Proposed solution for what Saxo should do?

First, before proceeding to mention which solutions Saxo Bank should do, I must mention some important points depending on what was presented in the video in which (Soren Kyhl), Head of Operations at Saxo Bank, spoke, in addition to the Open Sesame: The Journey Towards an Open Platform Strategy Saxo Bank.

In the case of Saxo Bank about a journey towards an open platform strategy, the research indicated that the search technology for the open API has evolved since its first appearance in 2009.

Saxo Bank began exploring technology as the engineerchief of information department, Mikael Munck, addressed at the end of the meeting about the API project, it was made clear that open APIs are changing the nature of the business around them, and indeed the implications of high-tech companies and internet restriction were clear.

In 2006 Saxo Bank launched the web browser and the first mobile client. In the following years the bank expanded internationally, but to a lesser extent, on information technology innovation.

The journey towards launching the open API included several stages in which the bank took the first steps towards what this project will ultimately be. In the first stage, the API was explored, where it was decided to restart the project after implementing the organizational change within the work system, but the matter did not last more than 6 months for several reasons, including that there was no commercial ownership in addition to poor requirements specifications.

Not only that, in 2011, Saxo Bank was ready to enter the world of social media, but there were challenges around access to the trading platform, and this was rejected

due to the level of complexity and cost of maintenance, which led to the approval of the decision to develop tradingfloor.com and this is based on an API solution.

In 2013 the focus was once again on the open API which is inspired by how technology is used in the tradingfloor.com project. After that, it developed to add some features that helped develop the open API.

And speaking of that, the new business model of Saxo is different from what it was previously, as Saxo was focused on information technology and considered itself 50% bank and 50% information technology.

But in 2001 the bank expanded more than before and became dependent on the Internet, but this expansion is considered less on information innovation.

In 2014, the bank launched a line of products called Saxo Trader GO. Thus, the difference is clear between the old business models and the Open API model, as the possibility of using this new model involves several scenarios, the most important of which are the partial open strategy and the fully open strategy.

From my point of view, the most important advantages that can be used when owning a business model based on an open API is the opportunity to enter the world of digitization and work closely with partners and competitors in business ecosystems, which will require the use of some ideas that the bank needs to reinvent itself to compete in the digital age. The digital age is not what we will live in the future, but what we live in the present age is what is called digitization and digital transformation (converting industrial products into digital goods).

Based on what I mentioned previously, I encourage Saxo Bank to adopt the third solution, which is gradually migrate to a fully open platform, where Saxo Trader and Saxo Trader Go eventually get retired and all trades on the platform are generated through partner channels.

The reason for the interest in digitization is that everyone cares about it in every discussion about the future of business and the financial sector, and the other reason is that if Saxo Bank employees care about their position, they should also pay attention to digitization, as behind the digital hype there is actually an essence.

One of the downsides behind this digital transformation may be that the goods and services previously provided to old customers will not be present in the future and will be replaced by digital goods, this matter may lead to losses for some customers

who are not in line with this digital progress, which has become an urgent necessity now.

Digital commodities are characterized by high fixed cost but low marginal cost, in addition to the fact that the use of the digital product is also uncompetitive, and the digital products can easily be combined with other products, and the digital product also provides so-called positive external factors.