

samlink

A Kyndryl Company

Samlink Ecosystem Enabled Banking

Unlocking the next generation of Banking



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1. Introduction

The primary goal of this document is to guide banks and financial institutions in creating a future-ready, customer-centric landscape. It serves as an introductory guide to Samlink's Ecosystem Enabled Banking offerings, including accelerators for those aspiring to develop a digital-native bank or modernize existing banking systems through innovative ecosystem solutions and Independent Software Vendor (ISV) products.

This document outlines the prevalent challenges confronting traditional banking systems and demonstrates how an ecosystem-based strategy can address these issues effectively. It proposes a holistic approach to analysis that encompasses defining the project scope, establishing guiding principles, conducting thorough analysis, and identifying optimal ecosystem partners for collaboration.

Key components of this approach include a capability model, an evaluation of build

versus buy versus consume options, and an analysis contrasting configuration-led and engineering-led approaches. Additionally, it considers the assessment of architectural principles, the identification of technical drivers, and the alignment with existing technological landscapes. A structured analysis output is suggested, encompassing an evaluation matrix, in-depth analysis conclusions, strategic recommendations, identification of potential risks and their mitigation strategies, and a blueprint for a subsequent Proof of Concept.

Crucially, this document underscores the importance of aligning the analytical process with the organization's business goals and objectives. It also highlights the necessity for seamless integration with legacy systems, ensuring a smooth transition to more advanced, ecosystem-enabled banking solutions.

2. Ecosystem Enabled Banking

The recent pandemic and the changing economic climate have accelerated digital adaptation among customers and employees within the banking industry, revealing operational and technical shortcomings in many financial institutions. Early digital initiatives primarily targeted customer interface transformation – a vital step, but not sufficient to unleash full enterprise and ecosystem potential.

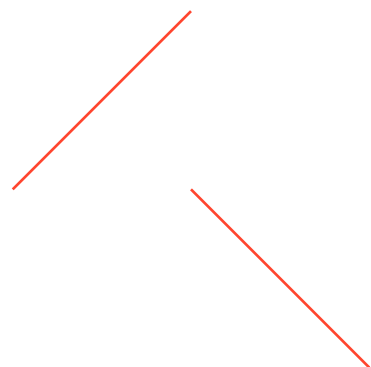
To lead in the digital realm, financial institutions are adopting two key strategies: harnessing exponential technologies like automation, hybrid cloud, and AI, and applying these technologies at scale. This approach fosters collaboration across internal and external ecosystems, ensuring secure platform interactions.

However, achieving this digital excellence requires more than just modern infrastructure. It necessitates reimagining business architecture to support interoperability and the secure portability of microservices and containerized solutions. To aid banks in this transformation, Samlink Advisory Services has introduced the Samlink Ecosystem Enabled Banking and our banking reference architecture.

For radical business model and architectural landscape transformation, an architecture-led approach is crucial. This transformation must also reimagine workflows and operating models, especially as financial institutions confront intense competition and ongoing margin compression.

As banks continue to drive digital and core modernization, they must evaluate how to leverage an ecosystem of partners and top ISV providers effectively. This approach ensures positive change and ROI with minimized risk and expedited market entry.

The future core systems of banks must be designed to deliver a next-generation experience for customers and bank operations. Here, Samlink's Ecosystem Enabled Banking offering plays a pivotal role, ensuring that clients' modernization initiatives align with critical future attributes.



2.1 Four Pillars of Samlink's Ecosystem Enabled Banking

Samlink's Ecosystem Enabled Banking offering, supplemented by a suite of accelerators and tools, presents a holistic solution for businesses to thrive in any operating environment at scale. This strategy is anchored in four critical transformation elements, each bolstered by Samlink's deep industry knowledge, technological expertise, hybrid cloud platforms, and a range of tools and accelerators. Through Samlink's guidance, organizations can navigate core systems and organizational transformation, reaping value at each stage of their journey.

1 Aligning Transformation with Business Outcomes

Samlink prioritizes aligning banking transformation initiatives with the right set of business outcomes. This alignment ensures that transformation efforts are strategically focused on areas that yield the most significant impact for the business.

2 Developing a Future-Ready Target Architecture

Samlink assists in crafting a clear, specific target architecture that is robust and future-proof. This approach equips organizations to adeptly face future challenges and adapt to evolving industry landscapes.

3 Leveraging Suitable Ecosystem Partners for Tailored Solutions

Recognizing the uniqueness of each business scenario, Samlink underscores the importance of selecting the right ISV partners. This tailored approach maximizes the benefits of partnerships and ensures solutions are precisely aligned with specific business needs.

4 Driving and Sustaining Change with Skillset and Operating Model Transformation:

Samlink's strategy extends beyond immediate transformation to focus on long-term success. It involves reshaping skillsets and operating models, ensuring that the transformation is sustainable and positions the organization for ongoing success.

Samlink's methodology in Ecosystem Based Banking is deeply rooted in an understanding of current business challenges. By offering a comprehensive, step-by-step solution to these challenges, Samlink Advisory Services is committed to aiding businesses in navigating the complexities of a rapidly evolving marketplace.

