FINTALK REPORT

IT Insights for the Financial Services Industry

WINTER 2016

SIMPLIFYING DATA MANAGEMENT

FROM THE DATA CENTER TO BUSINESS INTELLIGENCE

CDW

TIME TO TAME YOUR DATA: DON'T DELAY

More than ever, financial services organizations are poised to reinvent themselves, revitalize old processes, rethink their customer engagement strategies and reposition themselves against the competition. Emerging technologies have game-changing potential as new market entrants shake up the industry. Disruption is a driving force for banks, credit unions and capital markets firms to make positive changes that minimize risk, grow revenue and prosper in an ever more competitive industry.

What's the key to unlocking the true potential of technology innovation? Data. This issue of the *FinTalk Report* examines how financial services firms are simplifying, streamlining and managing data to their strategic advantage. By embracing IT infrastructure upgrades and new tools, these organizations are better able to harness the flow of data and build a solid foundation for future analysis into customer behavior, business performance, operational efficiency and regulatory compliance.

Once data is successfully managed, it must be protected. You'll also learn about the hottest trends in cybersecurity technology — from the network to mobile devices. Ensuring secure access to proprietary information across multiple channels is a must in today's financial world. Our dedicated CDW Financial Services account team and solution architects are here to help you make the most of your data and keep it safe. By refreshing your IT strategy, you'll reinvigorate your competitive stance and remain cutting edge as we move into the New Year.

Ben Weiss
Director, Financial Services

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CONTENTS

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FINWATCH

SIMPLIFYING DATA MANAGEMENT AND OPTIMIZING RESULTS

For Banks, Credit Unions and Capital Markets Firms

THE NUMBERS TELL THE STORY

No persuasion is needed; the statistics demonstrate that financial services executives resoundingly believe in the power of data. Whether analyzing customer behavior, calculating trading algorithms, or managing risk and compliance, optimizing your IT operations and data can give your financial services firm a competitive edge. However, harnessing that data to realize its fullest potential has been challenging for banks, credit unions and capital markets firms of every size – until now.

THE CHALLENGE: DATA, DATA, EVERYWHERE

As the volume of both structured and unstructured data exploded, financial services firms' IT teams had scarce resources to deal with it. Limited time, personnel and budgets resulted in the inability to create and implement strategic big-picture plans. Instead, it was often necessary to implement quick-fix remedies to solve the problem for the short term. The result: Data everywhere was overwhelming data center storage capacity, requiring multiple systems, wasting space and increasing costs – making it nearly impossible to organize and mine for valuable insights.

TAKING COMMAND

It's time to take command of the situation. By implementing proven strategies and the right technology, it is possible to maximize the performance and flexibility of existing data centers and ease the data management burden. Optimizing the data center — and deploying data and analytics software solutions and aggregation services like the cloud — enables you to capitalize on the wealth of opportunity hidden in your data. Financial services firms will also experience greater efficiency, maximum flexibility and cost savings. There's no time to lose.

FIRST THINGS FIRST

Starting with an overall assessment of the current situation provides the information essential to creating a successful data management strategy. The assessment should include understanding your firm's short- and long-term data management and storage needs, conducting research on the technology currently available in the marketplace, and investigating new technology likely to be deployed over the next few years.

Evaluate the existing data center and conduct a detailed audit to inventory its components; monitor and measure server, storage, and power and cooling usage; analyze the effectiveness of security strategies; identify weaknesses; and provide recommendations for performance optimization. Then move on to identify goals and determine the budget.

BUILDING A SOLID FOUNDATION

Optimizing your storage management provides a solid foundation for highly efficient data management. It begins with state-of-the-art technologies such as automated storage tiering, virtualization, data deduplication and cloud storage. These technologies help optimize disk capacity, keep storage costs manageable, meet regulatory data mandates, and provide flexibility and data availability. Backup systems are also an important element in a robust data management system.

