



2022

Cloud Transformation Benchmark Report

Financial Services Spotlight

Presidio survey of 1,000+ IT decision makers including 200 in financial services reveals the top opportunities and challenges with cloud technologies.



The financial services industry has undergone serious disruption over the past few years in response to global events. As a result, many organizations in this industry are leveraging the cloud to innovate and evolve their business models toward more open and collaborative platforms on the one hand while ensuring the highest levels of security and privacy on the other.

Presidio commissioned an independent survey of 1,000+ US-based IT decision makers from medium to large enterprises across several industries, including financial services, to better understand organizations' cloud opportunities and challenges.

What's Driving Financial Services Organizations to the Cloud

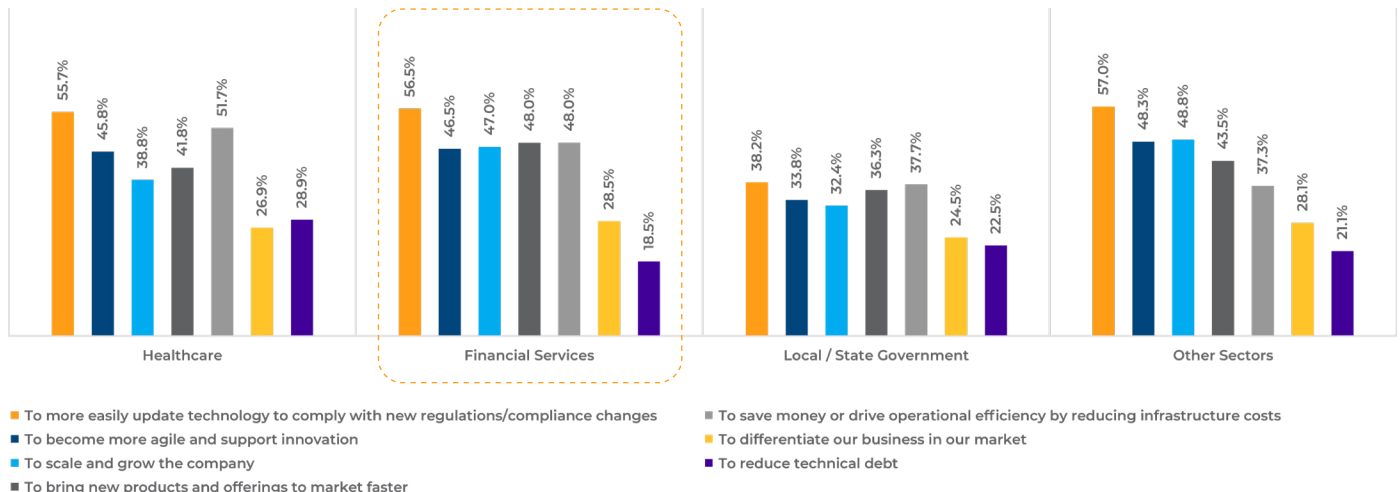
In the past, highly regulated industries such as financial services were more hesitant to move sensitive workloads to the cloud. Today, however, the cloud has become a critical component in achieving and maintaining compliance with these regulations thanks to standards like ISO 27001, SAS 70, and guidance from organizations such as the Cloud Security Alliance (CSA), the Cybersecurity and Infrastructure Security Agency (CISA) and National Institute of Standards and Technology (NIST).

Over half (57%) of the respondents in financial services now see the cloud as helping them with compliance. This was the top driver for financial services followed by "saving money or driving operational efficiency by reducing infrastructure costs," for 48% closely followed by "to become more agile and support innovation," for 47% of respondents.

INDUSTRY SECTOR

01 What have been your main drivers for adopting the cloud? (select up to 3)

Over half of respondents in the healthcare (56%) and financial services (57%) sectors said one of the main drivers for adopting the cloud has been to more easily update technology to comply with new regulations/compliance changes. However, fewer than 2 in 5 (38%) respondents in the local state/government sector said the same.





