

EXECUTIVE CHECKLIST: OPEN BANKING

BROCHURE

MODERN, OPEN BANKING WITH APIS

Modern banking has become synonymous with the modernization of legacy systems. To continuously improve customer experiences, banks must break down monolithic, institutionalized processes and create a culture that spawns innovation from anywhere. But while 90% of banks are already on their path of transforming to be more digital, only 8% are considered disruptors due to their high levels of digital adoption.¹

An open application programming interface (API) environment has become a critical part of modern banking technology strategy. Whether private, partner, or public, open APIs are the necessary building blocks that define an agile, modular application development environment. This environment allows banks to quickly build applications, respond to new application needs, and deliver new banking products and services to consumers.

The difficulty for many banks is that their APIs tend to be one-offs, often stalling in the lab because of roadblocks to open banking efforts. Use the following checklist to help you assess your needs and determine your priorities when planning an open banking strategy.

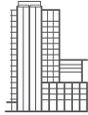
SKILLS AND SUPPORT

Only the largest global banks have the internal capabilities necessary to build and deploy an open API ecosystem. Many will have to rely on technology partners to fill the skills gap.

- Are your teams aligned to specific domains? Can you quickly form and reform cross-functional teams based on changing needs?
- How are you attracting developer talent? Are you promoting open source community contribution? Is your approach different with your ecosystem partners or emerging technology projects?
- What incentives have you created to encourage sharing lessons learned from prototyping successes and failures? How do you curate the knowledgebase?
- What are the top three critical questions you ask when deciding to build, buy, or rent technology? How does that change when considering technology acquisitions?

¹ IDC infobrief, "Beyond banking through open APIs." July, 2018.

<https://www.redhat.com/en/resources/banking-digital-transformation-open-api-idc-infobrief>



ABOUT RED HAT

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TECHNOLOGY FOUNDATION

Changes are typically made to grow, simplify, or protect the business. Doing all three simultaneously depends on the mutability of the technology foundation used for API applications.

- How are you separating organizational intellectual property associated with your products and services relative to the technology used to provide them?
- What is your cadence to assess how easy it is for your developers to access and use the data, tools, and systems they need?
- What standard recipe does your team follow to build microservices-based architectures for individual components? How independent are the life cycles?
- What is your process to solve issues that arise as you work to build your technology foundation?

APPLICATION DEVELOPMENT AND DELIVERY PROCESSES

Governance of an open API environment is a foundational requirement. Access to bank data by third parties—for example, with Europe's PSD2 regulation, policies, procedures, and management gateways should be considered part of enterprise open banking strategy.

- Are you able to design for different consumer segments and distribution channels? At the line of business? For enterprise offerings?
- What is the minimal level of functionality required? How does it compare to alternatives?
- How easy is it for new collaborators to use your APIs? Are the APIs well documented? Are there code snippets? Are there sample applications?
- What guidance is provided for security throughout DevOps? What can be automated?

MEASURE THE VALUE OF OPEN BANKING

How do you know when you are successful? Many financial institutions measure the success of open banking initiatives on the extent of digital marketplace participation.² However, success needs to be aligned to business objectives.

- Are you able to define different rate structures and fees for different segments?
- How do you measure successful developer and partner adoption? Do these measurements align to your preferred programs?
- What are your transaction objectives? Do they change with legacy systems? What are your automation initiatives?
- What key performance indicators (KPIs) do you use to measure the success of your open banking strategy?

LEARN MORE

Red Hat helps financial organizations adapt their business to new, open digital ecosystems. In fact, 100% of commercial banks in the Fortune 500 rely on Red Hat.³ [Contact us](#) to see how we can help you get started.

² IDC infobrief, "Beyond banking through open APIs." July, 2018.

<https://www.redhat.com/en/resources/banking-digital-transformation-open-api-idc-infobrief>

³ Red Hat client data and Fortune 500 list, June 2018