



BSG Financial Group™

# The Reasons Financial Institutions are **Moving to the Cloud**

It used to be that one of the worst critiques your boss could deliver was accusing

you of “having your head in the clouds.” You still don’t want your head there, but for more and more financial institutions, having your data and operations in the cloud is just good business.

As traditional computing methods continue to deliver decreasing profits, it will become even more apparent that it is in your organization’s best interest to locate and use a properly hosted cloud-based vendor. Here’s why...

**Reduce Capital Investment.** By incorporating a cloud-based service, much of your IT capital expense will move to your operating expenses. No matter the size of your business, this allows you to reduce capital investment in hardware, software and related infrastructure. You will be able to rely on a more predictable budget and higher cash flow. The money saved on IT infrastructure and services can be reinvested in other areas.

**Enhance Security.** A huge advantage to cloud-based programs is first-rate security. Cloud providers that are in compliance with the Service Organization Controls (SOC2) established by the American Institute of Certified Public Accountants (AICPA) and the Statement of Standards for Attestation Engagement, (SSAE16) must meet stringent requirements for monitoring and security. These strict security standards include Extended Validation (EV) SSL encryption technology and firewalls that prevent unauthorized electronic access to servers to protect FDIC-insured payments. These high-level security measures ensure safety for your institution and your customers.

**Ensure Business Continuity.** Cloud-based operations bring a variety of advantages to other functions, such as business continuity. With cloud-based programs, you will no longer have to worry about hardware, system security, disaster recovery, backup or operating system upgrades. The cloud offers complete failover redundancy, by taking care of your disaster recovery and backups with one solution. Your customers' data will be encrypted as it is transported to, and while it lives in the cloud platform, and only your financial institution has the keys to unencrypt that data.



**Don Duet, global head of the technology division at Goldman Sachs,** spoke recently with McKinsey & Company about his firm's evolution to a private cloud strategy and the impetus for moving there:

*"The journey (to the cloud) began almost ten years ago, before the term cloud was part of the business vocabulary," said Duet. "I'd say reducing risk to the business has been the biggest value driver. But it's hard to measure that quantitatively. It's easier to measure how much additional computing power we can get, for instance, or the efficiency of our computing footprint. The uniform structure of our private-cloud infrastructure has allowed us to reduce complexity, which is enormously important for managing risk. We can respond to failures more quickly."*

*"We've also moved from an environment in which it could take months to launch or update an application to where it now takes days, sometimes even minutes."*

For years, banks have let other businesses forge the path to the cloud. Now, the pressure to cut costs—coupled with reduced security concerns—is changing that.

### Cloud-based software provides:

- Automatic system upgrades
- Scalability
- Ease of Use and Set Up
- Reduced need to purchase servers and multiple seat licenses
- Minimal IT Involvement; primary responsibility is maintaining Internet connection

*For more information about BSG Financial Group and cloud-based solutions for your financial institution, go to [www.BSGfinancial.com](http://www.BSGfinancial.com), or call (866) 274-8900 toll-free.*