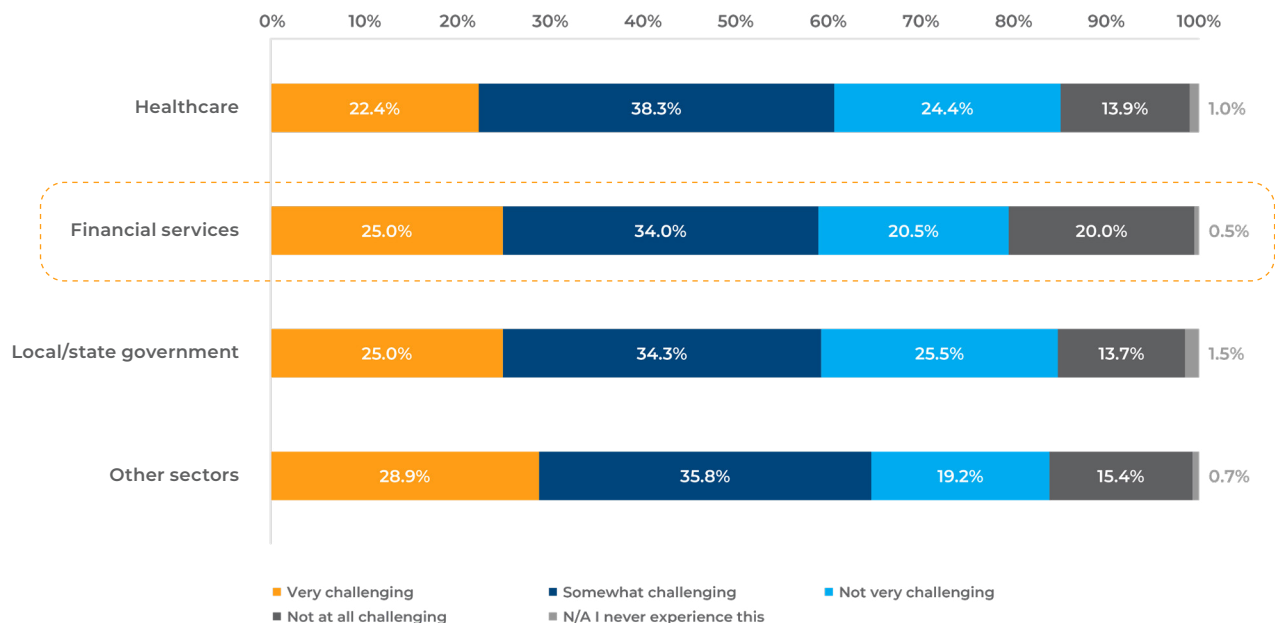
Insights into Financial Services Organizations' Cloud Challenges

Data Source Challenges

The ability to fully tap into the power of data is a game-changer that is currently a missed opportunity for many. For example, 67% of financial services respondents reported challenges with too many disparate data sources, and 62% find having actionable data and dashboards accessible to the right users challenging. Additional serious data challenges include having real-time access to data (61%), finding meaningful insights from data (59%) and supporting machine learning (58%).

02 INDUSTRY SECTOR Gaining Meaningful Insights From Our Data

Gaining meaningful insights from data is challenging to organizations across all industries.



The Growing IT Skills Gap

While 65% of respondents in the financial services sector report being very adept at building cloud-native applications, only one quarter (23%) say their organization is skilled at cloud operational models. This contrast is further highlighted by the fact that less than a quarter (22%) say their team is currently proficient with DevOps and automation.

Additionally, just 18% say they are proficient in AI/ML. Despite this, most respondents expect their teams to be proficient with these technologies within the following year.

Security and Compliance Challenges

Another notable finding from the survey is that despite past security concerns, over half of the respondents in financial services (57%) now see the cloud as helping them with compliance, which was the top driver in this market for moving workloads to the cloud.

However, respondents' ability to achieve these goals must be viewed in light of one of the top challenges respondents cited around adopting cloud technology: finding the right partner with the right experience (47%). This concern was second to security concerns (50%), which also topped other sectors' challenge lists.

A growing workforce skills gap is further challenging cybersecurity initiatives. The U.S. Commerce Department estimates there are about 464,000 U.S. cyber job openings, but not enough new, qualified workers to fill them. With cyber-attacks increasing significantly, the need for qualified cybersecurity staff continues to grow.

