Cloud use in banking has gained widespread acceptance. Even as some adopt “cloud-first” IT strategies, banking CIOs must still demonstrate cloud value to the business and align to industry best practice. This customizable Tool enables CIOs to identify use cases that deliver real-world business value.

When to Use

CIOs who haven’t read Cloud Heat Map in Banking and Investment Services, 2021 should start there to gain perspective on the evolution of cloud adoption in the industry during the past five years. That foundation will make this Tool more understandable and useful.

More banking and investment service CIOs see cloud as a “game changer” technology than any other in the 2021 Gartner CIO Survey, by a wide margin. But cloud remains difficult for many stakeholders to either understand or justify. There is confusion with multiple aspects of cloud. Different types of cloud constructs (public, private and hybrid) or the value proposition of the implementations (software, infrastructure or platform) are unclear as leaders in both IT and business struggle to align implementation to business value.

Despite these challenges, 48% of banks have deployed cloud in one form or another. An additional 44% plan to deploy cloud in the next 12 to 18 months. This reflects the growing uptake of cloud, extending across all regions, business lines and — crucially — all use cases. The bottom line: Cloud is becoming an important component of banks’ and investment firms’ core application processes.

Choosing the right use cases for a firm’s specific needs is central to the successful deployment of cloud. Simply replicating another organization’s approach won’t always align with organizational goals or deliver real business value. Cloud models centered on infrastructure, platforms or software will derive different benefits, and banks should be clear on both the use case and approach.
In our ongoing interactions with banking and investment service CIOs worldwide, Gartner’s financial services analysts are consistently asked three key questions:

- “What are the use cases for the cloud projects that other banks and investment service firms — worldwide and in my region — are undertaking?”
- “What are the key business drivers for those use cases (that is, what problems are banks trying to solve using cloud)?”
- “What cloud models are being used to solve these business problems?”

That’s why we created this downloadable and user-customizable Tool, based on our review of publicly available information about cloud use cases in banking and investment services. This research will help CIOs who have already deployed cloud compare and contrast their efforts with those of their peers. It will help CIOs who are just getting started with cloud make better-informed decisions. Finally, CIOs can use this research to educate business leaders and their teams about cloud. It can also help them identify use cases that reflect possible cloud initiatives with strategic business impact (that education could be informal, built into planning meetings or as part of a dedicated workshop). Better education that includes tangible business value can lead to support from the business and, in turn, funding for cloud.

**Directions for Use**

**The Cloud Toolkit Dimensional Model**

The downloadable Excel spreadsheet includes 288 deals signed by banks and investment services firms to deploy cloud technology. Each of these deals is presented in one record in the spreadsheet to highlight features relevant to its use case across seven dimensions:

- Time
- Geography
- Financial services institution type
- Business unit
- Business driver
- Delivery model
- Functional area
The following is an explanation of the dimensions:

- **Time**: We identify the signoff year of the deal.

- **Geography**: Use cases relevant to one or more geographies can be viewed by selecting the particular region of interest from the following options: Americas (predominantly North America); Asia/Pacific (APAC); and Europe, the Middle East and Africa (EMEA). To view cases worldwide, the user can either leave the filter blank or manually check all three regions. Note: In the geography dimension, we also show the country of application for the use case, although we do not have a country filter, because that would be too limited in range.

- **Business unit**: This is the business unit or line of business impacted by the deal. (There may, of course, be more than one business unit involved.) The user can choose one or more business units — for example, retail banking, portfolio management, wealth management, asset management, commercial banking (small and midsize enterprise) or private banking. If the business unit is not a relevant filtering option, this should be left blank to include them all.

- **Business drivers**: Every cloud initiative contributes to one or more business focus areas (for example, improving customer service/experience, improving risk management or reducing operational costs). Selecting the appropriate business drivers is critical to identifying the use case. Multiple business drivers can be selected. If the business driver is not a relevant filtering option, this should be left blank.

- **Delivery model**: Delivery models for cloud are increasingly diverse and can be leveraged for software, platforms or hardware in a way that is completely off-site, in an internal cloud or combined. As such, it is important to see how the deployment and management of cloud and noncloud implementations support the success of projects.

- **Functional areas**: The functional areas are divided into four functional macro areas: front office, middle office, back office and infrastructure. This is explained in detail in Cloud Heat Map for Banking and Investment Services, 2021. The functional areas of interest are foundational to identifying the right use cases. Some of these areas may overlap (for example, sales and servicing, and CRM), but for the most part, they are distinct. This is why the user can select multiple functional areas.
Quick Navigation Guide for the Cloud Tool

By opening the Microsoft Excel spreadsheet, you will see a screenshot like the one in Figure 1.

Figure 1. Opening Screenshot of the Excel File

The Tool has some common filtering elements that will allow users to view segments of the use cases based on the previously mentioned categories.

Upon opening the tool, there is a brief summary of the filtered state and a “CLEAR ALL FILTERS” button to restore the use cases shown to the full 288 records (Figure 1, highlight box 1).

Users can then use standard Excel filtering functions to select which criteria to include or exclude, or sort (Figure 1, highlight box 2).

Correlation

An extremely valuable capability of the tool is the correlation information provided above each of the filtered columns. Users can see how well the column attributes correlate to the applied filters, giving perspective on how organizations are using different types of cloud models and approaches to support lines of business or specific business drivers.
Figure 2 provides an example where the user has selected only use cases for the Commercial Banking (SMB) business unit (Figure 2, highlight box 1). Cloud use cases for Small and Midsize Business banking shows well-distributed correlation to multiple business drivers (Figure 2, highlight box 2). But the business drivers that most cloud use cases align with for SMB are in Achieving Agility (Figure 2, highlight box 2a) and Reducing Operational Costs (Figure 2, highlight box 2b).

Users of this tool can investigate many different alignments based on single or complex filtering.

Different versions of the Tool may be saved to preserve specific filters. Gartner recommends clearing all filters by hitting the “CLEAR ALL FILTERS” button before any new session investigating use cases.

Evidence

This research has its foundation in an investigation of the most notable deals involving cloud signed by banks and investment service firms worldwide in the past five years. It is worthwhile to mention that the 2021 sample (197) has been increased by 88 units to 288 by including projects from 2019 and 2020.

We identified 288 noteworthy deals, and analyzed them across multiple dimensions: business unit, business driver, delivery model and functional area. The data was acquired from a combination of publicly announced projects and Gartner client submissions for the Gartner Eye on Innovation Awards. Company names have been provided for the publicly available use cases. However, data derived from the Eye on Innovation Awards product has been anonymized, in keeping with Gartner’s nondisclosure policy.
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1 Gartner's 2021 Financial Services Technology Survey.

Recommended by the Authors

Cloud Heat Map for Banking and Investment Services, 2021

Financial Services Technology Survey: Insights to Inform Product Leaders and Their Product Roadmaps

2021 CIO Agenda: A Banking Perspective

Research Index: Core Banking Selection Criteria That Matter

2021 CEO Survey: Financial Services’ Goals to Emerge From the Crisis Faster and Stronger

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