



NEXTDC

HOW DIGITAL INFRASTRUCTURE HAS WORKED ITS WAY TO THE TOP OF STRATEGY PLANNING AGENDAS

FINANCIAL SERVICES, PARTNER FOR GROWTH

Your data centre is the heartbeat of your business and it's the linchpin to creating differentiation in the highly contested financial services industry ("FSI"). Banking, superannuation and insurance organisations are facing unprecedented pressure when it comes to ensuring their digital infrastructure will confidently lead their business to its future-state compliantly and successfully.

Key strategic priorities include:

- Assuring agility in infrastructure
- Cost and resource optimisation
- Security of critical infrastructure and data
- Reliable connectivity
- Low latency
- Continuity of end-to-end compliance

The FSI vertical is challenged by the need for cloud transformation and cloud migration to ensure the modernisation of infrastructure and services strategies. Hybrid Cloud isn't an emerging trend anymore, it is a fundamental architecture decision for every organisation focussed on growth and competing against new, more agile competitors and meeting changing customer requirements and behaviours.

Preserving the reputation of your organisation's information and interactions is key to thriving in the digital age, especially amid the adoption of cloud strategies and modernised infrastructure solutions.

The integration of on-premises, colocation, cloud and edge delivery options in infrastructure strategies will grow by 325% from 2020-2025

Gartner

Financial services customer requirements are changing rapidly, and providers must meet that evolution. With legacy systems and processes rooted in the past, many customers are asking us *"how can we achieve change faster, safely?"*.

Leveraging optionality is an effective way to ensure your digital infrastructure can get your organisation to its future-state compliantly and successfully. Optionality is characterised by having an underlying flexibility to quickly find the most suitable pathways to successful outcomes for specific tasks. It is about leveraging all the infrastructure options available to your organisation and embracing **strategic planning and solution design** that enables you to take advantage of the full gamut of options available.

Modernisation of infrastructure can be **achieved without compromising on risks around security and compliance**. Security of critical infrastructure and data as well as simplified audit processes supporting adherence to compliance mandates is enabled and strengthened by a good infrastructure strategy.

It's becoming more difficult to manage security within the scope of cloud migration strategies as the laws of supply and demand push the cost of skilled personnel to new levels.

Keeping pace with the evolving threat landscape can be made less complex by partnering strategically with service providers who manage and own some of the core elements that come with establishing a **strong and secure risk posture**.

Consolidating the residence of your critical infrastructure and data, as much as possible, within facilities that meet all critical **security certifications relevant to risk in the digital age** is the right place to start.

It's not easy to achieve compliance with frameworks and standards managing physical security minimums such as ISO27001, SOC1 and SOC2, PCI DSS and SSEC. Engage service providers that introduce this as part of their standard service level agreements for you.

The collection, processing, storage, recall and analysis of enormous volumes of data is crucial to being able to **compete effectively**.

Banks, insurance providers, superannuation funds, payment gateways, and wealth management firms all rely on the **processing of enormous volumes of data to provide value to customers**. Strategic decisions to accelerate growth and enhance customer experience are dependent on effective management of this data.

It's a priority to get products developed and tested whilst maintaining the robust security requirements we've always had in banking

Alicia Aitken, Complex Project Advisor

As regulatory bodies continue to announce additional mandates and the cyber security threat landscape continues to evolve in scope with growing sophistication amongst bad actors, the security of data has never been more pressing.

The modernisation of digital infrastructure positions your organisation to more efficiently secure data and comply with data sovereignty mandates in Australia which means you can adequately and proactively perfect, protect and **preserve the reputation of your digital information and interactions**.

Modernisation of your digital infrastructure involves **partnering strategically** to take advantage of innovative solutions and Hybrid Cloud architectures. Furthermore, **leveraging the cost and resource optimisation opportunities made possible by purpose-built data centres ("DC") and digital infrastructure platforms like NEXTDC's**.

80% of enterprises will be leveraging colocation by 2025

Gartner

Working with a specialised digital infrastructure partner enables your organisation to leverage the governance, risk and compliance ("GRC") programs employed by your partner – **this streamlines the reporting process, ensuring that satisfying regulations and remaining compliant amid ever evolving mandates is both efficient and consistently achieved**.