2.2 Optimizing Ecosystem Enabled Banking with Samlink Advisory Services

Samlink Advisory Services offers a robust pathway for banks to spearhead an Ecosystem Enabled transformation, leveraging a rich portfolio of assets, accelerators, and the specialized Ecosystem Enabled Banking offering, all of which are underpinned by the Samlink Design Thinking approach. The Samlink Design Thinking approach represents a comprehensive agile delivery methodology designed to minimize risk and accelerate the realization of value. It is a method that aligns closely with the evolving needs of businesses, offering iterative solutions through its unique approach.

The Samlink Design Thinking method is founded on four fundamental principles:



Design Thinking

This principle focuses on understanding user needs and developing solutions that are user-centric, ensuring that the final product is tailored to meet the actual requirements of the end-users.



Agile Development

Agile practices are at the heart of the Samlink's way of working, promoting flexibility, adaptability, and a responsive approach to development. This methodology ensures that projects can pivot as needed to align with changing requirements and market conditions.



DevOps

Integration of development and operations streamlines the transformation process, enhancing efficiency and collaboration. This principle ensures that solutions are not only developed quickly but also maintained and improved continuously.



Cloud-Native Development

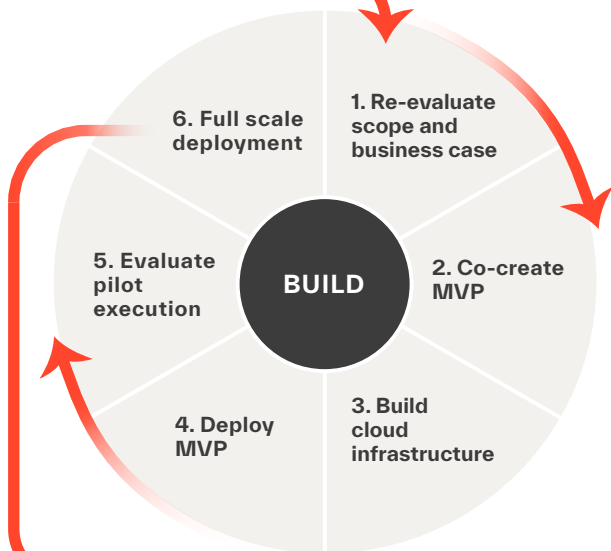
Emphasizing cloud-based solutions, this principle leverages the scalability, flexibility, and innovation potential of cloud computing, making it a critical component of modern banking solutions.

The Samlink Ecosystem Enabled Banking method is founded on three main phases:



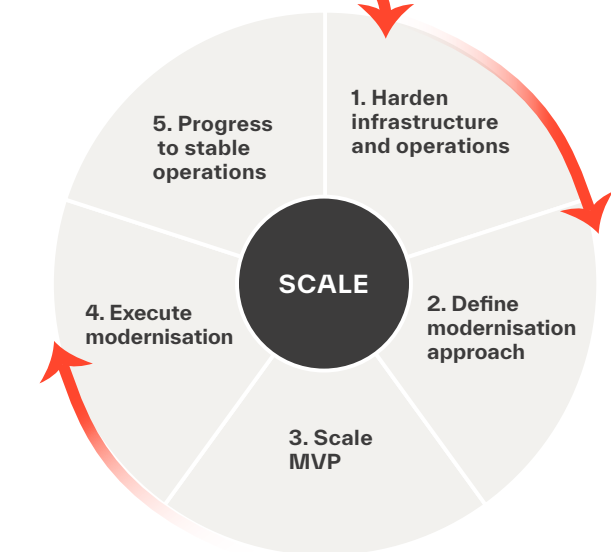
1. Advice – Tailoring ISV Solutions and Roadmapping

- In the initial phase, Samlink collaborates with banks to pinpoint the most suitable ISV solutions that resonate with their specific business requirements. Leveraging its expanding ISV ecosystem and deep industry insights, Samlink aids banks in selecting the ideal partners.
- Following the identification of ISV solutions, Samlink crafts a strategic roadmap supported by a comprehensive business case and a potential cloud migration plan. This ensures that the bank’s investment in ISV solutions aligns seamlessly with its overarching business strategy and objectives.



2. Build – Establishing Core Capabilities and Unlocking Business Outcomes

- The second phase involves a joint effort between Samlink and the bank to develop a Minimum Viable Product (MVP). This MVP lays the groundwork for essential capabilities and begins unlocking tangible business outcomes.
- The MVP approach is instrumental in minimizing risk, delivering incremental solutions tailored to meet specific business needs and offering measurable value. Starting with an MVP allows the bank to rapidly benefit from its new core solutions, setting the stage for further transformative progress.



3. Scale – Expanding and Optimizing the Solution

- In this final phase, Samlink works alongside the bank to expand the solution, utilizing Samlink’s extensive range of assets and accelerators. This process includes leveraging Samlink’s expertise with selected ISV solutions to create sophisticated, cross-solution intelligent workflows. These workflows are designed to enhance client-centric banking capabilities and solutions.
- Samlink also offers comprehensive monitoring and management services to ensure that the implemented services are performing optimally and meeting the bank’s evolving needs.