Automated storage tiering classifies data based on usage, required response time, application and other predetermined characteristics and automatically moves between storage layers accordingly. Higher tiers typically contain the most essential data as well as flash-based devices that run at high speeds and need to be highly available. Middle tiers don't require the same speed and accessibility; lower tiers are used for long-term archiving. As data becomes less essential, it should be moved to these lower levels. Combine this with an object storage software solution that provides metadata-based data management, and you can more easily store and access data across many sites.

84%

of surveyed financial services companies' executives believe data will be a source of competitive advantage.[1]

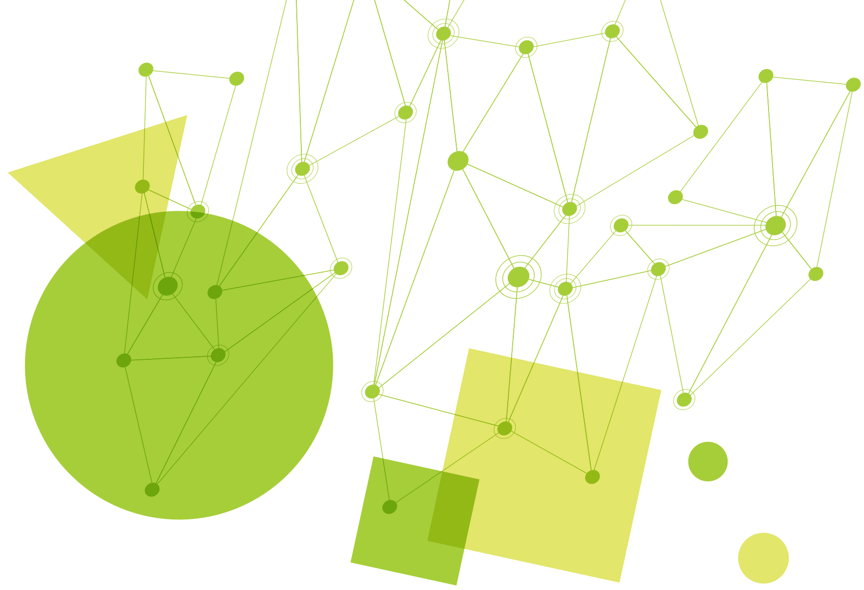
31%

describe their ability to realize value from data assets today as "immature."[1]

WHITE PAPER:
"Better Data for the Banking Industry"

Find out how business intelligence tools can help banks gather and analyze relevant industry data to gain new insights and a competitive advantage.
CDW.com/banking-bi-wp

[1]ey.com, The Science of Winning in Financial Services: Competing on Analytics, Opportunities to Unlock the Power of Data, 2015



Storage virtualization pools physical storage resources from multiple storage devices within a financial services firm's network to appear as a single storage device. This helps eliminate data sprawl and enables centralized administration, improved allocation efficiencies, and increased flexibility and scalability.

Data deduplication enables the elimination of redundant instances of data among users and databases within the same system, reducing physical and virtual storage requirements. Deduplication is designed to free up storage space as well as reduce power and cooling costs.

Cloud storage adoption has been slow in financial services because of security concerns, but that's changing — in part due to attractive benefits that include data accessibility, improved employee mobility, redundancy, physical and virtual data protection, on-demand scalability and cost savings. Tapping a cloud services vendor can be a reliable, secure alternative for delivering your data management solution, relieving your team members to focus on more critical responsibilities.

Backup solutions are essential for rapid, 24/7 access to data, no matter what may happen. This is also a regulatory requirement. Backup solutions have evolved to keep up with the exponential growth of data. Solutions now factor in the reality that data on a virtual machine is also likely to move across multiple physical hosts, which has contributed to the popularity of disk-based backup systems with data deduplication capabilities that provide faster access and recovery than tape-based options.

89%

of bank and capital markets CEOs surveyed said that data mining and analysis are strategically important for their organizations.[2]

SINGLE MACHINE, SINGLE SYSTEM

As you develop a data management platform strategy for your financial services organization, there are several other elements to consider. **Server virtualization** and clustering solutions enable financial firms to run multiple virtual operating systems and applications independently on a single machine. This eliminates the need to follow the conventional one-application-per-server model that leads to server sprawl and underutilization. Server virtualization also supports faster, more efficient business continuity and disaster recovery, plays a key role in moving infrastructure to the cloud, better controls virus and malware outbreaks, and simplifies management of OS and application patch updates.

