

# Digital Business Resilience in Financial Services



**Atos**

# Abstract

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This Paper presents a discussion of the new and evolving challenges presented by the accelerating evolution of systems, technical environments and business models to take advantage of the Digital revolution.

Digital Businesses are now facing an ever-increasing requirement for strong and effective resilience, which must be built across the whole enterprise. The provision has to merge technical infrastructure, operational functions and business objectives into a coordinated set of capabilities that define how the organisation prepares for, reacts and responds to disruptive events.

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Atos consults on and delivers strategic services to Financial Services organisations covering every aspect of business resilience: strategy, people, governance, operations, data and systems.

We partner with Daisy Group, the UK's leading provider of IT resilience services, to deliver the flexibility, agility and certainty which digital transformation demands and which too few Financial Services organisations have so far achieved.

To find out more, contact the Authors of this paper and go to:

<http://uk.atos.net/en-uk/home/your-business/banking/digital-business-resilience.html>

# Digital Business Resilience

Resilience is an increasingly important concept for businesses of all sizes and in all markets. The term has been used in a number of different contexts, but in simple terms may be considered to emphasise or define the necessity to ensure that an organisation's strategic objectives can continue to be achieved, no matter what the circumstances.

This paper discusses Digital Business Resilience - that is, the Resilience of Digital Business. Digital Businesses are those which have transitioned to, or adopted from scratch, the use of new or disruptive technologies to create new business models and exploit new opportunities or markets. Driving effective and profitable benefit from such novel technologies and social interactions demands extensive and fully integrated cultural and operational restructuring. Social media, high-speed internet access, the shift to mobile and smartphone connectivity, immediate communications and distribution of news and information, the wide availability of complex technology at a price point that makes it accessible to huge numbers of people, the use of social platforms as a primary interface to customers and new markets, provision of services that are available at any time, on any platform, anywhere - businesses need to respond to and embrace these global

changes which are revolutionising the way that companies of all types are now able to do business.

Atos understands that delivering Resilience is not simply about implementing strong Cyber Security, nor about putting effective IT Recovery capabilities in place - vital though these are. Resilience is a concept that needs to be embraced by, and applied across, the whole organisation, integrating the business drivers and objectives with the technical and functional capabilities to deliver and support them. Developing Resilience requires a step-change in business culture as well as technical capacity.

The resilient organisation demonstrates readiness, preparedness and flexibility to absorb disruption, both negative and positive. The BS65000 standard defines resilience as "the ability of an organisation to anticipate, prepare for, and respond and adapt to everything from minor everyday events to acute shocks and chronic or incremental changes."

To this definition must be added the extra consideration that resilience is very much a positive driver for business advantage.





# The new norm of the Digital World

We are now in a Digital Age, where use of mobile and interactive technology has become a fundamental and intrinsic component of everyday life. The Digital World moves and evolves at a speed that many organisations and societal groups are unprepared for.

As a result, businesses are facing increasing pressure as they try to manage their existing operations while seeking to rapidly develop and create new or improved value for stakeholders and simultaneously deliver ever more dynamic and innovative services to their increasingly demanding and intolerant customer bases.

As the Digital Age has progressed, it has become clear that value is not created by simply digitising manual processes, or by moving client interactions to the Web and trusting in the ability of the IT department to make it all work without interruption. Always-on services have to be supported by always-on business activities, because Always-On means that business never stops. Entire business models are being rendered obsolete, and the businesses that succeed will be those able to adapt, modify, diversify and introduce new and dynamic ways of delivering their services. It is no longer sufficient to simply continue optimising old ways of working - agility and speed to market are now the prime drivers for business success.

In such a world, any disruption or interruption to normal activities can have an immediate, significant and usually negative impact on both the revenue streams and the business reputation. Whilst it remains important to be able to recover from such disruptions, the Resilient Organisation seeks to arrange its business processes, its operational environment, its governance and its culture in ways that will enable impact to be absorbed safely. Risks to Premises, Supply Chains, Finance and Markets, and in particular risks to reputation and brand, must be continually assessed and controlled.

Resilience must not be considered as simply a label for the development of a robust and secure IT infrastructure. Globalisation, the Internet of Things, Social Media and high-speed proliferation of technologies are some of the developments that make it increasingly problematic for organisations to identify risks to their operations, ensure continuity of services, and maintain the profitability of their businesses.



# Financial Services demands

In addition to the common requirements of any business – service availability, data assurance and integrity, loss reduction – there are a number of key considerations for Financial Service organisations which require specific provision and capabilities when developing effective resilience.

## Always On

Customers expect services and access to be constantly available 24x7x365 – any outage is unacceptable. Recovery time is no longer a measure of resilience.

## Market Making

Movements in global markets require guaranteed continued availability of systems and business functions to respond and take advantage of developing opportunities. This is especially critical when considering the use of automated functions triggered by predefined conditions.

## Transactions in real time

The speed of global business transactions now means that any delay or failure in processing will have impact that cannot be resolved through recovery. Business opportunities are lost, market movements cannot be replayed, trading positions cannot be completely restored – even if a service is recovered to point of impact with zero loss of data, the rest of the world has moved on.

