

THE **ART** OF THE API: BANKING & FINANCIAL SERVICES

A Blueprint for Microservices, APIs and Digital Transformation



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

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Summary

4.57 billion people use the Internet — that's nearly 59% of the world's population. As many aspects of our lives become digital, there is an expectation for our finance-related processes to be digital too. 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 millennial target markets.

There is an ART to overcoming perceived and real challenges to transformation, and OpenLegacy offers 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. On the other end of the spectrum, startups and newcomers built revolutionary financial products such as online-only banks, fully automated 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 instead of going to a bricks-and-mortar site during limited open hours to wait in lines and fill out forms.

Banks also want their employees to be more productive. A huge productivity boost happens when a bank teller uses a digital application that presents a 360-degree view of a customer.

The Future:

According to a Reuters article, large financial institutions across the world could lose 24 percent of their revenues to startups. Therefore, banks are seeking to harness new technologies, fully use their existing assets, and re-think their business models to self-disrupt and ensure continued sustainable growth. Fueled by venture capital money and powered by inexpensive cloud infrastructure, startups are building revolutionary financial products and experiences.



How Have Organizations Tried to Transform in the Past?

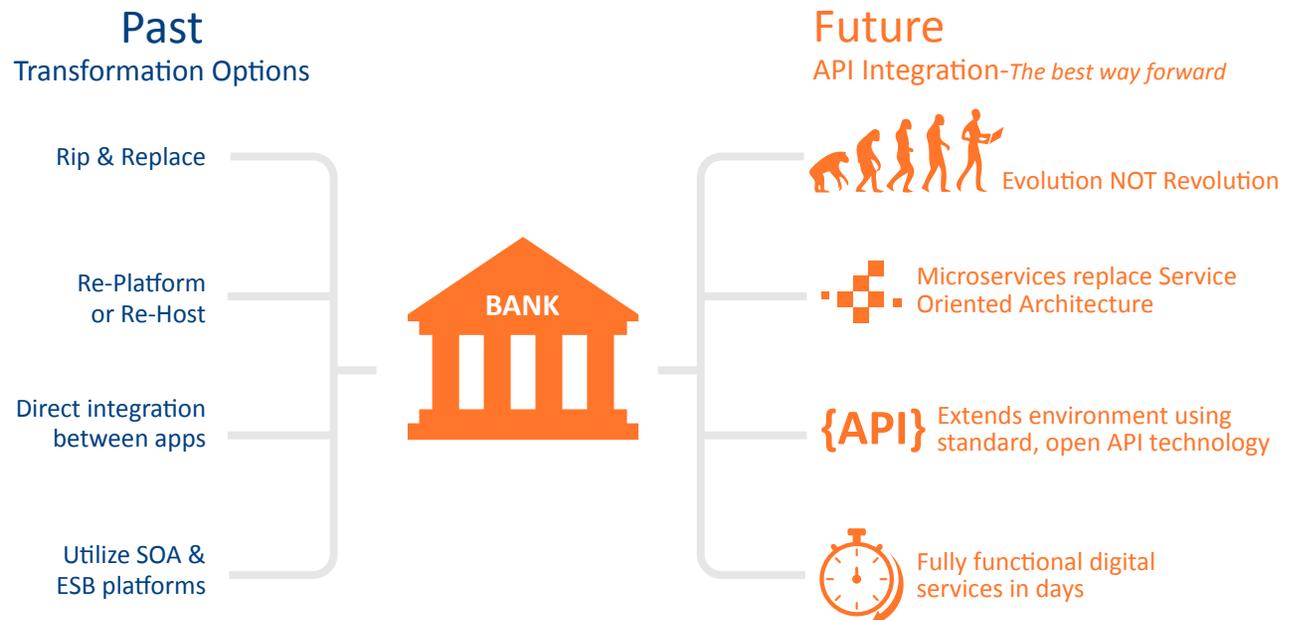
Transformation is not a new IT activity. In the past, companies tried a number of different ways to make their applications more responsive to changes driven by business not technology.

