

1. How can you best manage the portfolio of technology assets to deliver the most impact for the business?
2. What is the right level and type of technology externalization? How can you best use third-parties to design, develop, and manage technology solutions?
3. How do you direct development resources toward activities that create true competitive differentiation?

Source: Deloitte 2018 Banking Outlook

## > IT Solutions to Bank On



### Keeping IT Infrastructure Current

More than 20% of financial institutions recently surveyed as part of The Financial Brand's 2018 Digital Banking Report reported updating and replacing components of legacy systems was a top three strategic priority for 2018.

At Bailiwick, we leverage our expertise in large-scale network initiatives to help customers in the financial services industry combine IT infrastructure projects (to drive efficiencies and minimize site touches to reduce risk to the company) and reduce potential disruption to the overall customer experience. For example, Bailiwick partnered with a large North American financial services provider to create a new WIFI enabled branch experience on 4G LTE Broadband at 185 corporate locations across 35 states and Canada while simultaneously designing and installing a complete network refresh in 990 retail locations across 20 states. This allowed for the timely completion of two projects with minimal disruption and reduced cost to the customer. **» Read more on this project [here](#).**

SIMULTANEOUS PROJECTS

NEW WIRELESS EXPERIENCE  
**185 CORPORATE LOCATIONS**

across **35 STATES and CANADA**

..... and .....

DESIGNING AND INSTALLING A COMPLETE NETWORK REFRESH

**990 RETAIL LOCATIONS**

across **20 STATES**

Finding a trusted partner to help your organization strategically drive infrastructure projects efficiently and effectively helps you achieve your business goals on time and on budget. This leaves your department with more time to dedicate to pushing forward other key initiatives that rely on these kinds of infrastructure improvements.

## > IT Solutions to Bank On



### Mergers & Acquisitions

Leading financial institutions are preparing to take advantage of recently proposed reduced regulatory restrictions, commonly called SiFi. Mergers and Acquisitions lead to exciting opportunities to expand the organization, reach new customer bases, and expand services. However, it is important to have a solid plan to quickly and efficiently standardize equipment, install new customized configured systems, and remove and dispose of dated equipment.

Choosing a technology partner with the ability to provide Total Site Care services brings simplicity and efficiency in a complex transaction.

When you work with Bailiwick, you gain a strategic ally with strong technical expertise and a team skilled in large-scale, complex mergers and acquisitions. We specialize in upgrading and merging cable infrastructure and equipment to ease the transfer of IT. We ensure the secure management or disposal of assets, and we can seamlessly install wireless networks, structured cabling, and power for ATMs, and network access for online banking. After a financial institution acquired 99 branches, Bailiwick managed the conversion of 99 of those sites in one night. **» Read more about our partnership [here](#).**

To ensure a seamless transition, Bailiwick partnered closely with our customer to deliver multiple services, provide customized solutions, and execute installation across a large amount of sites to ensure the acquired sites were up and running and ready for operation.

**» Learn more about our extensive experience with large scale M&A projects [here](#).**

**TOTAL  
SITE CARE™**

by Bailiwick



## > IT Solutions to Bank On

### Overall IT Experience

Removing friction from the customer journey is the number one strategic goal in retail banking this year, according to The Financial Brand's 2018 Digital Banking Report. This is not surprising, as nearly all industries are working to break down silos to become more customer-centric and deliver a strong digital experience.

Banking institutions have struggled to differentiate themselves among consumers through a personalized customer experience in today's digital landscape.

Leading financial institutions are tackling this challenge by making changes not only through mobile applications and online services, but also by modernizing branch and ATM experiences. In addition, proactive institutions are using customized tablet technology to service customers quickly whether it be to avoid a line, leverage more comfortable seating environments, or on-the-go at community events to raise brand awareness. Bailiwick has experience working together with financial institutions to design and implement wireless solutions to enable seamless customer experiences.

As you continue to invest in new technology or modernize current locations, Bailiwick works to ensure you have asset lifecycle management plans in place and can offer Total Site Care maintenance solutions to reduce the need to coordinate multiple providers with differing cost structures.

