

Moving to cloud computing in financial services

Will the use of Software as a Service (SaaS) pose an opportunity or a challenge to your business?

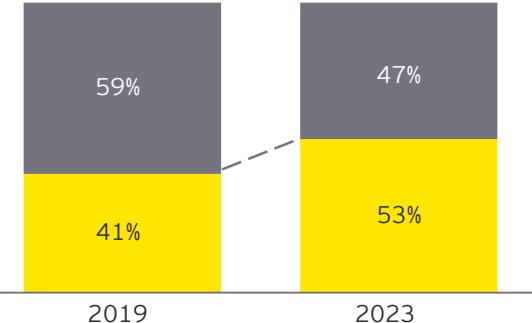
Software as a service: a business or service in which customer services – including information, tools and applications – are hosted and delivered via the internet on proprietary software by a digital supplier.

Overall, SaaS is expected to surpass 50% of software deployment in the next few years ...

On-prem and SaaS revenue share

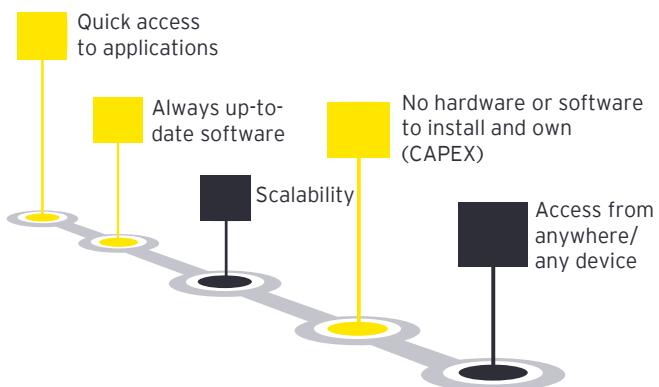
(% of total revenue)

On-prem



Source: IDC, EY Analysis, SaaS: Software-as-a-Service

Benefits of SaaS



Cloud computing and cloud adoption are currently the most discussed topics beside Cybersecurity, not only focusing on challenges and risks but also considering opportunities, supporting the business to remain competitive in a transformative age. Cloud adoption and especially the SaaS model enables several new opportunities such as improving time to market, reducing costs, increasing flexibility and operational efficiency (no need for patch management, no need for IT-Infrastructure security management) as well as easier adoption of analytics and data sharing. However, the flipside of the coin is that certain risks such as vendor dependency, vendor lock-in or non-availability might impact the resilience of the business. SaaS related risks must be considered, identified and assessed at an early stage and properly addressed to ensure business resilience.

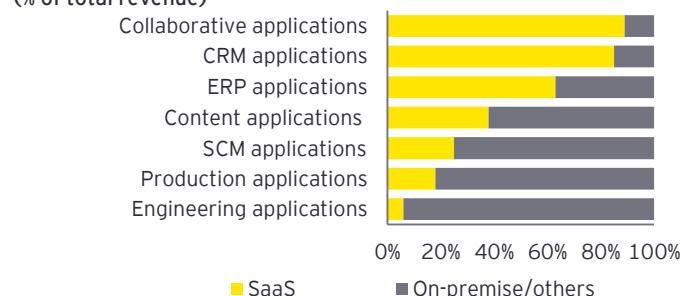
When your core business relies on SaaS solutions, are you still as resilient?

Six lessons from leaders in building SaaS-based businesses

- 'speed equals success'
- 'keep nimble, agile and prepared to pivot'
- 'keep it close to the customer'
- 'SaaS for critical business functions must be integrated into the overall business impact analysis (BIA)'
- 'use SaaS to drive down costs and build margin'
- 'keeping the enterprise secure and ensure business resilience'

