

DEMAND

Making the right decision: insource, BPO, utility

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What's keeping you awake at night

Market changes

Increasing transactional costs

Increased capital requirements

Complex processes

Increasing consumer demands (product differentiation)

Legacy systems

Fraud challenges

System stability

Regulatory/Scheme compliance



Top ten IT issues for 2010

- 1** *Risk Management & Compliance*
- 2** *Customer Centricity & Channels*
- 3** *Data Management & Business Intelligence*
- 4** *IT Governance*
- 5** *Alternative Delivery & Consumption of IT*
- 6** *A Core Banking Rethink*
- 7** *Transaction Banking*
- 8** *Retail Payments*
- 9** *IT Security & Fraud Management*
- 10** *Banking 2.0*

Source: IDC Financial Insights



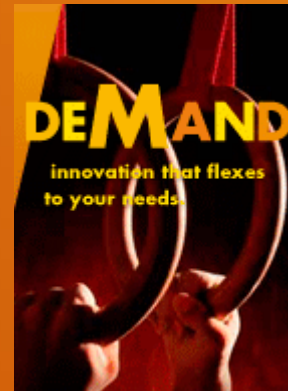
Alternative consumption & delivery of IT

- With tighter purse-strings, a modular approach to IT spending is most easily justifiable.
- Virtualization: Storage & server virtualization continues to witness healthy growth, especially as the crisis lowered budgets but IT divisions still need to meet delivery targets
- SaaS: Often in the form of proprietary software applications hosted by vendors, with organisations charged according to usage
- SaaS is increasingly taking hold across the region, though the rate and scope of adoption is staggered across different geographies
- Before SaaS can feature strongly in IT roadmaps – regulations have to be clear & specific. Unresolved questions about storage, hosting & management of customer data outside the bank & outside the country need to be tackled.



Insource

- Governance
- Prioritisation
- People/skills
- Systems
- Infrastructure
- Ownership/IP



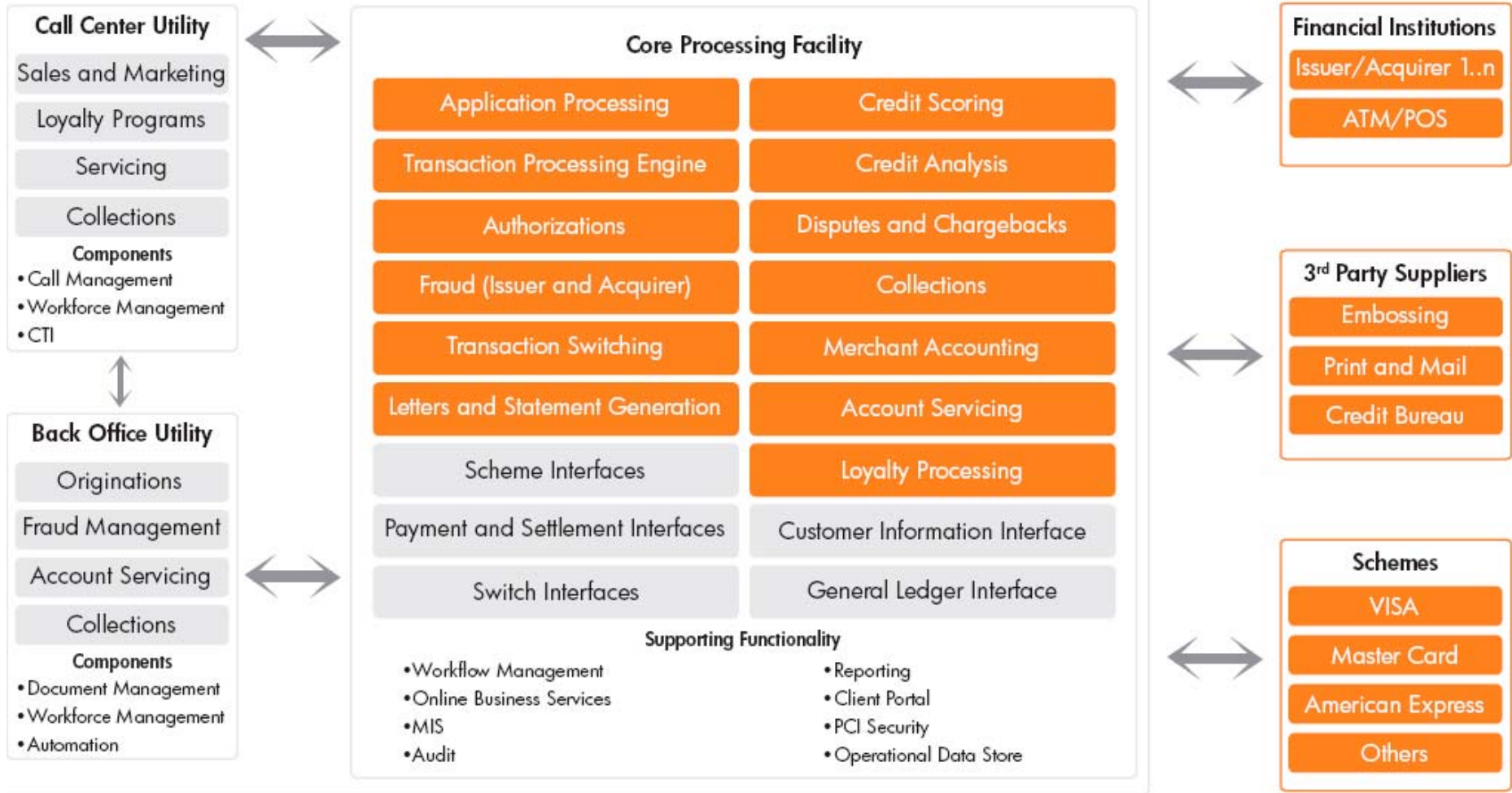
BPO

- Non core
- ‘traditional’ alternative to insource
- Economies of scale
- Process standardisation
- Scalability
- Six Sigma
- Pay as you use



Utility

Regional Cards and Payments Utility



Road maps to the future

- Standing still is not an option
- Core competencies in providing customer value should not be inhibited by infrastructure and compliance
- Consumption based pricing model (pay by the drink)
- Flexibility in product development
- Having a strategic agenda
- Flexibility in technical platforms
- Meeting compliance costs in a cost effective way
- Staying ahead of fraud



Outcomes that matter.
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