

Cloud Messaging

Modern Cloud Messaging Platforms Support SAP Migration and Digitalization in the Banking Sector

The digital transformation has presented big challenges for banks and financial institutions. In an increasingly dynamic environment, they are forced to reposition themselves and modernize their infrastructures. According to Gartner¹, companies across the banking and investment sector are currently allocating new or additional financial resources primarily to integration technologies and cloud migration. After all, to ensure future viability, outdated structures with distributed instances, servers, and systems need to be consolidated and standardized.

At the same time, disruptive market adjustments and up-and-coming startups, especially fintech companies, have been pushing their way into the financial sector, causing the cost pressure on established banks to increase. And customer requirements have changed significantly in recent years – most customer communication is now digital. To maintain their competitive edge, traditional financial institutions must quickly change the way they communicate with customers and embrace the new reality. Ideally, they should employ cross-application, end-to-end processes for automated, personalized, and customized digital customer communication.

¹ Gartner 2023 CIO and Technology Executive Survey

Financial institutions must
change the way they
communicate

Efficient Messaging Processes from the Cloud

Integrated enterprise cloud messaging platforms greatly speed up the flow of customer communication. And with the support of a specialized cloud messaging provider, even the most critical internal and external communication processes can be transferred to the cloud, and secured by means of individual service level agreements (SLAs).

However, the typical advantages of using standardized interfaces and real-time data processing for applications – and process-related connection to and from cloud applications – can only be fully leveraged if the underlying communication landscape is set up precisely for this. For example, modern banking omnichannel applications can then be seamlessly connected, and digital interactions with interlocking messaging solutions can be implemented. Companies using these solutions can benefit from lower costs compared to self-operated messaging infrastructures. They will soon see that keeping legacy infrastructures operational requires enormous financial and personnel resources, resulting in high operating costs.

Cloud messaging platforms are typically based on a cost-efficient, pay-per-use model, and enable the consolidation of legacy infrastructures and data centers, significantly reducing ownership costs. At the same time, they can be scaled as needed and support high delivery rates, even if volumes increase rapidly. This ensures that messages reach recipients quickly and reliably, facilitating smooth communication between financial institutions and their customers and partners at all times.

Messaging providers should offer
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interfaces

Interface Expertise Required

A messaging provider should offer complete and flexible interfaces to ensure the end-to-end connection of SAP On-Premise, SAP Cloud, and non SAP applications. Ideally, they should also include BC SMTP and BC RFC interfaces for S/4HANA or legacy systems, for example, as well as REST APIs available as OpenAPI and SMTP adapters for cloud applications. The SAP Business Technology Platform (SAP BTP) can be used to connect to cloud APIs. Messaging connectors with OpenAPIs can be easily set up via the Integration Suite. They can then be used again and again for rollouts, reducing implementation costs. Modern reporting APIs based on GraphQL, for example, can query individual and exclusively relevant data referring to a specific moment. This reduces the resources needed for data consumption and lowers costs.

A Messaging Platform for Digital Communication

Secure authentication during registration and access is a basic requirement for the mobile services increasingly demanded by customers. To ensure this, financial institutions increasingly rely on email and SMS messages requiring a wide range of customer interactions, such as double opt in confirmations, two-factor authentications, email and password verifications, as well as password resets. These messages are triggered directly from SAP applications such as SAP Omnichannel Banking, SAP Service Cloud, SAP Sales Cloud, and from customer databases. They have the most stringent requirements for data protection, data security, scalability, reliable delivery, and global coverage. When selecting a cloud messaging platform, banks should therefore ensure that the provider also meets these requirements.

New adaptive technologies in messaging — such as smart delivery optimization for email delivery — also ensure that messages reach their recipients, even as the number of emails sent by banks continues to rise. These technologies reduce the number of service cases and lower the risk of being blacklisted or of damages to the company's image.

Providers specializing in cloud messaging services achieve this by automatically regulating how messages are delivered and received by internet service providers (ISPs). Comprehensive reputation, authentication, and carrier management is also important, especially when email and SMS volumes are high.

Document Digitization

Reliable fax

plays a crucial role in exchanging sensitive documents

Due to regulatory requirements, the use of fax to transmit documents is still an indispensable part of numerous processes in the financial services sector. Reliable fax communication plays a crucial role in exchanging sensitive documents, such as for loans, car leasing contracts, and mortgages, as well as in payment transactions with notarial documents or in OTC trading. This is where cloud fax services come in, replacing outdated fax infrastructures.

One advantage is that applications communicating via cloud fax are connected to the provider's messaging platform using encryption. Another is that incoming fax documents are already available in digital form. Using document recognition, documents can thus be read out in a single, consolidated process together with documents from other communication channels, such as email or file exchange. And they can then automatically be changed into a desired SAP target format, using intelligent processing. In addition, delivery reporting data can be enriched in SAP reporting and analysis applications. The reporting data generated when documents are received and sent can also be used for subsequent processes, such as automated and personalized service information.

Reliable, secure, transparent,
traceable, legally binding,

and fully compliant

Data Security and Data Protection

In the banking and financial sector, it is of particular importance to transmit all sensitive information in a way that is reliable, secure, transparent, traceable, legally binding, and fully compliant with current industry and data protection regulations. That's why relying on service providers with the highest data protection requirements and compliance standards baked into their DNA is so important.

For multinational financial institutions working with clients in Europe, Asia, or the Americas, cross-border data protection and processing is also highly important. Certifications such as PCI-DSS are mandatory for processing payment transactions, while for the legally compliant processing of sensitive data, certification in accordance with ISAE3402 / SOC1 Type II and ISAE3000 / SOC2 Type II is essential. Specialized service providers like Retarus hold these certificates and also process all data in 100% GDPR, CCPA, and PIPEDA-compliant local data centers, that can be audited at any time. Ideally, they are also enabled for SOX, GBLA, MIFID II, or other digital record-keeping compliance obligations.

Summary

As banks increasingly strive for modernization and automation, they need a customer-centric enterprise cloud messaging platform that adapts to the ever-changing financial landscape. Moving to cloud services can help banks make business processes more efficient and secure, reduce costs, provide customers with state-of-the-art services, and replace outdated fax servers. By using the appropriate connectors, modern cloud solutions can also be easily connected to any standard SAP system. A cloud-based platform offers banks significant advantages in communication, most notably when it provides solutions for all relevant communication channels such as fax, email, and SMS from a single source.

Cloud services

make business processes
more efficient

Further information can be found at:

www.retarus.com/us/sap