The iterative nature of Samlink's approach guarantees continuous optimization of the solution, ensuring that it remains in lockstep with the bank's business goals. By strategically leveraging suitable ISV partners, coupled with Samlink's robust assets, accelerators, and methodologies, banks can significantly reduce risk and accelerate the time to value.

In summary, Samlink's Ecosystem Enabled Banking offering is a potent formula for modernization, fostering innovation, and achieving operational excellence in the banking sector. By closely collaborating with banks to identify the right ISV solutions, building an MVP, and effectively scaling the solution using Samlink's comprehensive resources, banks are well-positioned to stay ahead in today's rapidly evolving financial landscape.

3. Samlink's approach to Ecosystem Enabled Banking

Samlink's Ecosystem Enabled Banking offering represents a sophisticated and proven methodology, meticulously designed for evaluating, selecting, and implementing ISV solutions in the banking sector. This offering, distilled from Samlink's vast experience in ISV-based transformations within the banking industry, integrates a comprehensive array of accelerators and assets with a thorough end-to-end delivery approach. This integration is specifically aimed at aiding banks in minimizing risks and expediting the realization of value during their core transformation journey.

Key Elements of the Offering:

1. Defining Scope with a Business-Aligned Capability Model

The process begins with defining the scope, utilizing a capability model aligned with the bank's business strategy. This model delineates the domains in scope, the transformation roadmap, and any interdependent domains. It can either be provided by the bank or co-created by Samlink and the bank, utilizing industry frameworks such as Banking Industry Architecture Network (BIAN).

2. Conducting a Rigorous Build vs. Buy Analysis

A critical analysis of build versus buy options is conducted against the defined blueprint. This stage is crucial for identifying elements that constitute competitive advantage or differentiation for the bank, thereby guiding the selection of potential custom development candidates.

3. Evaluating Engineering-led vs. Configuration-led Approaches

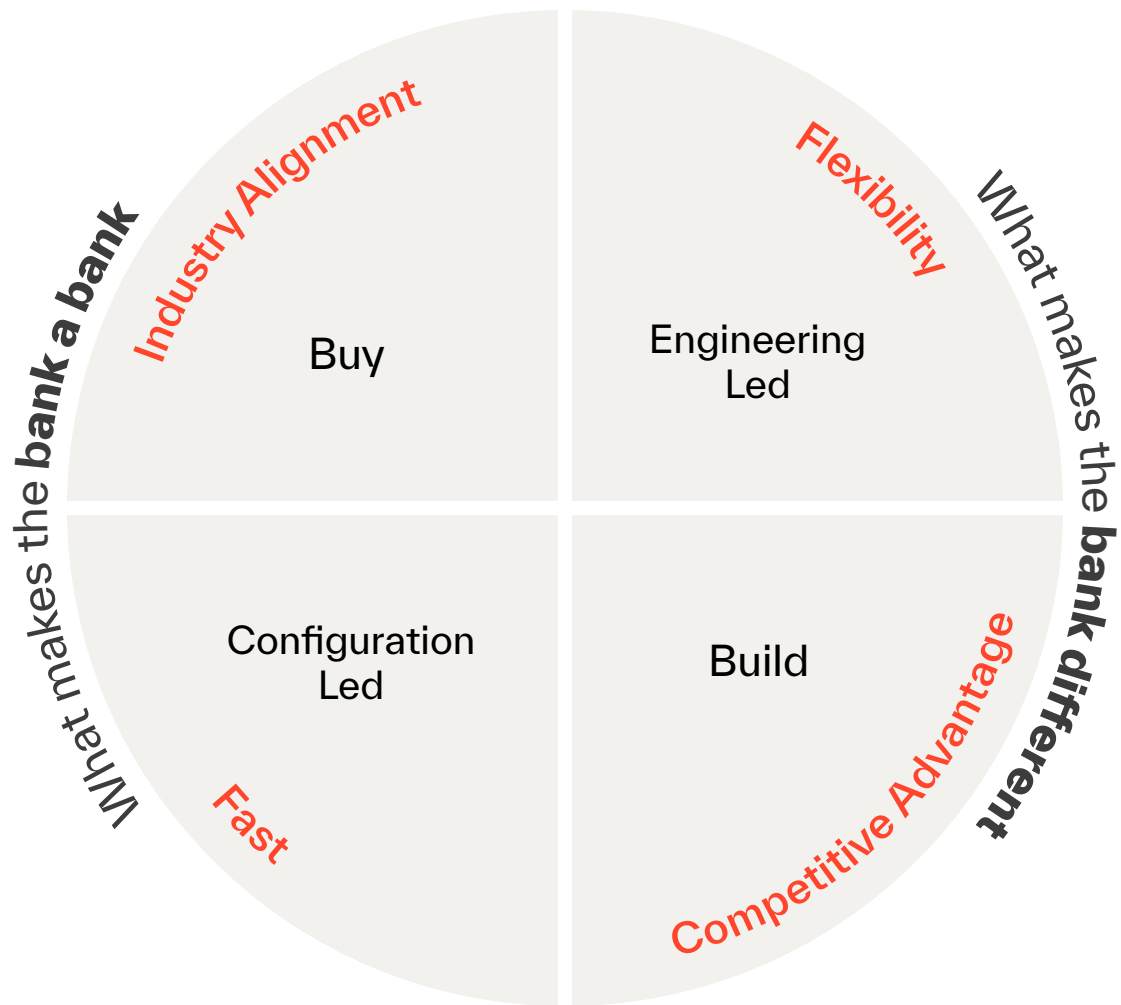
For domains identified for ISV solutions, Samlink undertakes a detailed analysis to determine a preference for an engineering-led versus a configuration-led approach. This evaluation considers key business drivers and the potential for a hybrid solution, weighing one approach against the other based on specific business needs.