Digital infrastructures are at the top of strategy planning agendas. It's a key conversation for Information and Operations ("I&O's") teams and business executives as financial services organisations strive to achieve change faster, safely. **I&O's are looking to specialist infrastructure platforms and Hybrid Cloud solutions** to support their **performance/value ratio** goals and implement **reliable connectivity** requirements with **low latency capabilities** to ensure immediacy of service and operations.

Leading financial services organisations are re-thinking the fundamentals for ensuring speed to market and competitive agility and they're taking advantage of strategic partnerships to **scale growth and double down on innovation without compromising on safety, security or reputation**.

From the time a customer moves in, we partner with them to conduct and manage their audit process to optimise their compliance

David Dzienciol, Chief Customer and Commercial Officer at NEXTDC



Recently we engaged with three FSI experts to explore how financial services organisations can effectively **embed speed to market into core operations**, **maximise the performance/value ratio**, use strategic partnerships to **scale innovation**, **preserve reputation** and ensure **adherence to risk and compliance** mandates.



Alicia Aitken, Complex Project Advisor

Alicia Aitken is an executive with international experience and a proven track record of establishing and growing businesses and executing on strategy; having held a range of roles in publicly listed companies and the private sector. Beyond Alicia's corporate work she holds roles as both non-executive director and advisory board member with profit, not-for-profit, government and university organisations. Alicia is a globally recognised thought leader in project management practices specialising in investment, delivery and risk management of projects in complex environments such as Infrastructure, Aerospace & Defence, Telecommunications, Banking and Technology. Alicia is passionate about developing a national capability to deliver complex projects and programs.



David Dzienciol, Chief Customer and Commercial Officer, NEXTDC

David Dzienciol is a highly accomplished executive with a distinguished career in Australia and across Asia Pacific. David has extensive experience in the technology industry, including cloud computing, data centre and colocation, cloud brokerage services, new market entry and risk management. As NEXTDC's Chief Customer and Commercial Officer, David is responsible for the end-to-end customer experience and lifecycle including sales, marketing, customer success, product development, network operations and more. As a customer-first organisation, David works closely with NEXTDC's key customers and verticals, leveraging his comprehensive understanding of the customer and industry, to closely align the corporate and customer strategy. David champions a strategic approach to partnering, working closely with NEXTDC's customers to support their long-term cloud and transformation strategies, and helping them to achieve their desired outcomes.



Luke Stow, Resident Technology Panelist, The Reboot Show

Boasting 30+ years of experience in international business as a technology transformation executive leader and chief information officer, Luke has garnered a wealth of knowledge and expertise across myriad industries including utilities, telecommunications, retail, aviation and financial services. Luke's professional achievements include having managed several large-scale complex transformation programs, executive advisory on adoption and implementation of emerging technologies, and design of cost and experience optimised technology solution architectures. Luke has held executive roles with Hydro Tasmania and Momentum Energy, Telstra, Cathay Pacific Airways, George Weston Foods, Origin Energy, Symantec, Harvey Norman, and the Bank of Ireland.



Alicia "Understanding how to **meet our customers where they're at, in terms of the products and services they want, then keeping up with their evolving needs** is a pertinent opportunity for us in the FSI vertical. Knowing how to achieve this change faster and safely, and maintaining the robust security requirements we've always had in the banking system, is a key area of focus for me."

David "There's a need for financial services organisations to scale and double down on innovation and agility - but managing and balancing risks and compliance remains important. We're seeing a strong shift to Hybrid Cloud across the FSI and associate industries because **Hybrid Cloud does provide resilience and speed to market**. We're seeing many of our FSI customers lean into our partnership to help them unlock capital that may be tied up in older DC's - allowing the capital to be reinvested in their customers and creating new value streams. **No organisation is building their own DC anymore, simply because they can't be scaled to meet requirements at the speed of the organisation** needed to achieve their future-state. Colocated environments coupled with the public cloud and the integration with other digital services and legacy IT, is allowing organisations to maximise value and reward from Hybrid Cloud solutions. They are realising they can **achieve speed and performance objectives** and enable more reliable connectivity and capacity planning in partnership with us.