- **Rip & replace:** Companies 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 time-consuming.
- **Re-platform or re-host:** Companies 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 core applications remain.

- **Direct integration between applications:** Companies write custom integration code in every application that needs connectivity. This opens up previously locked applications but requires custom coding that's costly and not scalable.

- **SOA and ESB platforms:** Companies deploy 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.

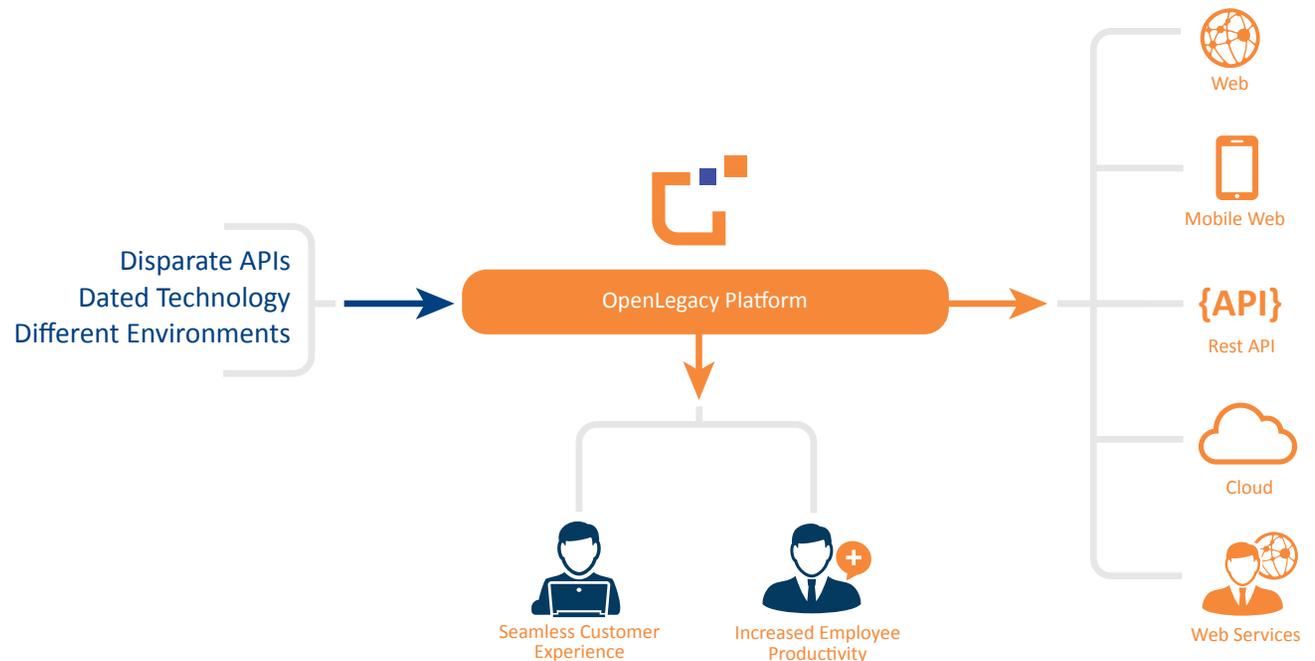


Transformation Challenges

Why is it Difficult?