## New competitive challenges

Organisations have to meet the challenges of new entrants in the financial markets, “digital natives” whose infrastructure and business models are built from scratch using digital technologies and with inbuilt agility and resilience, without restrictions of legacy systems.

New markets for financial services, which bring high levels of consumer choice, the introduction of personalised services and products, global opportunities, changes to business and individual demographics and constant changes in how consumers interact with business and social groups.

## Legacy Integration – “2-speed IT”

Back Office systems still need to be as solid and robust as ever. Front Office systems have to be fast, agile, appealing and secure Both must be fully integrated and mutually-supporting – silo mentality cannot be tolerated.

## Social dependencies

Customer reliance on Always On services leads to significant dependency and thus major impacts during disruption. For example, a failure of card systems to authorise payments during major shopping periods.

## Economic Impacts

Disruption to Financial organisations has potential to impact national and even global economies. Economic models rely on the uninterrupted provision of banking and financial services.

## Legal and regulatory pressures

Ever more stringent controls and external governance require that financial organisations demonstrate their controls and service assurances. International cooperation and compliance are essential – and rapid identification and implementation of any changes or new obligations is a prerequisite.

## Mobility and Cyber Security Banking

Mobile banking has become the primary platform. As such it must be completely reliable, efficient and secure. Strong cyber security now, more than ever before, is a must have – not only for protection of data and infrastructure but equally to address threats from the wider environment, including people, locations, platforms, communications and increasingly the Internet of Things.

## Customer Experience

Customers expect services to be available “when I want it, wherever I am, on any device”. Customer satisfaction with digital services is now a vital element in retention. Client perception can be changed drastically and extremely quickly in the event of business interruption.

# Technical Considerations

## Always-On: what it really means

- A turn-about of approach for systems and function resilience is required - from "Optimal Recovery from Incident" to "Disruption Prevention"
- Customer and Supply Chain interact with the organisation continually, so interruption to service will be immediately evident and highly visible
- Customers' increased expectations of service quality and delivery are paralleled by their increased intolerance of any failures to meet these expectations
- Does not simply apply to system availability, but equally to the business and operational functions which use or support the system to deliver business. These must be "Always-On" as well.

## Infrastructure Resilience: Availability, Functionality

- Increased adoption of Cloud Technologies and Services
- High Availability and duplication of key platforms and resources
- Location-agnostic hosting and provision
- Seamless transfer or failover of functions and services, extensively automated
- Avoid bottlenecks, pinch-points or capacity problems
- Design for Continuity, not Recovery.

## Architect for Agility

- Adopt technologies that enable rapid development, deployment and scaling
- Develop business and operational procedures to support fast reaction and response, to both opportunities and threats
- Have clear and detailed understanding of current assets, infrastructure and interdependencies, to enable impacts to be identified and assessed quickly, so assisting rapid and informed decision-making.

## Technology supports the business models

- Understand the impact of adoption or introduction of new technologies, and how they will improve delivery of business objectives, before implementation
- Strong and robust data and cyber security provisions, continually updated
- IT functions to better understand business activities and objectives, to be able to advise and recommend optimal use of systems and services capabilities
- Constant monitoring of systems, for immediate response when required
- Constant vigilance for intrusions, attacks, destabilisations or information breaches
- High levels of preventative maintenance and testing.

# Risk as a business enabler

The Resilient Business always knows how much risk it can take, and is prepared and ready to do so. Knowing what could happen, and having effective plans in place to respond, inspires confidence and rapid decision-making, to seize opportunity as it arises and before competitors.

Innovative adoption and use of emerging and disruptive technologies, built with resilience objectives from the start, drives the evolution of new business and markets, while also preserving and assuring existing revenue streams and market share. Business Resilience is not about preparing an effective reaction to a crisis, nor simply being able to “bounce back” from setbacks. It’s really about establishing a business which is able to anticipate, absorb and adjust to change - change in markets, change in society, change in technologies and change in business. The Resilient Organisation is one that is continually ready and able to renew and reinvent its business models, its product portfolio, its market participation and even itself, before it is forced to by circumstances outside its control.

## Acting on a new understanding

To survive and thrive in today’s fast-moving markets, technologies and customer expectations, financial services organisations must understand their true resilience position in every aspect of their business activities.

For a discussion on how we can help you attain, manage and maintain full business resilience, we invite you to engage with us.



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# About Atos

Atos SE (Societas Europaea) is a leader in digital transformation with circa 100,000 employees in 72 countries and pro forma annual revenue of circa € 12 billion. Serving a global client base, the Group is the European leader in Big Data, Cybersecurity, Digital Workplace and provides Cloud services, Infrastructure & Data Management, Business & Platform solutions, as well as transactional services through Worldline, the European leader in the payment industry. With its cutting edge technologies, digital expertise and industry knowledge, the Group supports the digital transformation of its clients across different business sectors: Defense, Financial Services, Health, Manufacturing, Media, Utilities, Public sector, Retail, Telecommunications, and Transportation. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline.

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