About a decade ago there was a belief that 'cloud would solve all challenges' and there'd be no need for mainframes or large storage arrays and tapes. But this has proven to not be the case – almost every day I see customers coming into our facilities to pick up tapes and take them off site. Whilst that seems like an outdated task it demonstrates that **there is an enormous amount of legacy and value in legacy still in DC's like NEXTDC**. Ironically the mainframe is not dead at all, what we're seeing in some areas is that those legacy systems are being sold in a very common way today which is 'as a service' (Mainframe as-a-Service)."

Luke "It's crucial for IT teams in the FSI vertical to make sure leaders understand the criticality of IT strategy to their objectives. Previously **we thought applications were the most important thing but now it is infrastructure and connectivity**. Digital platforms are the engine of growth and enable objectives to be achieved. Decision makers need to be clear about what they actually want to and can do well themselves versus where they should partner strategically. For example, why would you continue to invest capital into the development and maintenance of your own DC in 2021 when you can work with a strategic partner like NEXTDC to leverage their purpose-built facilities and capitalise on the respective cost and resource optimisations? **Knowing when to bring a specialised partner to the table to support innovation is very important, especially when it comes to complex projects relating to digital infrastructure** - getting these partners to the table helps you to uplift your own capability and get to your goal state faster."

Alicia "Whenever you're coming up with a solution or investment opportunity, for me, it's all about optionality. There is no one right solution anymore and putting only one option on the table always makes me suspicious because there's always so many combinations and permutations that could get us to a better outcome. To David's points, there is going to be legacy, hybrid cloud, public and private cloud deployments - **all of the different combinations and who is best to deliver them are the types of conversations I want to be having**."

Application downtime costs large organisations \$144,062.52 per hour

Wakefield Research



"IT'S NOT 'OR', IT'S 'AND' - SACRIFICES SHOULD NOT HAVE TO BE MADE WHEN IT COMES TO MODERNISING INFRASTRUCTURE."

Alicia "There's inherent risk in every complex project - it's not about avoiding risk; it's about meeting it head-on with eyes wide open. Leveraging data to make informed decisions, where possible, is also key to effective risk management. But data can't be the only input, and neither can human judgement. There are countless studies that reveal the inherent biases that cloud our human judgement so relying on instinct can be very dangerous when it comes to assessing and managing risk - hence why I'm a big proponent of data driven decisions to complement our judgement, where possible. Most of us are comfortable with building our own DC's as we've done in the past so we're inclined to base our judgement on maintaining our known state VS trying something new - often to the detriment of what we're aiming to achieve."

David "The hope held by some providers that legacy will go away is not what we're seeing particularly within the financial services sector. Many financial services organisations understand that certain applications can be progressively migrated to the cloud however if there is value in keeping them on those mid-range legacy platforms, we're seeing organisations lean more toward refreshing that technology. **The other trend we're seeing is the decision to maintain legacy systems but move them into a colocated environment** and refocus their resources on the Hybrid Cloud discussion to identify where those new services are that can drive more value with their customers. There's a cultural change we're seeing required within some organisations to ensure the mid-range and cloud teams come together to work collaboratively on the long-term strategy - managing the two different perspectives of these teams is key and it can work."

Alicia "When you're putting together a diverse team you want to have the best capability and you don't find that in one place anymore, so you need to look broadly and consider the range of capability you're engaging. The right teams know that complex endeavours never have one solution - it comes down to optionality. Whether it's build, buy, partner or a combination - I want to see the process of exploring all options be employed before an investment is put in front of me because it's about commerciality. Every organisation is always at a different point in the cycle so wherever a complex problem comes up you're always going to have different sets of 'rights' and 'wrongs' in the options that are available. **The more options you explore, the more chance you have of creating something good.**"

