

WINCOR NIXDORF PERSPECTIVE

Strategic outsourcing provides powerful catalyst for change

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Under increased pressure to lower costs and remain competitive, financial institutions are responding to a wide range of industry challenges – from dynamic regulations and new forms of competition, to rising personalised services and customer expectations.

Overcoming these challenges is a huge endeavour for banks, and many have realised they cannot navigate the journey alone. According to research, outsourcing spend by UK financial services firms reached £769 million in 2016, an 11% rise year-on-year, as businesses boosted investments in their operations.¹

As the whole industry transforms, many banks are looking at how outsourcing can help simplify the management of complex IT infrastructures and support strategic business objectives. Outsourcing can also help banks focus resources on the areas where they can deliver maximum value, allowing appropriate partners to deliver the rest.

Outsourcing has evolved

Technology is being rolled out at a faster pace than ever before and is becoming integrated into almost every part of our daily lives. In order to keep up with this rate of change, banks are looking to experienced partners to support their ongoing transformational journeys and branch modernisation plans.

For years banks have outsourced various functions to cut costs, but as outsourcing models have evolved, banks have begun to see the value in partnering to help deliver more than just cost savings. Managed services in branches and across self-service networks can deliver organisation-wide value, providing a single point of ownership for in-branch IT, ensuring availability of all systems and enhancing the user experience for both staff and customers. It also raises the prospect of white label branches in the future.

Omni-channel experience

The ability to effectively manage change is vital for long-term success. In the age of the consumer, being

able to respond quickly to market demands requires not only flexible resources but the right infrastructure to support rapid developments. Agile organisations that can quickly implement changes and drive innovation will almost certainly gain competitive advantage. For banks, success demands the delivery of pervasive customer experiences that embrace automation, digital technologies and optimised processes.

Outsourcing can act as the catalyst, driving the consistent use of software, platforms and systems across the entire technology estate. This means that new technology can be rolled out quickly, driving forward branch transformation plans as well as supporting customer and staff journeys.

Staying compliant

The regulatory framework is evolving and banks now find themselves facing a complex array of industry changes and regulatory requirements. Compliance is a crucial consideration for all organisations and the cost of failure can be significant. Disparate technology can hinder adherence to the required standards as well as compromising the security of business operations.

Replacing a siloed structure with a more centralised, common approach to compliance management will provide the peace of mind that regulatory changes are being incorporated into all layers of the organisation.

Futureproofing

A well thought-out strategic outsourcing programme lays the foundations for a sustainable, future-ready branch network. Banks should embrace outsourcing as an extension of their business operations and capitalise on the benefits a managed service can deliver – whether that is to support business as usual or as part of significant periods of change, on an individual branch level or across the entire network.

By selecting experienced managed service partners, banks can quickly add expertise, scale, agility and advanced technology capabilities to their businesses. This enables banks to focus on core activities and differentiate themselves with superior service. ■

¹ Outsourcing Index, Arvato, (2017).



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