THE ART OF THE API:
BANKING & FINANCIAL SERVICES

A Blueprint for Microservices, APIs and Digital Transformation

OpenLegacy
OPEN INNOVATION

A blueprint for extending legacy systems to mobile, web, and cloud rapidly, cost-efficiently, and with low risk. Let OpenLegacy help you create a seamless customer experience while increasing revenue.

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Summary

As of 2017, 7.5 billion people use the Internet - thats nearly 52% of the world's population. As many aspects of our lives become increasingly digital, there is a need and expectation for our finance-related processes to be digital too. A recent survey conducted by the Harvard Business Review shows that 73% of all consumers use multiple channels while shopping and that multi-channel consumers spend more money than their single-channel peers. Digital consumers need to interact with banks and financial services online – with mobility and security. Fintech disruptors and established organizations who've found ways to leverage their legacy systems are taking the lion's share of customers -- especially the tech savvy Generation X and Y target markets.

There is an ART to overcoming perceived and real challenges to transformation, and OpenLegacy offers banks and financial institutions the help and resources needed to quickly and successfully meet customers' digital expectations.

In this blueprint learn how to implement the ART of the API in order to achieve:

- Low Cost
- Speedy Implementation
- Software quality and security
- Fully functional digital services in minutes instead of months
- Seamless customer experience
- Drive new revenue
- Reduce customer churn

Then
Banks recognize the need to modernize their consumer products

Now
Digital Revolution is here and banks compete over savvy customers

The Future
Fintech startups are poised to take revenue from older, establish banks.

Then, Now & the Future

The Changing Financial Services Landscape

Then:

The digital disruption caused traditional banks to recognize the need to modernize their consumer products and bring them to the digital world. On the other end of the spectrum, startups and newcomers built revolutionary financial products such as online-only banks, fully automated financial advisory and investment sites, and peer-to-peer lending services.

Now:

The digital revolution in financial services has begun and competition over savvy consumers is fiercer than ever. Customers expect to use the bank's mobile app to scan a check and transfer money at any time instead of going to a bricks-and-mortar site during limited open hours, waiting in line, and filling out forms.

Banks also want their employees to be more productive, just like their customers. A huge productivity boost happens when a bank teller uses a web application that presents a 360-degree view of a customer, with all needed information.

The Future:

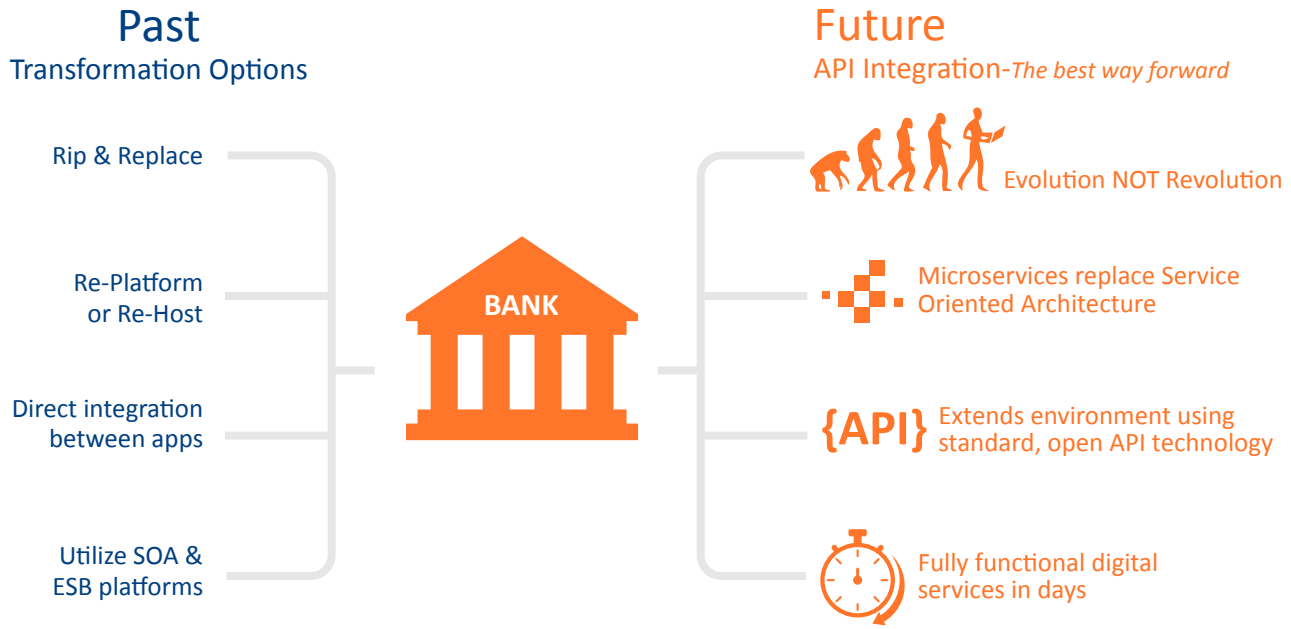
According to a 2017 Reuters article, large financial institutions across the world could lose 24 percent of their revenues to financial companies. Therefore, forward-leaning banks are seeking to harness new technologies, fully utilize their existing assets through digital transformation, and re-think their business models in order to self-disrupt and ensure continued sustainable growth.