A **converged infrastructure** integrates several traditionally siloed IT components such as virtualization, servers, storage, networking, security and management into a single system. The result is a highly scalable, cost-efficient way to deploy a more simplified infrastructure. Developing a comprehensive power and cooling strategy is also essential. It includes eliminating physical machines and aging servers to reduce the amount of power needed to run the servers and cool the server room.

TAPPING THE POWER OF ANALYTICS SOFTWARE

With a solid IT foundation and backup solutions and a secure data defense in place, you can now focus on the data. An analytics software solution will help you easily facilitate the mining of volumes of complex data from multiple sources. It can quickly identify client preferences and behavior patterns to help you enhance customer experience, leading to greater customer retention. It can help perform complicated correlations, back-testing strategies and probability calculations to guide strategy development and risk management or to design winning algorithms.

Operational relationships can be analyzed and streamlined, helping to reduce operational costs and increasing productivity. Sales can be better aligned with strategy to increase revenue. Data can be easily extracted, sorted, summarized and presented for critical business and compliance reporting. Potential financial, operational, IT and governance-related risk can be identified to avoid penalties.

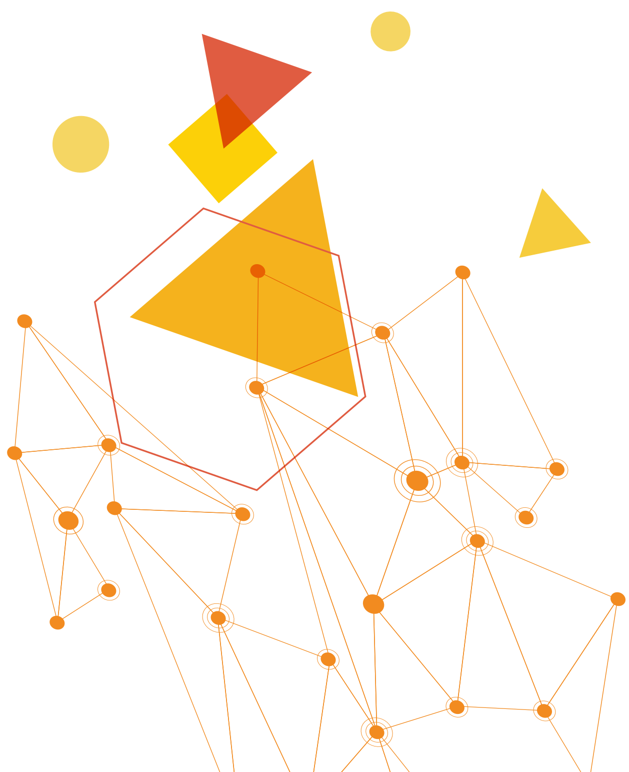
DATA DEFENSE: NEVER LET YOUR GUARD DOWN

Financial services firms are hit by security incidents 300 times more frequently than businesses in other industries, according to Websense. That means cybersecurity and protection of your precious data and customer information (PII) is critical. Financial services firms must continuously assess their data centers and IT environments for vulnerabilities and implement a multilayered, enterprise-wide, regulation-compliant security strategy to protect sensitive data.

A comprehensive data security solution includes content filtering, data leakage products, network access control, patch management tools, intrusion prevention and detection solutions, anti-virus and anti-spyware solutions, physical security to prevent unauthorized access to the data center itself, and encryption of data at rest and in transit — along with self-encrypting devices to encrypt all data on the individual storage devices.

REAP THE BENEFITS

With a robust data management solution, your financial services firm can ensure data integration and management rapidly and securely, and create insights that drive smart decisions, enhance the customer experience, address risk and compliance, and improve operating efficiency — all while meeting regulatory requirements and without straining your IT resources or budget.



INCREASE YOUR ADVANTAGE

Industry analysts are advising financial services firms that hiring a chief data officer (CDO) can increase their advantage, and so can implementing a data governance program.