4. Assessing Architectural and Technical Patterns

The process also involves a thorough assessment of the bank's current architectural and technical patterns, such as cloud-native frameworks or domain-driven design. This assessment helps gauge their significance in the ISV selection process and whether specific feature functions may override architectural principles.

5. Alignment with Existing Legacy Systems for Modernization

In cases involving modernization of existing legacy platforms (as opposed to green-field solutions), the alignment with current legacy systems is critically evaluated. This step determines whether these systems will be anchored or replaced, and what modernization pattern should be employed. Although more focused on subsequent implementation, this step is pivotal in influencing the ISV selection process.



Samlink’s Ecosystem Enabled Banking offering is designed to empower banks with the knowledge and tools necessary for making well-informed decisions when selecting ISV solutions. This approach significantly reduces risks and accelerates the time-to-value for both core transformation and green-field initiatives in the banking sector.

The following sections will delve deeper into each key step of the Strategic Advice phase, providing additional depth and context to this comprehensive methodology.

3.1 Refining the Scope for ISV Analysis and Selection

Defining the scope and parameters of our analysis is a critical first step in ensuring that the ISV selection is driven by actual business needs and anticipates future requirements.

This initial phase involves creating a comprehensive capability model, which should ideally be aligned with a recognized industry framework like the Banking Industry Architecture Network (BIAN) framework.

We approach this through three primary entry points:

Leveraging Existing Client Documentation:

Utilizing the client's existing documentation, such as their Enterprise Architecture (EA) and Strategy documents, provides a foundational understanding of the current state and strategic direction.

Incorporating Samlink's Banking Business

Architecture: Analysis using Samlink's Banking Business Architecture offers a detailed view of the business components, aiding in identifying areas for improvement and transformation.

Reference to Samlink Next Generation

Reference Architecture: Samlink's offerings and architectural models provide a framework for aligning business domains and capabilities with modern technological advancements.

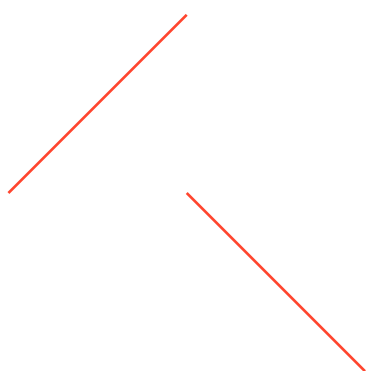
The scope of analysis is articulated through business domains and capabilities, which are then mapped to corresponding functions and modules within the ISV offerings.

This alignment is crucial for ensuring a comprehensive and relevant evaluation.

However, in the context of core modernization, it's essential to consciously avoid drawing inputs from existing legacy solutions slated for replacement, such as code or functional analysis. This caution is exercised to prevent the future state from being constrained or negatively influenced by these legacy systems, unless there is a specific intent to replicate the legacy system with new technology.

The emphasis here is on not overly depending on legacy systems when envisioning the scope of the new system. Mere replication of legacy systems using new technology may defeat the purpose of modernization. Instead, the focus should be on fostering innovation and creative thinking. This approach ensures the modernization program leads to a system that is not just contemporary but also tailored to meet both current and future business demands.

To achieve this visionary modernization, it may be imperative to question and reassess existing assumptions and business processes. Exploring alternative approaches and methodologies can be vital in realizing a system that is adaptable, scalable, and tailored to the unique requirements of the business. This strategic rethinking ensures that modernization efforts culminate in a forward-thinking, efficient, and effective banking system.



3.2 Navigating Competitive Advantage: A Comprehensive Analysis of Build vs. Buy vs. Consume Options

When contemplating an ISV solution for banking, there are three principal routes: building a custom solution, buying an ISV solution, or consuming a Software as a Service (SaaS) solution. In reality, many solutions adopt a hybrid of these approaches. The most suitable choice varies based on the bank's unique needs and context, each option presenting its own set of benefits and challenges.

Building a Custom Solution: Tailoring to Unique Requirements

PROS

- ⊕ **Customization and Control**
Crafting an in-house solution offers total control over the product's features, ensuring a perfect fit for the organization's specific needs.
- ⊕ **Competitive Edge**
A unique solution can set a bank apart from its competitors, offering a distinct market advantage.
- ⊕ **Data Sovereignty**
Complete control over data and its management guarantees security and regulatory compliance.

CONS

- ⊖ **High Costs**
Development and maintenance of a bespoke solution demand significant financial resources.
- ⊖ **Extended Time to Market**
Custom development can be a lengthy process, potentially leading to missed market opportunities.
- ⊖ **Expertise Requirement**
Developing a banking solution requires specialized banking and technological expertise, which can be challenging to source and retain.