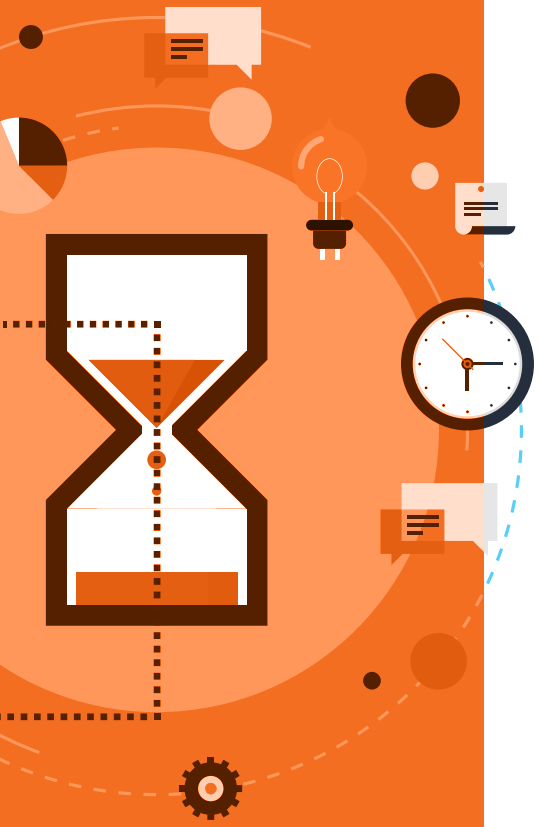
Fueled by venture capital money, an ever-growing consumer appetite for cutting-edge digital experiences, and powered by inexpensive cloud infrastructure and mix-and-match APIs, startups are building revolutionary financial products and experiences.

How Have Organizations Tried to Transform in the Past?

Transformation is not a new IT activity. In the past, companies have tried a number of different ways to make their applications more responsive to changes driven by business not technology.

- **Rip & replace:** They write applications and business flows from scratch with the newest technology stack, replacing existing legacy hardware and software. In theory, the organization gets up to speed with the latest technology and practices. In reality, most of the projects are very costly, risky, and prohibitively time-consuming.
- **Re-platform or re-host:** They deploy the same software on new hardware. This may reduce costs by migrating from expensive legacy hardware to an environment that's easier to manage and maintain. However, all the downsides of closed, inflexible legacy applications remain.
- **Direct integration between applications:** They write custom integration code in every application that needs to be connected. This often opens up previously locked applications but requires custom coding that's costly and not scalable.
- **SOA and ESB platforms:** They deploy new middleware. Popular in the past decade, these modernization projects involve custom middleware, connectors, and ESBs to connect disparate systems and applications. Integration was accomplished, but complexity increased, while creating vendor lock-in and spiraling costs.



