

Finserv and The 5 Network Killers

Today's financial services (finserv) institutions are **juggling numerous digital demands** — from managing a hybrid workforce to an ever increasing demand for digital apps.

We see **5 main trends** driving new finance sector network strategies.

01 The "Great Return"

In many cases, staff returning to office are finding corporate networks lagging compared to fiber-to-the-home and other high speed residential internet bandwidth they leveraged during the pandemic. In other cases, enterprises are finding "peak days" when hybrid workers coming into the office overload their networks, either degrading performance or forcing over-architected bandwidth to handle the spikes in load. Architectures supporting a bandwidth-on-demand model are being considered in these situations.

02 Digital App Explosion

Evolutions in technology for financial services (fintech) continue to drive performance needs across multiple financial sectors. For instance, banking customers are accustomed to new, fully-digital banking and payment players like Upgrade, Chime or Venmo. The digital wallet industry alone is expected to have over 4.4 billion users by 2025ⁱ.

Consumer expectations for digital, mobile and self-service options coupled with security and reliability demands are pushing higher performance network options into the core strategy of financial institutions. The explosion of latency-sensitive middle and back office applications, now more than ever hosted in the cloud, compound the bandwidth-thirsty financial industry's network needs. Both leaders and laggards in finserv are being driven to consider core network upgrades to support wider and deeper app deployments.

03 Multi-Cloud Architectures & Cloud On-Ramps

Public, private and hybrid multi-cloud has become the de facto standard for balancing cost with finserv requirements for reliability, security, performance and scalability. As such, cloud on-ramps for mission critical services are becoming an integral piece of both application performance and cloud-based security (more on that later) as more applications are either cloud-enabled or fully hosted in multi-cloud environments.

Traditional mesh architectures, designed for legacy branch to branch connectivity, often have a bottleneck accessing cloud services, degrading the original performance of these architectures. Cloud direct connects or on-ramps coupled with SD-WAN over DIA and Ethernet could be an easy way to catch up to demand while future-proofing your architecture.

04 Cybersecurity & SASE

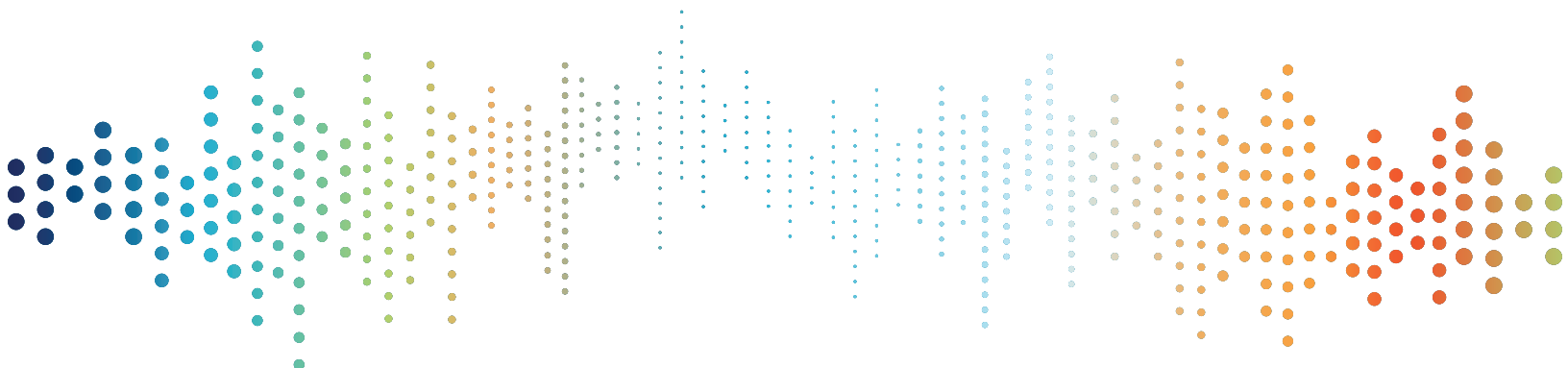
Cybersecurity is consistently among the largest concerns for CIO's and CISO's regardless of industry, but typically tops the list for finserv. SASE and more specifically SSE which includes zero trust architecture (ZTA) is quickly becoming the new table stakes for security. With Executive Order 14208 mandating many of the SSE tenets for federal agencies, new regulations mandating similar measures for finserv are expected in short order.