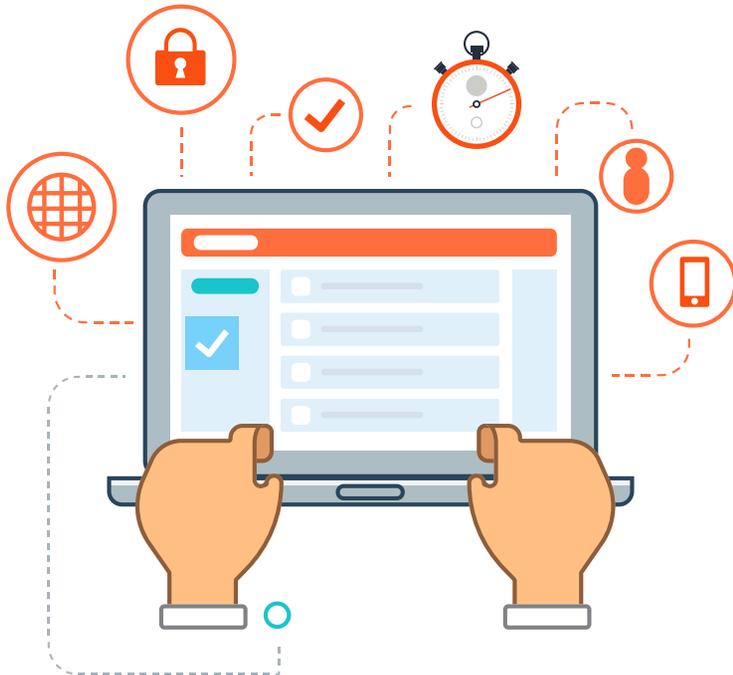
Transformation is challenging because these new digital imperatives all require core transformation and integration between applications: Integrating data, processes, and business functionality from legacy systems of record to digital technologies vs newer systems of engagement. The integration often involves critical business functions like

account management, payments, loans, credit cards, CRM, finance, and accounting. Enterprise applications are becoming cloud-based, which compounds the integration problem due to the technological differences between the on-premise and cloud-centric integration approaches.



Today, APIs and Microservices are the Best Way Forward

Embrace evolution rather than revolution with microservice-based APIs. Extend the tried and true environment using standard, open API technology. Create fully functional digital services within days instead of months. Not every API solution can achieve these benefits, however OpenLegacy was built specifically for legacy API integration and uniquely addresses all of these requirements. You get speed of implementation, low cost and open standards in one digital-driven API integration platform.



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

- 1. Customer-centric:** Facilitate a customer experience that is seamless, personalized, and effortless by including data and processes from multiple, disparate systems and applications across the organization.
- 2. Mobile-centric:** Give consumers and employees anytime, anywhere access to the information and services they require.
- 3. Innovative and agile:** Support rapid business and technical innovation to stay ahead of the competition and keep up with ever-evolving technology. Also, it is essential to 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 companies to meet the digital imperative. The microservice-based API approach gives enterprises the ability to customize their strategy, opening up choices like which business processes and data elements to expose. Features and functions from core applications can be easily pulled out and combined into processes that users and other applications can access.

OpenLegacy is Right for Banks and Financial Services

OpenLegacy is the industry's first open-standards-based API Integration platform, using automatically generated APIs to connect enterprises' core applications to digital solutions. With OpenLegacy, you can provide your end-users with an improved experience by providing access to core systems on digital devices.

End users 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 [financial case studies](#).

OpenLegacy Has an Edge

Here are three ways that OpenLegacy can help you 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 platform automatically generates APIs quickly by enabling developers to create and implement quick-win solutions without any background in underlying environments — Java programmers have the knowledge required to succeed.

2. 70% reduction in total cost of ownership:

OpenLegacy offers a solution that eliminates the need for a complex technology stack. Until now, enterprises undergoing an integration project typically chose a partner that used an ESB. Unfortunately, these middleware

partners supply just some of the elements needed for the project and none offer a complete solution. A complete solution is one that takes the integration project from start to finish without needing additional components – OpenLegacy's platform 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 microservice-based APIs. OpenLegacy capitalizes on the current legacy infrastructure, without the challenges of reengineering.

4. Microservices architecture:

OpenLegacy's platform 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's Digital-Driven Integration enables organizations with legacy systems to release new digital services faster and easier than ever before. Connecting directly to even the most complex core systems, OpenLegacy automatically generates the digital-ready components needed to integrate legacy assets into exciting new innovations. With OpenLegacy, industry-leading companies release new apps, features, and updates while spending a fraction of the time and resources, so they quickly and easily become digital to the core.



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