Luke "Having a digital infrastructure strategy that is well informed, comprehensively contemplated and has flexibility is key because organisations can no longer afford to invest in monolithic plans or architectures as it'll cost you customers and subsequently profit, among other things. Investment strategies for digital infrastructure, including accompanying cloud migrations and Hybrid Cloud innovations, need to embrace the diversity of expertise that Alicia has explained because only then can your strategy be of the calibre required to optimise cost and resources amongst your investment decisions. **Flexibility simply means you're not prematurely locking yourself into unsustainable contracts that will prohibit you from adapting and pivoting in the years to come - because you will need to pivot and adapt, there's no doubt about that.**"



**"PARTNERING STRATEGICALLY ENABLES
YOU TO MEET RISK WITH EYES WIDE OPEN."**

Alicia "We don't do proof of concepts in the old way - now **it's about having an idea, taking it to a subset of your customers quickly, testing it with them to find out what works for them** and what doesn't and then executing against the outcomes of that process. This requires the ability to operate with agility safely."

David "One of the biggest advantages we bring to our customers is embedding optionality into their core operations safely. One of the greatest benefits about the cloud, at a high level, is choice. **Our ability to provide choice via the cloud is similar to where we were previously with mid-range systems** however there is a unique difference. These [cloud] systems are super agile. The approach organisations are taking to their partnerships are increasingly focussed on customers - it's now less about the [cloud] platform and more about what can that [cloud] platform do for our customers (e.g. customer intelligence, better security and or AI powered services). In this respect, **cloud is enabling our customers to scale with optionality but also to not feel 'locked in'** as they traditionally have with earlier approaches to technology investments."

Luke "Despite increased adoption of and migration to the cloud, it's important to always remember that the cloud isn't floating around above us. The cloud itself needs to connect to a server somewhere and the respective server(s) needs to have the bandwidth and connectivity required for your organisation to do what you need to do. And **knowing where your infrastructure is and having absolute confidence in the partner who is managing it for you is key to ensuring optimised compliance with data security and sovereignty requirements.**"

David "Every organisation we speak to that has an asset where data is residing wants to decommission that asset to unlock the value. **We live and operate in a sharing economy at both a consumer and business level which is accelerating the transition to sharing infrastructure.** This transition in combination with the shift to more specialised engagements is allowing more rapid deployment of programs. Connectivity is increasingly being innovated too, meaning faster and more secure connectivity intra DC and intra buildings across the country which enables a higher adoption of services that can be more easily integrated (e.g. cloud, on-prem, hybrid cloud, SaaS)."

Security in a Multi-Cloud world is an evolving beast requiring flexible, agile strategy where you're ready for anything and prepared to minimise the impact that breaches have on business continuity

George Dionisopoulos, Head of Security at NEXTDC



"WE ARE IN A SHARING ECONOMY AT BOTH A CONSUMER AND BUSINESS LEVEL WHICH IS ACCELERATING THE TRANSITION TO SHARING INFRASTRUCTURE."



AUSTRALIAN OWNED

100% UPTIME

WORLD CLASS SECURITY

NEXTDC is Australia's most trusted provider of premium data centre solutions. We provide the most secure, reliable, high-performance data centre and interconnection solutions to businesses.

Our business is centred around putting customers first, and our solutions are designed with the needs of our customers in mind. We offer greater flexibility by tailoring each solution to meet individual requirements, designed to scale seamlessly and remove unnecessary friction.

Our goal is to remove the complexity that comes with building and managing complex environments, therefore we take on the heavy lifting of the things that aren't core to our customers business, so they can focus on what's most important to them.

With nine data centres across Australia and a rich partner ecosystem that comprises >660 clouds, networks and ICT specialty services, our world-class facilities are leading interconnection hubs that orchestrate critical connectivity.

When it comes to premium data centre solutions, we are the first choice for the world's leading cloud platforms as well as Australia's leading carrier networks and ICT services providers.

FLEXIBILITY

CUSTOMER CENTRIC

SUSTAINABILITY

READ CUSTOMER STORIES

READ OUR NEWS



NEXTDC

**DISCOVER HOW YOUR ORGANISATION CAN
PARTNER WITH US FOR GROWTH**

ACHIEVE FASTER, SAFELY

INFO@NEXTDC.COM

WWW.NEXTDC.COM

Produced by NEXTDC and The Reboot Show | Copyright 2021 All Rights Reserved