Financial services firms with a chief data officer report a 43% success rate for Big Data initiatives versus 31% in firms that have not appointed a CDO.[3]

60%

of global financial services firms reported operational inefficiencies as a result of not having a formal governance strategy in place.[4]

[2] pwc.com, 18th Annual Global CEO Survey: Achieving Success While Managing Disruption, 2015
[3] techtarget.com, "Big Data in Financial Services Begets Chief Data Officer," June 2015
[4] eagleinvsys.com, Survey Reveals Urgency of Data Governance Projects Among Financial Services Firms, Though Formal Initiatives Still Largely Nascent Across Industry, September 22, 2015

Keeping an EYE on BIOMETRICS

Biometrics is showing promise as a potential weapon against the increasingly sophisticated cybercriminal. Here, we provide an overview of biometrics adoption in the financial services industry, and its challenges and next steps.

THE PROMISE OF BIOMETRICS

With the dramatic uptick of cybercrime attacks and cybercrime's growing sophistication, cybersecurity has become a grave concern for consumers and financial services firms alike. Financial services firms must be ever vigilant – protecting customers, members and clients to maintain their trust and loyalty. Biometric technology is emerging as a potentially powerful weapon in the war on cybercrime.

The power of biometrics, defined as "the measurement and analysis of physical attributes," is sparking interest across many sectors and industries. Biometrics security projects are exploring how the skin, eyes, heart, finger veins, voice, skin and bones can be used to uniquely identify and authenticate identities.

Financial institutions are turning to biometrics for use as an alternative to passwords and PINs for identity authentication and access control. In fact, 22% of financial institutions already offer biometrics to their customers and 65% are planning to offer services in the near future, according to a Mobey Forum survey.[1]

That effort is supported by consumer sentiment, with more than two-thirds of U.S. consumers in a Telstra survey saying biometrics such as voice, fingerprint, iris and facial recognition would be more secure and help reduce the risk of fraud.[2]

MOMENTUM IS BUILDING

Momentum is building for the deployment of biometrics in mobile financial services. Acuity Market Intelligence estimates that by 2020, mobile biometrics will be used to authenticate almost 65% of all mCommerce transactions.[3] Banks, credit unions, credit card companies and trading firms are putting biometrics to the public test.

J.P. Morgan Chase & Co. was one of the first U.S. banks to incorporate Apple's Touch ID authentication into its mobile app. American Express has been testing facial recognition to capture and authenticate facial images on mobile devices. Wells Fargo is currently testing biometric technology that reads face, voice and eye prints to access corporate commercial bank accounts, and will roll it out to corporate customers in the first half of 2016.

MasterCard has partnered with First Tech Federal Credit Union for a pilot program that will enable First Tech employees to authenticate and verify transactions using facial recognition and fingerprint biometrics. They are independently working on a facial recognition project dubbed "selfie" pay – testing voice recognition and a wristband that would identify customers by their heartbeats.

Meanwhile, Mountain America Credit Union recently launched biometric mobile products that allow members to log in, apply for and receive funding on loans. Members can choose eye print authentication, fingerprint authentication or both, or opt out entirely.

Capital markets firms like E*Trade are tapping into the power of biometrics, too. E*Trade offers an iOS9 biometric security function that enables users to sign in to their accounts by pressing their finger against an identification button. Forty-five percent of their daily users are reported to be using that function.

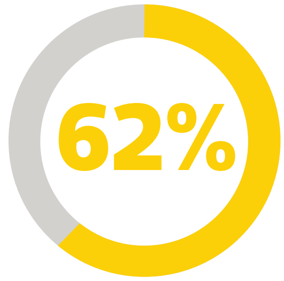
IT'S A NEW FRONTIER

As with any new technology, there will be a learning curve to discover its best and most efficient uses and its pluses and minuses, as well as new perspectives and sometimes surprising outcomes. Some of the chief obstacles for adopting biometrics as cited by the Mobey Forum are dependence on technology providers, perceived privacy issues, reliability of the technology and uncertainty in regard to regulation.[3]

