

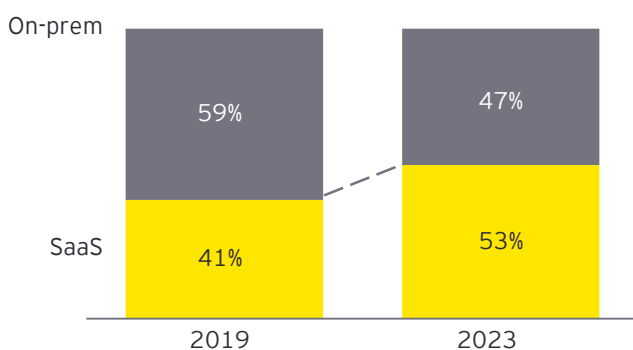
# Moving to cloud computing in financial services

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.

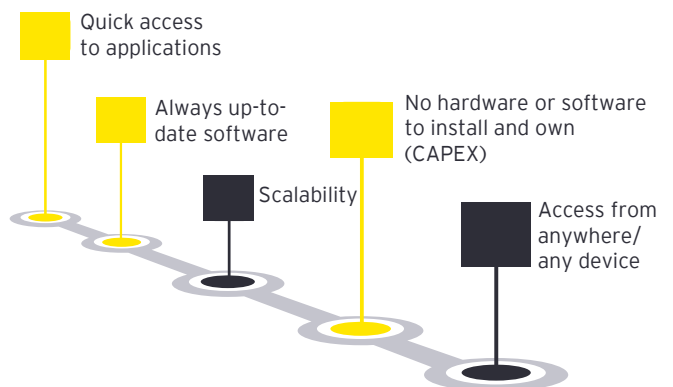
Overall, SaaS is expected to surpass 50% of software deployment in the next few years ...

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



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

## Benefits of SaaS



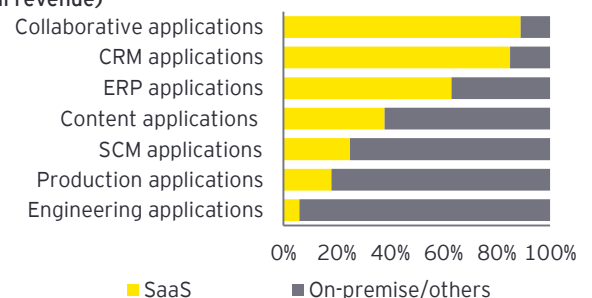
Cloud computing and cloud adoption are currently the most discussed topics beside Cybersecurity, not only focusing on challenges and risks but also considering opportunities, supporting the business to remain competitive in a transformative age. Cloud adoption and especially the SaaS model enables several 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

### Cloud security risks

Our focus is on SaaS security aspects such as application settings misconfigurations and policy violations resulting in excessive file or data access.

### SaaS contractual and legal risks

Our focus is on contractual terms, conditions and specified key performance indicators relevant to ensure the required application availability.

### Vendor lock-in risks

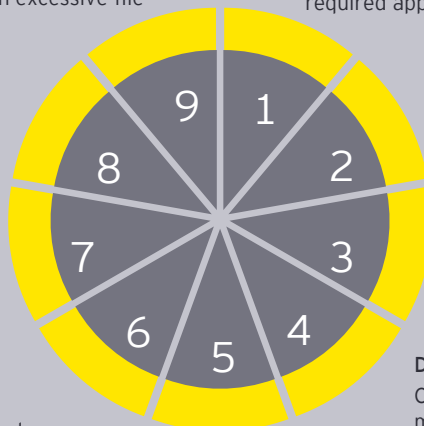
Our focus is on potential vendor-lock-in risk including mitigation strategy and taken measures.

### Access management

We consider potential risks related to identity and access management incl. Multi-factor Authentication (MFA) options to identify risks which can lead to software non-availability and unauthorized access.

### Operations and monitoring

We review how relevant key risk indicators are incorporated into the SaaS operations model and how monitoring and reporting is implemented.



### Shadow Information Technology (IT) risks

We review the risk of potential shadow IT which might have an impact on business resilience.

### System resilience risks

Considering potential digital customer channels and core business system disruption we will assess SaaS system resilience risks.

### Data resilience risks

Our focus is on data governance and data management considering potential non availability of business critical data.

### SaaS interface and IT architecture

We review SaaS software dependencies including the resilience of interconnected IT-systems and interfaces (API's).

## How we can help you:

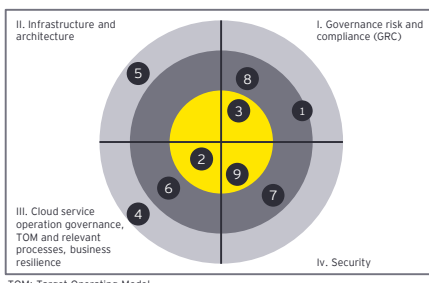
### SaaS business impact analysis

We will conduct a SaaS business impact assessment to help you better understand your business dependencies on SaaS and your overall impact on the business in case some SaaS Services are not available.

Claims & policy admin	1 2 3 4 5	Comments:
Finance	1 2 3 4 5	Comments:
Sales and distribution	1 2 3 4 5	Comments:
Operation	1 2 3 4 5	Comments:
IT	1 2 3 4 5	Comments:
Underwriting	1 2 3 4 5	Comments:
Risk engineering	1 2 3 4 5	Comments:

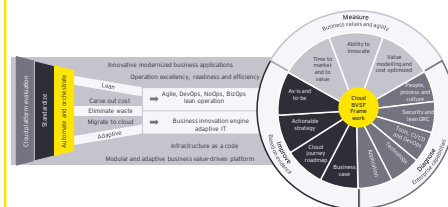
### SaaS business resilience risk assessment

We will assess SaaS business resilience risks related to your core business including your SaaS strategy. Will focus on nine key risk domains (see above). The assessment helps you to define risk mitigating actions in an early stage. Results will be displayed on a risk radar.



### SaaS business resilience strategy consulting

We will support you with the creation of a thorough and holistic SaaS business continuity and resilience strategy considering your core business and your corporate strategy. In case your SaaS resilience strategy has been defined already, we can challenge it and provide independent advice.



CI: Continuous Integration, CD: continuous delivery, GRC: Governance, risk management and compliance, Cloud BVSF: Cloud BVSF stands for Business Value Solution Framework, DevOps: Development-Operations, NoOps: No Operations, BizOps: Business Operations

## 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

### Belgium

Tim Vaes  
tim.vaes@be.ey.com

### France

Imad Abounasr  
imad.abounasr@fr.ey.com

### Germany

Lars Weimer  
lars.weimer@de.ey.com

### Italy

Marina Miserandino  
marina.miserandino@it.ey.com  
Raffaele Petta  
raffaele.petta@it.ey.com

### Netherlands

Tim Leerdam  
tim.leerdam@nl.ey.com

### Portugal

Sergio Martins  
sergio.martins@pt.ey.com

### Ireland

Pat Breslin  
Pat.Breslin@ie.ey.com

### UK

Steve Holt  
sholt2@uk.ey.com  
Kanika Seth  
kseth@uk.ey.com

### Spain

Juan Lopez-Rubio Fernandes  
juan.lopez-rubio.fernandez@es.ey.com

### Switzerland

Tom Schmidt  
tom.schmidt@ch.ey.com

### Nordics

Claus Thaudahl Hansen  
claus.t.hansen@dk.ey.com