



Is cloud migration a risky business?

by Ihyeeddine Elfeki, Global Lead,
Trading and Risk Solutions, Luxoft

Thinking of migrating data to the cloud?

Then one of your biggest challenges will be data security. Even though cloud providers have made great strides in the improvement of authentication, asset control, encryption, secure deletion, archiving, data masking and other major features, risk assessment is still causing problems.

Primarily, you need to know why you contemplated moving to the cloud in the first place. One of the advantages of cloud is that you can bring data that normally inhabits multiple premise platforms, together, into a single space. Having all your data in one place offers new reporting capabilities and a chance to use the data more efficiently. The tradeoff is in localization — where do you locate that data?

The second issue is how to split your core data from data that can be transferred to the cloud. This is not always easy, especially for front-office data where there is a complex dependency between market data, bank reference data and the pricing models.

Jeux avec frontières

Global banks operating in multiple locations have to cope with fragmented regulation across a myriad of jurisdictions, which causes further complexity. Each type of data has to comply with a different jurisdiction, which offsets the benefit of having all the data in one space.

But there are solutions; more pragmatic approaches to issues that prioritize business needs, having access to real-time quality data, and an opportunity to arbitrage various challenges.

One view, many viewpoints

Data migration is not just a series of technical considerations (i.e., data that was on premises is now in the cloud). At that level it would be no more than a technical upgrade.

That's why you need to approach cloud working from a business perspective, too. Your business case needs to focus on the company, returning business value back to the organization as revenue. And the closer it is from a revenue generation perspective the more impact it will have, delivering quick wins to enhance the day-to-day performance of the business.

Revitalize your company culture

That impact is crucial for maintaining progress toward corporate goals. In general, banks and commodity houses are trying to find use cases that will enable them to monetize their cloud-based data and, because it's very close to revenue generation, mobilize company forces.

As soon as data is in the cloud and the firm sees revenue developing as part of the business case then, immediately, cloud becomes part of your company DNA. This underlines the fact that cloud migration needs to be approached from a business perspective as well as from a technical, data integration standpoint.

Thinking outside the channel

Take an insurance business, for instance. Today, if you want to buy insurance, you visit comparator websites which show you various products and prices. But what if you want to buy an option or swap? The choice doesn't exist. Some treasury businesses are experimenting with making their product pricing data accessible by third parties, to create new revenue channels so that SMEs and wealthy people can buy their products via a phone app or website.

Handling sensitive data

Or, how about a commodities house where, let's say, an oil tanker is moving from point A to point B. If the weather worsens or some kind of issue occurs, the contract can be readjusted on the fly. Now, the tanker is free to move its cargo via a new route to a different harbor destination, instead of having to wait for weather conditions, or whatever, to improve. It saves a great deal of money and provides a better user experience. So, here, we're dealing with sensitive data concerning pricing and the delivery of commodities, but it's feasible because there's immediate value for the business.

Commit to data integration

Cloud is on the critical path of every financial institution's digital strategy, and decision-makers know they will have to commit to that journey eventually. So, if that's clear to senior management, they will also understand that it's better to start sooner rather than later. In addition, they will realize that they need to be visible, sponsoring initiatives and making decisions on the arbitrage, to help middle management resolve challenges while focusing on the practical benefits of cloud adoption.

Build a better business

It's important to draw on the experience of experts, working with partners who have established a sound framework for round-the-clock data security, and have the knack of getting it to function reliably across the board.

There's one other initiative which delivers a ton of value. Injecting more intelligence into cloud data via AI, ML, DevOps and all this tooling, increases your ability to leverage that data and build better business outcomes.

Let's talk

If you'd like to learn how Luxoft can help you plan and execute your cloud migration recipe with the perfect mix of IT and business ingredients, visit luxoft.com/capital-markets or contact financialservices@luxoft.com while it's still on your mind.



About **the author**



Ihyeeddine Elfeki

Global Lead, Trading and Risk Solutions
Luxoft

Ihyeeddine has 20 years' international experience delivering technology and business solutions to capital markets and financial services, with proven success. His track record of delivering optimal results in high-growth environments through initiatives that exceed operational performance targets and yield measurable outcomes, is exemplary. In 2016, he joined Luxoft's London office to lead the Trading and Risk Solutions practice, first in EMEA and then globally. Ihyeeddine has led several deals with banks, asset managers, treasury and commodity businesses, playing a key role in steering their transformation journeys.

About Luxoft

Luxoft is the design, data and development arm of DXC Technology, providing bespoke, end-to-end technology solutions for mission-critical systems, products and services. We help create data-fueled organizations, solving complex operational, technological and strategic challenges. Our passion is building resilient businesses, while generating new business channels and revenue streams, exceptional user experiences and modernized operations at scale.

luxoft.com