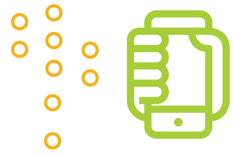
Sandeep Sood, CEO of the Monsoon Company, shares some of his important biometric discoveries in a recent article in *The Financial Brand*. For example, in one test experience designed by the company, facial recognition technology worked behind the scenes during the process and users learned they had been authenticated only after the fact. Some found this to be convenient; others felt their security wasn't being taken seriously. Security is a sacred ritual for some – so by reducing friction and simplifying the process, the company had tampered with the trust between the organization and its users.[4]

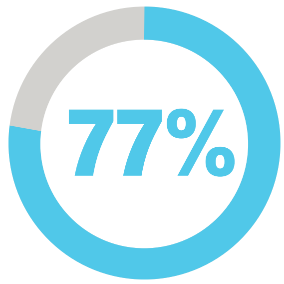
POWER IN COLLABORATION

As biometric technology develops, there are complex issues that need to be resolved. Where should biometric information be stored? How will it be protected? What are the ethical responsibilities? Collaboration is a powerful tool and will be required across the industry, government and other entities to resolve these issues and drive the development and adoption of this promising technology.



OF CONSUMERS surveyed said they did not use mobile banking or mobile payments due to concerns about the security of the technology.[5]



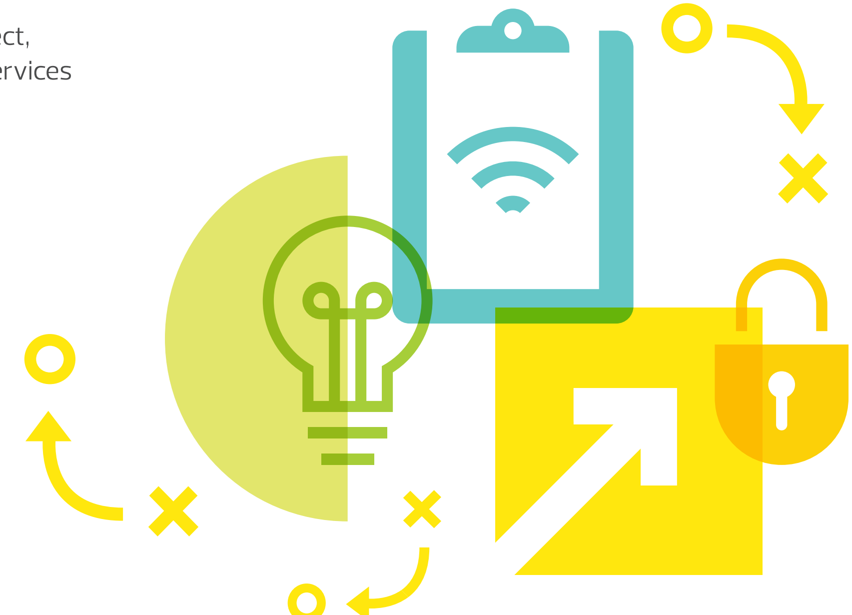


OF AMERICANS are anxious about having their financial information and social security numbers stolen or compromised.[6]

[1]biometricupdate.com, "Mobey Forum Survey Shows Biometrics a Priority in Financial Services," July 1, 2015
[2]planetbiometrics.com, "Two-Thirds of Consumers Want Biometrics for Banking," June 15, 2015
[3]planetbiometrics.com, "Blog: The Future is Biometric, but Privacy Fears Remain," October 7, 2015
[4]thefinancialbrand.com, "Passwords Are Dead: Biometrics and the Future of Banking Security," February 3, 2015
[5]federalreserve.gov, "Consumers and Mobile Financial Services," March 2015
[6]mastercard.com, "MasterCard Survey Reveals Americans Anxious about Personal Security but Optimistic about New Ways to Pay," July 9, 2015

BUILDING A BETTER Mobile Strategy

Mike Jeffery,
Mobile Strategy
Solutions Architect,
CDW Financial Services



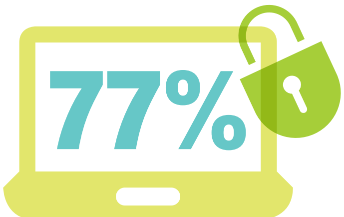
Mobility can be a game-changer for financial services organizations. But if you're buried in the complexities of building a mobile strategy – device management, customer security concerns, apps – it can be hard to see the forest for the trees. We sat down with Mike Jeffery, CDW Financial Services Mobile Strategy Solutions Architect, to discuss how financial services organizations can successfully integrate mobile, how to address security concerns and what's next in mobile adoption.