Buying an ISV Solution: Efficiency and Industry Standards

PROS

- ⊕ **Quick Deployment**
An off-the-shelf solution enables faster market entry, allowing rapid realization of benefits.
- ⊕ **Cost-Effectiveness**
Avoids the substantial investments required for custom development.
- ⊕ **Vendor Support**
Offers the advantage of ongoing technical support and maintenance.

CONS

- ⊖ **Limited Customization**
Pre-built solutions offer less flexibility in tailoring to specific needs.
- ⊖ **Vendor Dependence**
Reliance on vendor support can be risky if the vendor faces challenges.
- ⊖ **Vendor Lock-in Risk**
Switching vendors or solutions can be complex and costly.

Consuming a SaaS Solution: Flexibility and Scalability

PROS	CONS
<ul style="list-style-type: none"> ⊕ User-Friendly and Scalable Designed for ease of use and scalability to accommodate evolving needs. ⊕ Predictable Expenditure Subscription-based model offers clear, manageable costs. ⊕ Maintenance and Updates Regular updates ensure the solution stays current with the latest requirements. 	<ul style="list-style-type: none"> ⊖ Configuration Limitations SaaS solutions are often less customizable, catering to a wider audience. ⊖ Vendor Dependence Similar to buying, there's a risk of disruption from vendor issues. ⊖ Data Security Concerns Storing sensitive data with third-party providers can raise security and privacy concerns.

Each option should be evaluated not only on its merits but also on how well it aligns with the bank's strategic goals, operational requirements, and competitive landscape. While custom solutions offer the most tailored fit, they can come with high costs and complexity. Conversely, buying or consuming solutions can be more efficient and cost-effective but may require compromises on customization and control. Understanding these trade-offs is crucial for making an informed decision that best supports the bank's objectives and future growth. The following is an example of the criteria that would be evaluated to derive a best fit analysis for a build vs. buy selection.

	BUILD	SCALE	BUY
Unique differentiating capability	A unique value proposition that drives differentiation in the market	← 0 →	Required capability to operate as a bank or deliver against compliance
Fit to capability model and need	No clear alignment by ISV or only partial coverage, with no ability to customize	← 0 →	Full coverage to capability model with potential customization support
Legacy constraints	Capability does not have a clear boundary and requires extensive integration to legacy	← 0 →	Capability is self-contained, with limited integration or clearly defined boundaries
Regulatory constraints	Complex industry regulatory constraints not covered by ISV capabilities	← 0 →	No complex regulatory constraints to be considered
Cost of Ownership (including ongoing maintenance and skills development)	Full application life-cycle including ongoing maintenance and technology selection is under expected ISV cost	← 0 →	Cost of technology, skills and ongoing maintenance is higher than ISV solution
Vendor risk	Uncertainty in ISV stability, reputation or future viability, and/or core capability is business critical	← 0 →	Established ISV vendor with strong industry deployment, and/or core capability is not business critical
Time to market	Required capability does not have a tight time to market constraint	← 0 →	Required capability has an urgent need and can be delivered with package solution



3.3 Balancing Configuration-Led and Engineering-Led Approaches in ISV Banking Solutions

In the realm of banking ISV solutions, determining whether a configuration-led or engineering-led approach is more suitable is pivotal. This decision hinges on aligning the ISV offering with the bank's specific business needs and requirements. As the landscape of technology and architectural principles evolves, notably towards cloud-native architectures, domain-driven design, and an increase in low-code/no-code solutions, it's vital to understand the nuances and implications of these two distinct approaches.

CONFIGURATION-LED (PARAMETER-BASED) SOLUTIONS

Characteristics: These solutions are designed for ease of configuration, allowing banks to swiftly tailor various platform aspects to their requirements without extensive programming.

Pros: Ideal for scenarios with lower complexity, offering quick customization capabilities.

Cons: The scope for variation or differentiation is limited, as modifications are bound by the product's predefined parameters. This can lead to complexities and risks in future product upgrades and maintenance, especially if extensive customizations are made to align with specific client requirements.

ENGINEERING-LED (FRAMEWORK-BASED) SOLUTIONS

Characteristics: This approach provides deeper customization capabilities through more intensive engineering and programming efforts.

Pros: Offers greater flexibility and control over the platform, allowing for more significant differentiation and customization.

Cons: Requires more specialized knowledge and expertise for implementation and potentially reduces vendor lock-in, but it can be resource-intensive.

HYBRID APPROACH: COMBINING STRENGTHS FOR OPTIMAL RESULTS

– Most banks will find that a hybrid approach, leveraging the strengths of both configuration-led and engineering-led solutions, is the most effective strategy. This approach allows for a customized solution that caters to the unique needs and requirements of the business while minimizing the risks and complexities associated with future upgrades and maintenance.

– A critical consideration in this decision-making process is the balance between the need for adoption (utilizing existing capabilities of the solution as-is) versus adaption (modifying or extending the solution to fit specific needs). This balance should align closely with the bank's business objectives and operational requirements.