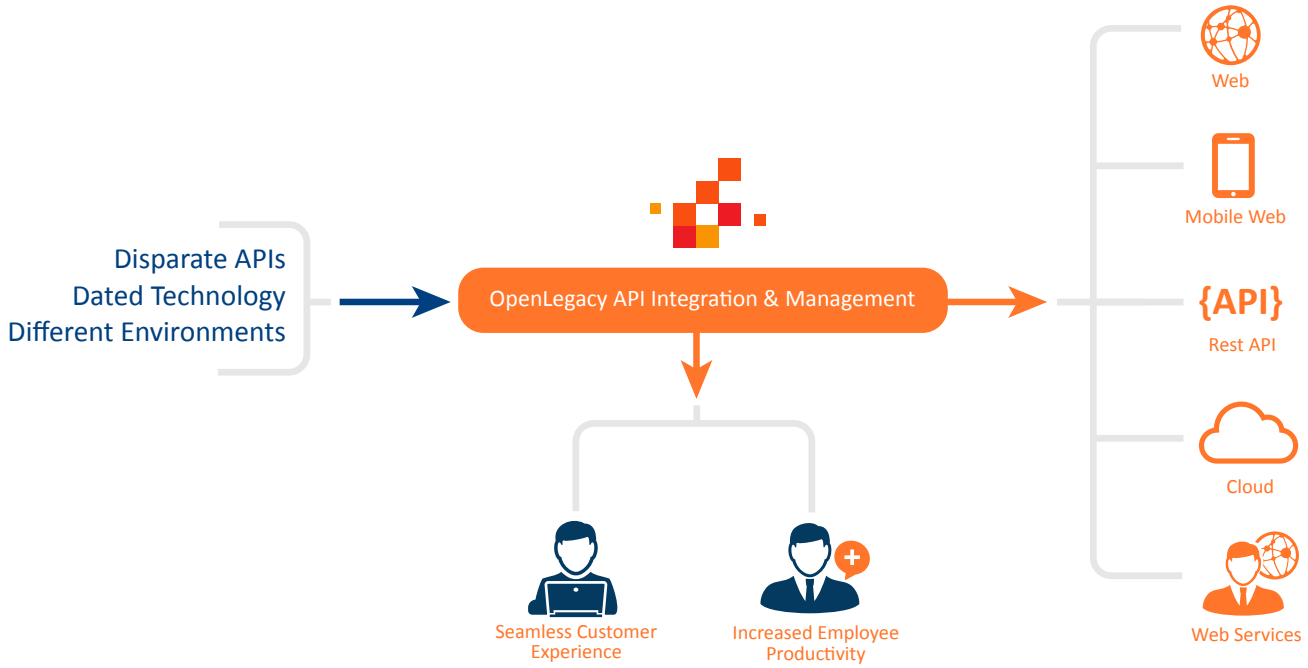


Transformation Challenges

Why is it Difficult?

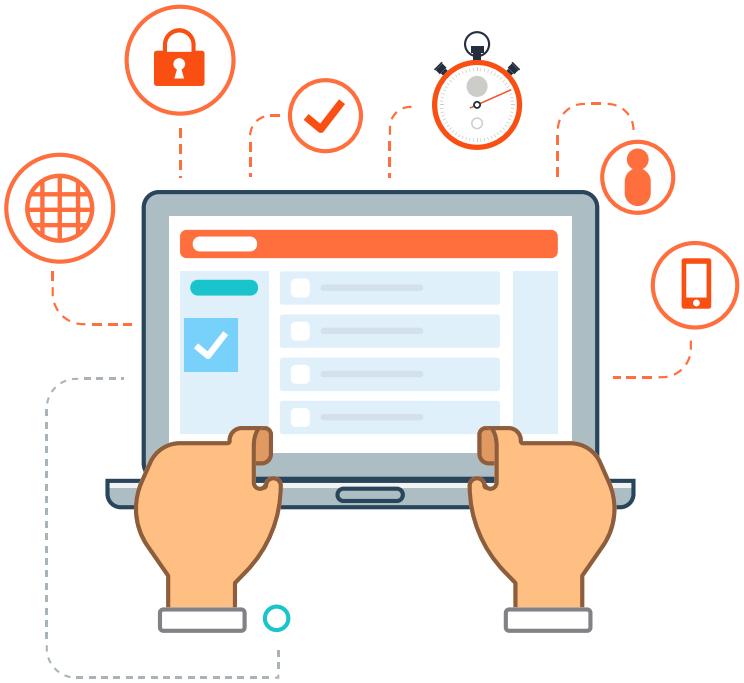
It is challenging because these new digital imperatives all require legacy transformation and integration between applications: Integrating data, processes, and business functionality from legacy systems of record to newer, modern technologies vs newer systems of engagement. The integration often involves critical business functions like account management, payments, loan management, credit cards, and other applications like CRM, finance, and accounting.

Adding to the complexity of integration is the fact that more of these enterprise applications are becoming cloud-based, which compounds the integration problem due to the technological differences between the on-premise and the cloud-centric integration approaches.



Today, APIs and Microservices are the Best Way Forward

With APIs and microservices you embrace evolution rather than revolution. You extend the tried and true environment using standard, open API technology. You create fully functional digital services within days instead of months. Not every API solution can help you achieve these benefits, however OpenLegacy was built specifically for legacy API integration and management and uniquely addresses all of these requirements. You get speed of implementation, low cost and open standards in one API integration and management software platform.



Today's financial institutions must have these three characteristics to succeed:

1. **Customer-centric:** They must facilitate a customer experience that is seamless, personalized, and effortless by integrating an intuitive user interface containing data and processes from multiple, disparate systems and applications across the organization.
2. **Mobile-centric:** They must give consumers and employees anytime, anywhere access to the information and services they require across devices, locations, and applications.
3. **Innovative and agile:** They must support rapid business and technical innovation like deploying new business functionality and user interfaces quickly to stay ahead of the competition and keep up with ever-evolving technology. Also, it is essential that they quickly introduce new consumer products like service bundles, payment apps, and digital banking.

The Art of API

Adapt, Renew, Transform: Bridging the Legacy Gap

Exposing existing systems as services and then integrating those services as needed is the ideal way for firms to enable the flexibility they need to meet this digital imperative. The API and microservices approach gives enterprises the ability to customize their strategy, opening up choices like which business processes and data elements to expose and which functions to keep internal. Features and functions from legacy applications can be easily pulled out and combined into processes that authorized users and other applications can access from anywhere.