GO MOBILE — BUT DON'T IGNORE OTHER CHANNELS

Mobile-first organizations create business processes and applications with mobile devices top of mind. An important aspect of this approach is to ensure content is available and secure so end users can do their jobs with the device of their choice and the experience they expect. But experts warn that financial services organizations that take a mobile-first approach could be at risk for ignoring the primary devices that all generations use for financial tasks: notebooks and personal computers.[1] The key here, as in most situations, is balance. Finding a way to integrate mobile into your omnichannel approach is critical.

81% of consumers prefer a smartphone for tasks under five minutes.

ONLY 43% prefer a smartphone for activities lasting 10–20 minutes.[1]



of IT professionals say data security and user privacy concerns are the biggest challenges when building a mobility strategy.[2]

CLEARING THE SECURITY CONCERN HURDLE

Financial services organizations must accommodate new ways of working as mobility becomes the norm. For network and security managers, the influx of mobile devices and applications represents the worrisome prospect of organizational data leaks. Mobile devices are increasingly connected to wireless LANs and other networks that don't provide protection through network-based firewalls. It's key to work with a solution partner that can help your organization establish a BYOD or corporate-owned program and deploy host-based firewall solutions for mobile devices.

Customer adoption of mobile solutions has also been hindered by security concerns. According to a recent comScore survey, 36% of customers are not comfortable with mobile banking due to perceived security issues.[3] Financial institutions can overcome this particular security hurdle by exploring advanced security options, such as biometrics, that go beyond usernames and passwords. For more insight on biometrics adoption, check out our "Financial Insights" feature on page 6.

THE NEXT MOBILE GENERATION

Looking ahead, the financial services industry must be ready for the next phase of innovation in mobile. Customers expect to be able to conduct their daily financial needs via a mobile offering, and they're looking to financial institutions and financial advisors for what's next. According to Javelin Strategy & Research, banks that hope to capture the loyalty of these mobile banking customers would be wise to invest in mobile banking technology for the future — including instant balance viewing (before entering credentials), mobile photo bill pay, mobile P2P transfers and device support for mobile banking enrollment.[4]

Financial advisors and wealth managers can't afford to rest on their mobile laurels, either. Clients clearly have high expectations when it comes to mobile. Two-thirds of GenXers and more than half of Baby Boomers say mobile trading is critical, and they are already using an investing or trading app once a week.[5] But while the majority of wealth managers have a mobile offering, most of these are still just condensed versions of their websites.[6] This could prove to be a risky move, especially as alternative players — like robo-advisors — present added competition with a full suite of mobile-centric platforms.

BUILDING A MOBILE STRATEGY, STEP BY STEP

If you're ready to embark on a new and improved mobile strategy, here are the building blocks you need to give customers the experience they want via the mobile device of their choice.

Enterprise mobility management (EMM). Helps launch mobility by providing data and app-level security

Wireless network. Provides secure, reliable WAN access for smart devices

Electronic file sync and share (EFSS). New workflows and processes enabled through electronic content

Apps. Mobile apps enable end-user productivity, easier and more efficient workflow processes, and access to valuable content and data

[1]americanbanker.com, "Think Twice About Your Bank's Mobile First Strategy," October 2015 | [2]dimensiondata.com, "Secure Mobility Survey Report," March 2014
[3]comscore.com, "Security Concerns Inhibit Mobile Banking Adoption Among Older Consumers," June 2015 | [4]bankingexchange.com, "What's Mobile's Next Act," February 2015
[5]etrade.com, "Insight of the Week" | [6]wealthmanagement.com, "Wealth Managers Falling Behind on Mobile Websites," September 2015

FINANCIAL SERVICES DISRUPTED: No More Business as Usual

Turn disruption into innovation with the right IT tools

One thing financial services firms can count on is change. Disruption is everywhere, and in many cases driven by technology. It's time for banks, credit unions and capital markets firms to get on the offensive. Start tapping the power of technology for innovation and turn disruption into opportunity.