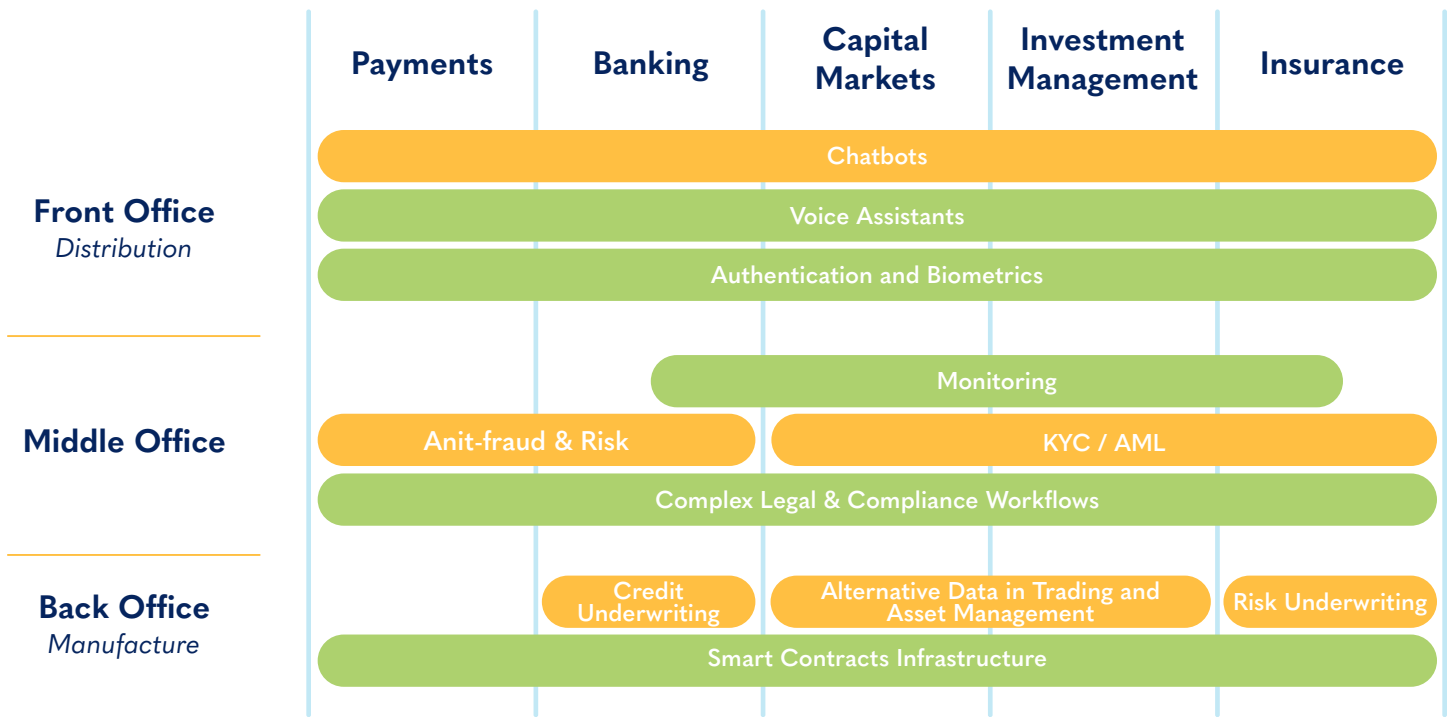
Regulatory mandates aside, the business impact of breaches for enterprises and customers are massive in the finserv segment. Coupling Layer 2 security features in an updated network with Virtual Firewall seems an obvious move given the increasing global threat vectors and growing attack surfaces.

05 New Tech Favors Updating Legacy Systems

New tech like artificial intelligence are further increasing network demands. AI is being adopted for risk management and operations from credit/risk underwriting, anti-fraud measures and KYC/AML to customer interactions like chat bots and IVR to trading models.

Moreover, new technologies are enabling additional finserv products and services like real-time payments, automated compliance, and API-based regulatory integrations, but only for those with the underlying infrastructure to support those loads. We expect to see escalating clashes between legacy banking/ trading institutions and new digital-first competitors for market share which will drive laggards toward network enhancements.





● More Mature ● Less Mature

Source: Autonomous NEXT Report on Augmented Finance and Machine Intelligence

As finserv contemplates these evolving factors in its market segment, the leaders are already driving network demand for competitive advantages today and future proofing for tomorrow. China is ahead of the game on the global stage leaving a competitive gap to the United States which is playing catchup. Slow adopters will see the leaders prove out the technology strategies but will miss out on the gains and the laggards or late adopters may get left behind as digital-first and tech-heavy players start to dominate the space.

Where do you fit in this spectrum? If you need to benchmark your network against other finserv enterprises, [connect with our evaluation team.](#)

(877) 946-6300 | sales@wintechnology.com | wintechnology.com