OpenLegacy is Right for Banks and Financial Services

OpenLegacy is the industry's first open-standards-based API Integration and Management Software, using automated APIs to connect enterprises' core applications to mobile, web and cloud solutions. With OpenLegacy, you will be able to provide your end-users with an improved experience by providing access to systems through web or mobile mobile devices–or their device of choice-within days or weeks. For your end users, they will have an improved experience in addition to information and new services they did not have available previously. Examples of what you can expect can be found in our case studies.

OpenLegacy Has an Edge

Here are three ways that OpenLegacy can help you more fully embrace the digital expectations of your customers.

1. **Dramatically shorter time to market:** OpenLegacy implementations take days instead of months. Working with OpenLegacy is easy and fast, two words not usually associated with modernization projects. OpenLegacy's API Integration and Management software generates APIs quickly by using automated tools and standard editors that enable developers to create and implement quick-win solutions without any background in underlying environments -- basic Java programmers have the knowledge required to succeed.
2. **70% reduction in total cost of ownership:** OpenLegacy offers a complete solution that eliminates the need for a complex technology stack. Until now, enterprises undergoing an integration project chose an integration partner that utilized one of three different technology approaches: ESBs, iPaaS and API Platforms. Unfortunately, these middleware or platform partners supply just some of the elements needed to begin the project and none offer a complete solution. A right solution is one that takes the integration project from start to finish without needing additional components - OpenLegacy's Enterprise API Integration and Management software is that complete solution.
3. **Digital Transformation Success:** OpenLegacy is an open-standards based solution. Proprietary software typically offers 'black box' solutions to protect the vendor's intellectual property. This often prevents users from controlling how the software works, adapting it to suit their needs and innovating. OpenLegacy allows enterprises to deliver legacy systems as APIs and microservices. OpenLegacy capitalizes on the current legacy infrastructure, without the challenges of redesigning or reengineering.
4. **Microservices architecture:** OpenLegacy's Microservices Edition creates microservices as an API that has the application, rules and security built-in. In one step, you can create a legacy API and expose business processes as microservices.

Our Success with Customers

A credit card company with four million cards in circulation achieved 75% reduction in TCO using OpenLegacy's secure, high performance web services. Bypassing the existing cumbersome IBM middleware stack, OpenLegacy created 25 new digital services powered by mainframe and mid-range system transactions in days instead of months, with a 10x faster response time.

"OpenLegacy helped us develop web services on top of our mainframe transactions at a fraction of the cost of IBM. Coupled with its performance, security, and fast time to market, the ROI was instant"

From a Credit Card Company CIO

A large bank with tens of millions of customers implemented a strategic, bank-wide project of opening up its mainframe applications as APIs using OpenLegacy. Six mainframe business processes were exposed as APIs within a matter of days, paving the way to new consumer services and products and an improved user experience.

About OpenLegacy

OpenLegacy helps organizations quickly launch innovative digital services by extending their core (legacy) systems to the web, mobile and cloud in days or weeks versus months.

Our API software quickly reduces project backlog by automating and accelerating API creation, deployment, testing and management from core applications, mainframes and databases. Together, business and IT teams can quickly, easily and securely meet consumer, partner or employee demands for digital services without modernizing or replacing core systems, and without special programming skills or invasive changes to existing systems and architectures.

Learn why leading companies choose OpenLegacy at www.openlegacy.com

Gartner Cool Vendor

TechTarget Editor's Choice for Innovation Award

CIO 20 Most Promising API Solution Providers

SR 50 Best Companies to Watch list

THE FUTURE OF BANKING & FINANCIAL SERVICES DEPENDS ON APIs

The digital banking and financial services revolution is here to stay and APIs aid financial industry innovation.

With digital banking financial powerhouses solve many pain points such as long retail checkout lines, the need for on-demand personal banking, and even improving internal efficiency by significantly reducing hardware costs. Additionally, with more robust online financial services to provide data and enable transactions Fintech apps get the foundation they need to succeed.

To learn more about how APIs can be implemented successfully to accommodate digital banking transformation request a free consultation.

Contact us: www.OpenLegacy.com/About-Us/Contact

OpenLegacy
OPEN INNOVATION

North America
11921 Freedom Drive,
Suite 550
Reston, Virginia, 20190

Israel
3 Mota Gur,
Olympia Park,
Petah Tikva, Israel

Mexico
Av. Insurgentes Sur #730,
Col. Del Valle,
Delegación Benito Juárez, Piso
2 México, DF. CP 03104

Switzerland
Rue Etienne Dumont
1 Geneva, 1204
Switzerland