## CASE STUDY:

# Wireless Projects Improve Corporate Infrastructure & Customer Experience

Large North American Financial Services Provider

### SITUATION:

Financial institutions are grappling with improving core technology infrastructure and improving the customer experience. A large financial services provider tackling these challenges was faced with needing to improve its wireless experience at both corporate and retail locations. Modernizing the technology and speed of service were key concerns as the organization embarked upon implementing a solution.

### SOLUTION:

Bailiwick started the project by diving into the business goals of the customer. It was important to the financial services provider to modernize the workspace by implementing a fully wireless environment.

In addition, the financial services provider sought to enhance the customer experience at its retail locations through wireless enabled speed of service.

Keeping the customer's goals front of mind, Bailiwick then leveraged its

technical expertise and experience in large-scale, complex projects to recommend combining the two initiatives into one. Together, in strong partnership with the customer, Bailiwick created a wireless experience at

## 185 CORPORATE LOCATIONS

across **35 STATES** and **CANADA** while simultaneously designing and installing a complete network refresh in

## 990 RETAIL LOCATIONS

across **20 STATES**

 This resulted in **synergized project management** and **enhanced wireless engineering** services to ensure **efficient and on-budget execution** for the customer.

CORP:  
**5,100**  
Access Points  
**10,200**  
Cat6A cables

RETAIL:  
**2,700**  
Access Points  
**5,400**  
Cat6A cables

### RESULTS:

By taking time to understand the full scope of the projects, Bailiwick acted as a true strategic partner to provide solutions that offered flexibility to the customer, minimized site touches, and resulted in a reduction of total site costs and disruptions.

### IMPROVED CUSTOMER EXPERIENCE

#### WHAT MADE BAILIWICK A VALUABLE PARTNER

Our customer's goals become our goals.

Strong ability to manage large-scale installations with commitment to collaboration.

Single source provider helping customers reduce complexity and cost.

Personalized solutions with strong customer care and support.

## > CASE STUDY:

# Strong Partnership Results in Seamless M&A Process

Large Institutional Financial Services Partner

### SITUATION:

Mergers and acquisitions in the banking space have seen peaks and valleys during the last decade. Financial experts agree M&A activity is likely to trend up with recent deregulation. These deals can be complex and require an immense amount of coordination with the installation and decommissioning of technology equipment. A large financial institution and longtime Bailiwick customer has consistently acquired other branches and, in some cases, other related companies. This requires a detailed implementation plan to guarantee smooth transitions with limited impact to customer experience.

### SOLUTION:

Since 2005, Bailiwick has been the trusted partner of this large bank to provide technology solutions related to its acquisitions. While many pieces of an acquisition can be complex, Bailiwick works closely with the customer to carefully plan and execute large-scale solutions.

#### FOR EXAMPLE

When the **bank acquired 99 branches** in Chicago, Bailiwick planned and managed the technology implementation of all locations, **completing all sites in one night.**

Strong project management resulted in the execution of surveys, installation of cabling equipment, phone systems, conversion, and other technology solutions. Our PMO experts used the latest project management strategies to ensure the project was executed successfully and met expectations for quality of the customer. All the solutions were customized to the customer's installation, configuration, and removal requirements.

### RESULTS:

Bailiwick knows how important it is to execute large-scale, complex M&A projects, on-time and on-budget. For over 10 years, we have consistently worked with this large institutional bank to get their new locations up and running and ready to service customers.

### IMPROVED CUSTOMER EXPERIENCE

WHAT MADE  
BAILIWICK A  
**VALUABLE  
PARTNER**

Strong  
partnership and  
collaboration with  
our customer.

Complexity of  
acquisitions is  
our wheelhouse.

Single-source provider  
creates efficiencies  
and reduces costs  
for the customer.



## Our Promise

Bailiwick believes that effective and efficient financial systems are vital for our economy. Whether you're active in mergers and acquisitions, creating a differentiated customer experience, or moving toward wireless banking, we can support you. Our IT solutions are reliable and secure so you can be assured your IT infrastructure is functioning smoothly in the background. Bailiwick's extensive experience with financial institutions means you get proven solutions, delivered cost effectively and on-schedule.

**CONTACT** Bailiwick to learn more  
952-556-3832 | [bailiwick.com](http://bailiwick.com)



Skillfully crafted, professionally managed technology integration with a flexible and scalable approach.