... yet, there is a wide variation in the pace of SaaS adoption

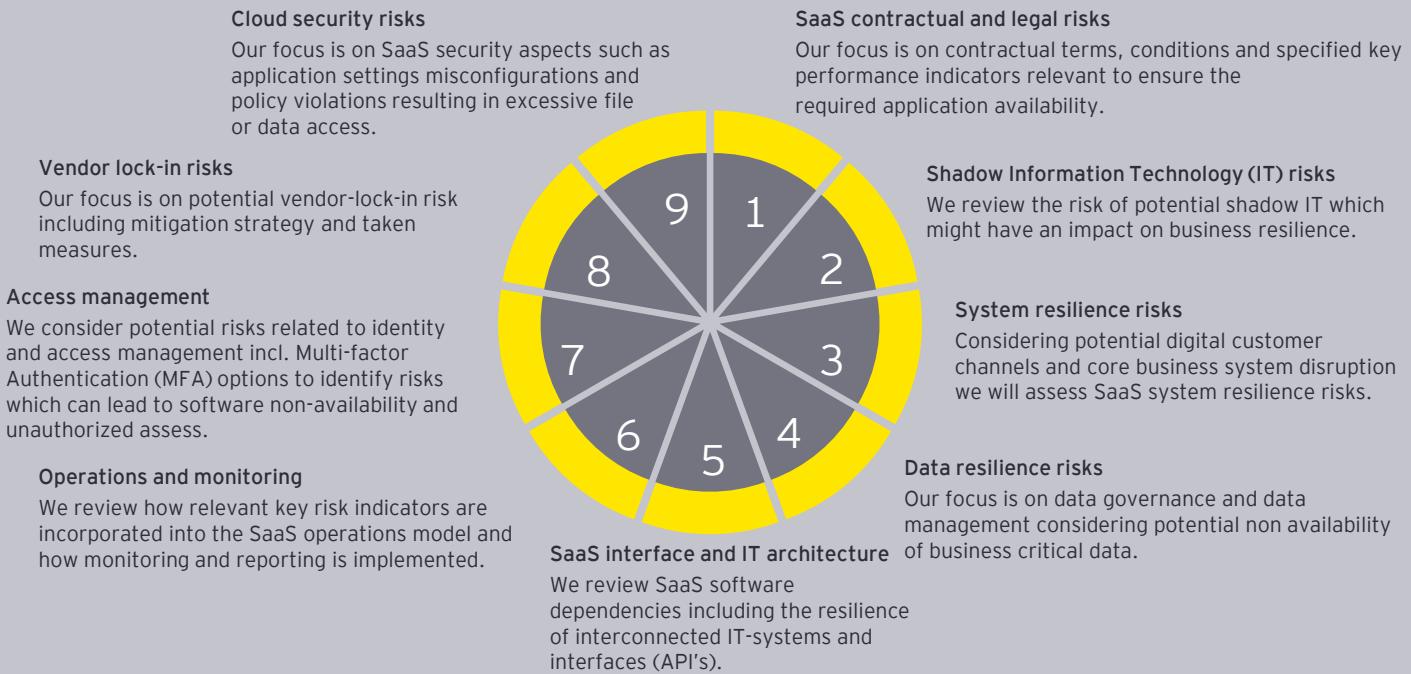
On-prem and SaaS revenue share by applications
(% of total revenue)



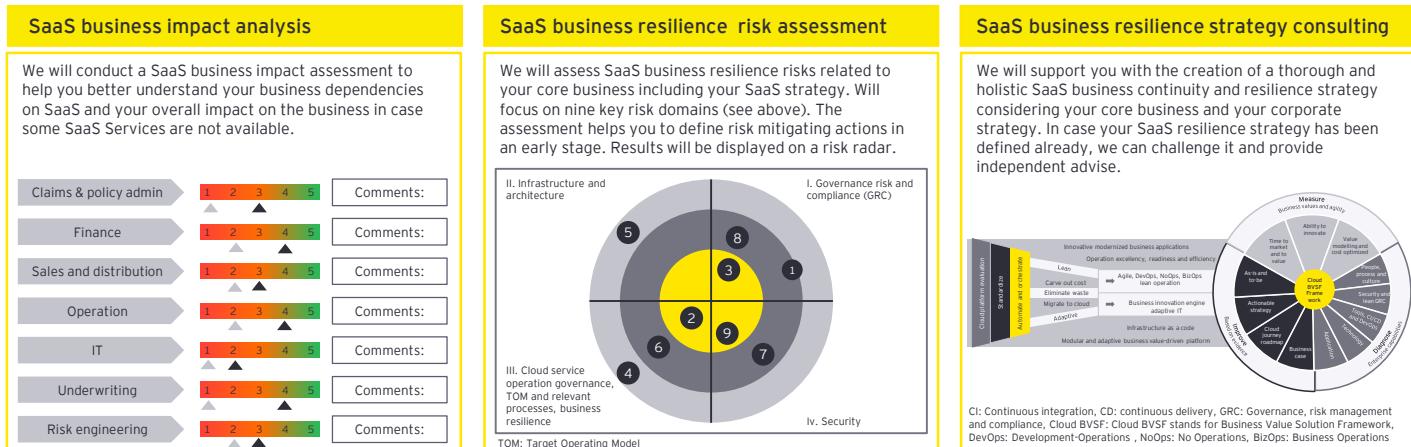
Source: IDC, EY Analysis, CRM: Customer relationship management, ERP: Enterprise resource planning, SCM: Supply chain management

EY's approach to assess resilience risks associated with SaaS Services

Key risk domains to consider related to SaaS – Service continuity and business resilience



How we can help you:



Questions you should ask yourself:

- Do you know your SaaS business impact?
- Have you identified business critical systems deployed as SaaS and assessed the related non-availability risk?
- Have you assessed SaaS business resilience risks and defined a risk treatment strategy?
- Did you define a SaaS governance model including SaaS system monitoring?

Your EY team

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