Financial Services IT Leaders' Business Influence Varies Widely

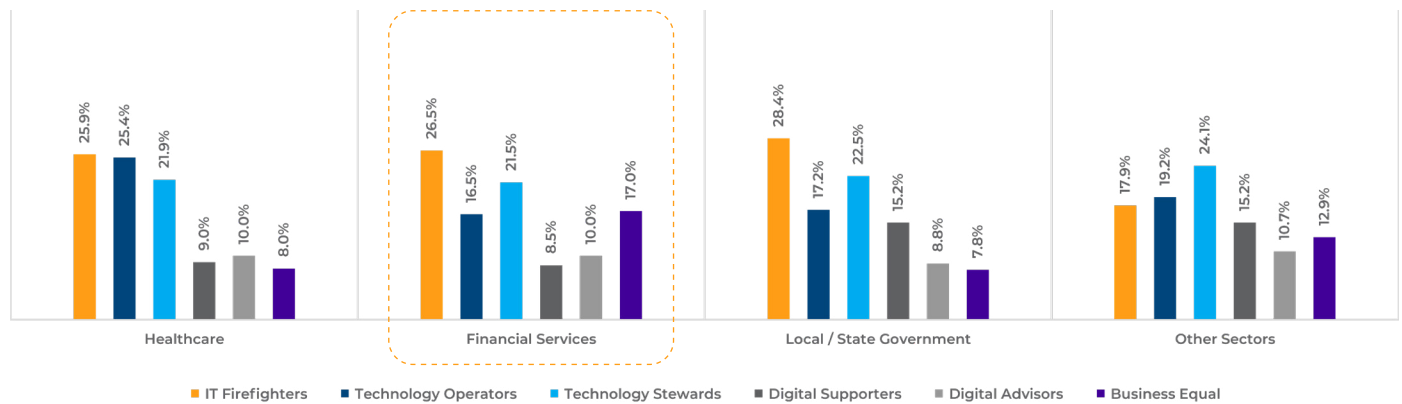
A key element of successful cloud transformation starts with IT's relationship with their business. To look at this, respondents were asked to select which of the following best describes their relationship with their business:

1. **IT firefighter**—technology is viewed as a reactive cost center
2. **Technology operator**—limited technology maturity and executive sponsorship
3. **Technology steward**—technology-focused with little business interaction
4. **Digital supporter**—technology as a business advocate
5. **Digital advisor**—technology as a priority influencer and consult
6. **Business equal**—technology and business as equal partners

INDUSTRY SECTOR

03

Which of the following best describes the relationship your IT organization has with your business and where would you like it to be? (Where it currently is)



Despite its cloud adoption leadership status, the financial services sector still has a high percentage of organizations with a disconnect between IT and business leadership. For example, 27% of respondents in this sector identify as IT firefighters. At the other end of the cloud maturity spectrum, just 10% identify as digital advisors, and only 17% consider their organization business equals.

How the Right Partner Ensures a Better Cloud Experience

To overcome challenges with cloud adoption, many financial services organizations are looking for trusted partners to integrate modern security policies from the start and build a contingent workforce to address skills gaps. Many organizations (99%) report that it's important to work with a partner with expertise and experience in modern network technologies that can handle all types of data and span on-premises and cloud. Additionally, 98% said it was essential to have a partner that could provide full lifecycle services, from strategy and engineering services to managed services.

The right partner also can provide a neutral third-party perspective, break down silos and help IT leaders drive business strategies that stimulate innovation and growth.

Closing Thoughts

Despite being further along in cloud maturity than all other industry sectors, in many organizations, IT and business leadership aren't working in alignment. Additionally, this sector faces significant data sourcing challenges, and the growing IT skills gap and labor shortage present serious security challenges. However, the fact that financial services organizations put such a high emphasis on finding highly skilled technology partners and they've already built a strong lead in cloud adoption suggests they'll continue dominating digital transformation for the foreseeable future.

To learn more, be sure to read the full [Cloud Transformation Benchmark Report](#).