In summary, choosing between a configuration-led and engineering-led approach—or a blend of both—requires a thorough assessment of the bank's needs, the desired level of customization and control, and the capacity for managing future changes and upgrades. This strategic decision will significantly influence the bank's ability to adapt to changing market demands and maintain a competitive edge in the dynamic banking sector.



3.4 Navigating Architectural Principles and Deployment Choices in Banking Technology

The banking industry is undergoing a significant technological evolution, transitioning from legacy systems built in languages like Cobol and Assembler to modern, third-generation platforms. These contemporary platforms offer a range of advanced features such as real-time processing, seamless system integration, omnichannel support, and sophisticated analytics capabilities. One of the key features of these modern platforms is their open API architecture, enabling banks to easily integrate with various systems and services and foster innovation in product and service offerings.

	1st Gen “Monolith”	2nd Gen “Off the shelf”	3rd Gen “As a Service”
Period of build	1960’s-1990’s	1990’s-2010’s	2010’s and beyond
Ethos	Custom Development	Package Based	Open, As a Service
Technology era	Mainframe, UniX/AiX	Internet (Mid-range, porting to cloud)	As a Service (Cloud Native)
Architecture	Monolithic and siloed	Monolithic	Open cloud native architecture using containers
Scalability	Vertical	Vertical	Elastic, Horizontal
Availability /Resilience	Manual failover with downtime	Semi-automated failover with downtime	Self healing with no downtime
Software	Cobol, Assembler, Mainframe Database	C++, Java, RDBMS - IBM DB2, Oracle, MS SQL	Node.js, Go, Python, Postgres
Technical Features	BarcH Driven, Monolithic Code Base, Scarce skills	Enterprise Service Bus, SOA	24x7, real-time/streaming, Microservices, API first
Business Features	Hard-wired processes, regular planed downtime	Product Modules, planned downtime during upgrades	Customer Centric, Composable Services, No downtime
Change Model	Core IT function	Parameterized Black Box, Product configuration	Engineering Led
Time to market	Slow - manual in-house creation and development of custom offerings	Moderate - Packaged software with configuration of features via templates and strutured framework	Rapid - Open and flexible using cloud native and APIs to hasten implementation and development
Extensibility	Limited, Intrusive	Limited, Changes to Core / Customization layer, Heavy use of middleware	Open & Flexible, future extensions through configuration / business friendly scripting
Configurability	Almost none - hard coding	Moderate - framework enabled configuration within pre-defined parameters	Fully flexible, ecosystem focused
Data	Centralized	Fragmented	Single source of truth
Example	In house custom built	T24, BaNCS, SAP	Thought Machine, 10x

However, as banks strive to modernize their core systems and adopt cutting-edge technologies and architectural principles, including domain-driven design and public cloud utilization, they often encounter a balancing act between feature functionality and architectural principles or deployment options. A case in point is corporate lending solutions like LoanIQ from Finastra, which, despite its robust feature set and functional superiority, operates on legacy technology with a thick-client architecture. Such scenarios compel banks to make strategic choices: should they prioritize a product's alignment with business needs over adherence to their architectural principles?

This decision-making process is critical and should be aligned with the bank's business objectives and long-term strategies. While the allure of advanced features is undeniable, banks must also weigh the long-term ramifications of their technology choices. The core focus should be on finding a balance that not only delivers an exceptional customer experience but also ensures system stability and reliability.

In making these decisions, banks should consider factors such as:

Integration Capability: How well does the solution integrate with existing systems and future technological advancements?

Scalability and Flexibility: Does the solution provide the scalability and flexibility required to adapt to changing market needs?

Long-Term Vision: How does the choice of technology align with the bank's long-term strategic vision and objectives?

Customer Experience: Will the technology enhance the customer experience in meaningful and sustainable ways?

By carefully evaluating these aspects and making informed decisions based on their specific needs and priorities, banks can successfully navigate the competitive landscape and position themselves for future success in the rapidly evolving world of banking technology.

3.5 Strategizing Legacy Transformation: Balancing Legacy Anchoring and Replacement

In the journey of modernizing banking systems, a crucial aspect is how to handle legacy environments. This challenge involves decisions around either integrating with the existing system landscape or modernizing and replacing legacy systems. Regardless of the starting point or end goal, acknowledging and strategically planning for legacy systems is vital for a smooth transition to the target state. This consideration includes evaluating the feasibility and implications of short-term or permanent coexistence with legacy systems.

Rationalizing the Product Portfolio

Modernization often involves a shift in focus towards customer-centric outcomes and journeys, necessitating fundamental changes in business models and architectural principles. This shift can render numerous existing legacy products misaligned with the new system, leading banks to strategically phase out old agreements during a period of coexistence. A thorough analysis of legacy systems and potential coexistence patterns with the new system is essential to ensure a streamlined and effective transition.

Architectural Alignment and Roadmap Development

Defining an architectural solution that resonates with the bank's strategic direction is key, whether it involves anchoring to legacy systems or entirely replacing them. Establishing a clear, well-planned roadmap for execution is critical to the success of the modernization process.