INNOVATION

Out with the Old, In with the New

The areas financial services firm executives say they consider the most important to ensuring their company stays ahead of the competition in the next 3–5 years:[1]

39% GEOGRAPHIC EXPANSION

42% ADDRESSING NEW ENTRANTS

48% TALENT NEEDS

54% REGULATION

58% DIGITAL TRANSFORMATION

67% NEW PRODUCTS AND SERVICES

68% INNOVATION

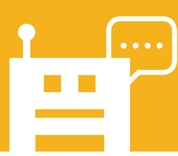
57%

The amount of assets under management for automated investment platforms increased 57% from December 2014 to July 2015.[2]

$$$$

69%

After having the definition of a robo-advisor explained to them, 69% of bank consumers with taxable assets are interested in robos to varying degrees.[3]



94%

of financial services professionals say blockchain could be used in finance.[4]

$-$-$-$-$-$

Possibly the biggest opportunity from taking an open approach to innovation is in the area of blockchain, the protocol that underpins the distributed architecture of the Bitcoin cryptocurrency.[5]

TWO SIDES TO THE FINTECH COIN

46% of financial services executives believe that fintech companies are both a threat and an opportunity:[6]

Opportunity
4%
see them as an opportunity to raise profitability.

Threat
5%
see them as a threat to profitability.

Unsure
35%
A worrying 35% don't know.

201%
Fintech Investments Explode
Investment in financial technology companies grew 201% in 2014 vs. 63% growth in overall venture capital investments.[7]

2/3
Keeping One Eye Over Your Shoulder
Nearly 2/3 of financial services executives surveyed anticipate new industry entrants and are pursuing innovation to keep up with potential disruptors.[1]

40%
If You Can't Beat Them, Join Them
Over 40% of bank and capital markets CEOs see joint ventures, strategic alliances and information collaborations as an opportunity to strengthen innovation and gain access to new customers and new/emerging technologies.[8]

TREASURE TROVE OF DATA

83%
of financial services firms surveyed agreed that data is their most valuable strategic asset.[9]

Cutting Through the Clutter
77%
of financial services CIOs believe analytics and Big Data have a positive impact on productivity.[10]

Eureka!
66%
of capital markets and bank executives have changed the way they approach big decision-making as a result of Big Data or analytics.[11]

CDW Financial Services can help you find the right IT solutions to help you take charge of industry disruption. Visit **CDW.com/financial** today.

[1]deloitte.wsj.com, "How Financial Services Firms Are Innovating," September 22, 2015 | [2]investmentnews.com, "Market Volatility Fails to Dent Investors' Attraction to Robo-Advisers," October 8, 2015 | [3]cnbc.com, "It's Not Hype; Consumers Are Aware of Robo-Advisors," Study | [4]bloomberg.com, "The Blockchain Revolution Gets Endorsement in Wall Street Survey," July 22, 2015 | [5]cointelegraph.com, "Blockchain Tech is the 'Biggest Opportunity' for Banks to Stay Relevant, Says New Report," March, 27, 2015 | [6]pwc.com, CBI/PwC Financial Services Survey, PricewaterhouseCoopers, September 2015 | [7]fintechinnovationlablondon.net, "The Future of Fintech and Banking: Digitally Disrupted or Reimagined?" 2015 [8]pwc.com, 18th Annual Global CEO Survey: Achieving Success While Managing Disruption, 2015 | [9]ey.com, The Science of Winning in Financial Services, 2015 | [10]csc.com, CSC Global CIO Survey, 2014–2015 | [11]pwc.com, "Global Data and Analytics Survey," PricewaterhouseCoopers, September 2014

THE PRESSURES INFORMING I.T. DECISIONS FOR FINANCIAL INSTITUTIONS

We recently spoke with Antonio Fazzalari of the IBM Analytics Group, Banking and Financial Markets, to get his thoughts on the varying pressures financial institutions face in the coming year.

Antonio Fazzalari,
Solutions Consultant,
Banking and Financial Markets
IBM Analytics Group

About Antonio Fazzalari
Antonio has over 25 years of experience selling and delivering technology-driven business change for financial services, retail/distribution and healthcare/life sciences companies, including extensive experience in business strategy, application development, technology solutions selling and engagement management. Antonio's financial services expertise includes institutional brokerage operations, trading processes/lifecycle, wealth management and research/analytics in investment, commercial and retail banking businesses.

How is **regulatory pressure** affecting IT investments for financial institutions going into 2016?

A: Deadlines are approaching for compliance mandates including Basel RDA (BCBS 239), a global regulatory standard for the banking industry that outlines the key regulatory principles and requirements for effective risk data aggregation and reporting, among other things, with which banks must comply.

To succeed, banks need to put more effort into making their growing data flows available and comprehensible to everyone. Basel RDA alone is expected to drive $1 billion in software and technology investments by banks over the next five years, with many of the largest banks struggling to meet the 2016 deadline. Depending on size, banks are spending anywhere from $250,000 to over $1,000,000 in IT to help them comply. The challenges imposed by these regulatory mandates are monumental for the industry because, at the same time, both revenue and cost pressures are greater than ever.

What are the greatest challenges today's banks face in terms of **protecting data/networks** and managing these risks?

A: Banking is multifaceted. From retail and commercial to capital markets, cybercriminals threaten them all. But these criminals are particularly problematic when it comes to digital and online banking. Cybercriminals have figured out how to convince customers to surrender their usernames, passwords and other types of personal information through phishing requests or via malware. As the threat landscape continues to change, the risk that cybercrime evolution will outpace the protection many banks have in place is very real. And many banks continue to struggle with finding the balance between permissiveness and access of customer data with the need to prevent fraud or other intrusion on customer data.

That's why a lot of banks are investing heavily in "modernizing" their threat protection operations: creating better systems and techniques to collect and analyze internal and external data; developing more meaningful algorithms and profiles; executing penetration testing against current strategies; detecting changes in transaction patterns; developing more effective solutions.

One important element of this modernization is a greater emphasis on what could happen, what will happen and what will likely occur in the future rather than concentrating only on what has already happened. Here, analytics is key – gaining insight into potential fraudulent activity and having the capability for fraud prevention resources to monitor and take action before a fraudulent event even happens.

How has the demand for **greater banking convenience,** including mobility, influenced the technologies financial institutions plan to adopt in the coming year?

A: A lot of financial institutions still have a limited view of their customers, even in this age of social media, which means they're missing out on sales opportunities and the chance to connect regarding major life events like marriage, first home purchase, retirement, etc. And they're also missing out on providing a truly individualized, personal banking experience, which is what customers crave on top of convenience.

The technology exists today to provide insight, see trends, uncover patterns in customer behavior, and then translate all that into meaningful interactions that help the banks strengthen customer relationships. And again, analytical tools and methods play a big role here. I wouldn't be surprised to see a big increase in adoption of analytics in all aspects of customer engagement processes.

Overall, would you say financial institutions are **ahead of, or behind,** the **analytics adoption curve?**

A: I think it depends on the size of the bank, its level of sophistication and its dedication to this investment. But the reality is that the ability to adopt technology isn't easy for many institutions, particularly those more heavily reliant on – and in many cases, restricted by – legacy infrastructures and systems.

Yet they need to get access to all data across various processes, whether it's customer relationship management, digital marketing, campaign management or simply customer-facing portals. Combining structured data with unstructured data from social media and other sources outside the bank will be the only way to gain a richer picture of who each customer is and how to uniquely service them.

Understanding data, seeing the trends and translating that information into meaningful insights are all vital for market survival, let alone competitive advantage. All this requires adopting analytics tools and practices across the enterprise.

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