Innovating Beyond Legacy Constraints:

While legacy systems must be considered, it's important not to let them overly influence the scope or vision of the new system. Over-reliance on legacy systems can restrict

innovation and lead to merely replicating old systems with new technology, contrary to the objectives of modernization. Encouraging creativity and innovation in defining the new system's scope and vision is crucial to achieve a truly modern solution that meets current and future business needs.

Approaches to Strategic Modernization:

Greenfield (No Legacy): Ideal for banks developing digital challenger propositions or new market segments. This approach ensures clear separation from legacy systems, allowing new platforms to operate autonomously.

Coexistence (Legacy Anchored): This pattern allows banks to gradually transition, maintaining existing products in legacy systems while launching new offerings on the new platform. It balances risk reduction with increased operational complexity.

Migration (Legacy Replaced): Also known as the 'big bang' approach, this method involves a swift transition from legacy to new systems, often suitable for situations requiring rapid modernization.

In summary, while acknowledging the significance of legacy systems in shaping the new system, banks must avoid being confined by past constraints. A forward-thinking approach that challenges existing paradigms and embraces innovative solutions will lead to a modern system capable of addressing both current and future business demands. The choice between greenfield, coexistence, and migration strategies should align with the bank's strategic goals, operational needs, and risk appetite, ensuring a successful transformation journey.

3.6 Streamlining the ISV Analysis Execution Process

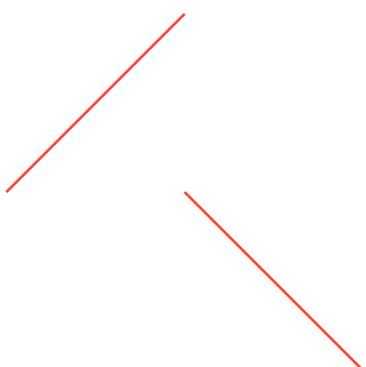
With the scope clearly defined and the guiding principles for the future state established, the next step is to conduct a thorough analysis of potential ISV solutions. This process involves a strategic and methodical approach to evaluate and select the most suitable ISV providers.

Market Scanning and ISV Candidate Shortlisting:

- Begin by scanning the market to identify ISV candidates that align with the predefined scope and business needs.
- Limit the list of potential candidates to a maximum of five to maintain focus and manageability in the evaluation process.

Utilizing Samlink's Tools and Expertise:

- Samlink collaborates with the client, leveraging the Samlink Ecosystem Enabled Banking offering and tools, to conduct an in-depth evaluation.
- The aim is to provide significant business value and assist the client in selecting the best ISV providers.



Components of the ISV Analysis Report:

1. CAPABILITY MODEL

A jointly defined model to frame the scope, ensuring evaluation criteria are in line with the client's business goals.

2. BUILD VS. BUY ANALYSIS

Insights into whether in-house development or external partnership with ISVs is more beneficial.

3. CONFIGURATION-LED VS. ENGINEERING-LED ANALYSIS:

Guidance on the most suitable approach for the client's specific needs.

4. ARCHITECTURAL PRINCIPLES AND TECHNICAL DRIVERS:

Evaluation of factors influencing the ISV selection process.

5. LEGACY AND LANDSCAPE ALIGNMENT

Assessment of how well the ISV solutions integrate with the client's existing systems and overall environment.

6. ISV EVALUATION MATRIX (HARVEY BALL) AND KEY FINDINGS

A comprehensive evaluation of each ISV's strengths and weaknesses, both quantitatively and qualitatively.

7. ANALYSIS CONCLUSIONS AND RECOMMENDATIONS:

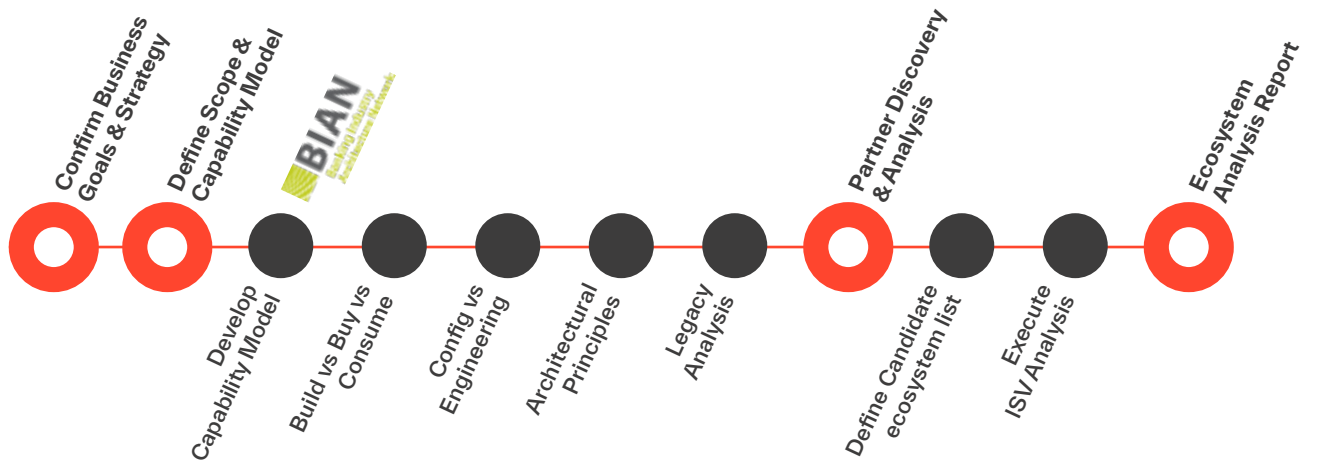
Actionable insights and guidance for the ISV selection.

8. RISKS AND MITIGATIONS

Identification and strategies to manage potential risks in the selection process.

9. PROPOSED FOLLOW-ON POC SCOPE

Outline of the scope for a Proof of Concept to validate the chosen ISVs' capabilities.



Timeline for the Analysis Process:

The duration of the analysis process typically ranges from four to six weeks, varying based on the number of ISVs considered and the extent of the capability model evaluation.

Overall, this comprehensive analysis will equip the client with a deep understanding of each potential ISV's strengths and weaknesses. This enables informed decision-making, ensuring the chosen ISV solution aligns optimally with the client's specific business requirements and strategic objectives.



In conclusion

In conclusion, the process of selecting the right ISVs and Ecosystem Partners is a crucial component in the success of any company's digital transformation journey. Identifying an ISV that aligns seamlessly with a company's business needs and goals can often present a significant challenge.

Samlink Advisory Services has developed a comprehensive offering to assist companies in this critical task. This framework covers a range of activities essential to the ISV evaluation process. It begins with defining the scope of the analysis to ensure alignment with business objectives. Guiding principles for the future target state are then set, establishing a clear direction for the transformation journey. The process includes scanning the market for potential ISV candidates, followed by executing a detailed analysis using Samlink's analysis method and associated resources.

Through this approach, Samlink collaborates closely with clients to develop a capability model that is tailored to the client's specific

needs. This model ensures that the evaluation criteria are directly aligned with the client's business goals. The process also includes an assessment of whether it is more feasible to build capabilities in-house or to partner with external ISVs. A thorough analysis of the architectural and technical drivers is conducted to ensure that the selected ISV solutions are compatible with the client's existing systems. The evaluation also includes providing an ISV evaluation matrix along with key findings to give clients a comprehensive view of each ISV's strengths and weaknesses.


By leveraging Samlink's framework, companies can make more informed decisions in their ISV selection process, thereby accelerating their digital transformation journey. Samlink's extensive experience in the financial industry and its partnerships with leading ISVs ensures that clients are making the best choice for their organization's unique requirements.

About the Author



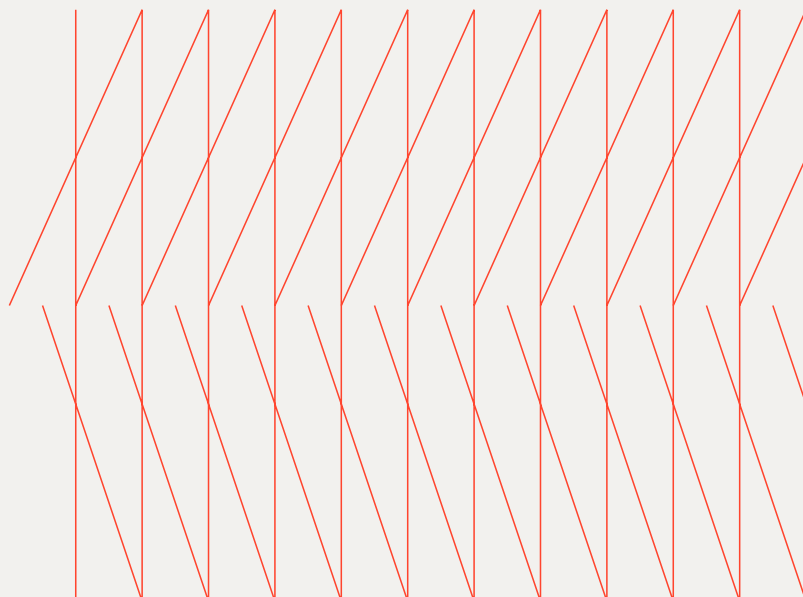
Pål Krogdahl

Director,
Technology Strategy and
Advisory Services
Samlink

 Pal.Krogdahl@samlink.fi

 [linkedin.com/in/Krogdahl](https://www.linkedin.com/in/Krogdahl)

Pål is the Director of Technology Strategy and Advisory Services with Samlink, with over two decades of experience in the banking sector as a technical leader and consultant. He specializes in digital transformation and core modernisation, with a strong focus on embedded finance and platform strategies, using unconventional thinking and cutting-edge technologies to drive significant digital initiatives in global banks. As a Director at Samlink, Pål leads innovative advisory services, providing strategic guidance and tailored solutions to financial institutions on their digital journeys, focusing on operational efficiency and customer engagement. Pål’s consultancy work spans multiple regions including the Nordics, Australia, South Africa, and Canada, where he has played a key role in core banking software selection and implementation. He also serves as a non-executive advisor in the global FinTech ecosystem, influencing the strategic direction of emerging FinTech companies. A recognized industry thought leader, he co-hosts the ‘Fintech Daydreaming’ podcast, offering insights into fintech trends and engaging in discussions with industry experts.





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