5 strategic benefits of cloud-native development for banking

"Being an enterprise with many years of history is not a guarantee of success. Adapting quickly to this digital transformation is a must for our organization. The moment is now — tomorrow could be too late."[1]

José María Ruesta
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Introduction

The banking industry, like many others, continues to undergo a cloud-based digital transformation. Moving faster and quickly adapting to change is necessary for success. An implementation approach that is faster, more agile, and scalable is crucial to creating experiences that can be more easily deployed, helping to achieve business priorities and satisfy customers.

The promise of cloud deployment relies on new methodologies and processes. Cloud-native application development features a service-based architecture using microservices, containers, and application programming interfaces (APIs). Organizations can break down unwieldy, monolithic applications into discrete components, each of which can then be built, scaled, and maintained independently. The benefits include faster time to market, enhanced and continuous solution development, greater collaboration between teams, and built-in flexibility to more easily comply with regulations.

5 benefits of cloud-native application development for banking

Speed and flexibility

The banking industry has been built on legacy technology infrastructure. These systems, while proven, are slow to adjust and can be inflexible. With new applications and service delivery models transforming consumer banking, cloud-native development helps banks adapt. Bringing applications to a modern container-based platform accelerates development and eases automation, reducing time to market. Also, by identifying application components where microservices and APIs can be used, banks can speed integration with legacy applications, even for specific app features.

Reusability

Cloud-native applications provide a ready-to-use infrastructure that allows developers to access and share existing components such as caching services, APIs, data virtualization, rules, and workflow engines as common services. This approach dramatically reduces development complexity. Reusability helps developers focus on the functionality of applications instead of building the common framework.

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1 *Red Hat web success story. "BBVA builds fully automated cloud platform to better support customers," May 2018*

On-demand infrastructure

Rather than having business units build their own separate environments to develop applications, each requiring its own IT support, cloud-native development models promote on-demand provisioning. Developers throughout the organization can access the infrastructure they need, when they need it — all commonly managed. A cloud-native development approach based on containers and including orchestration technology can provide developers with the control, visibility, and self service that they want, while IT organizations have a consistent platform for ease of maintenance.

Continuous integration/continuous delivery (CI/CD)

To keep pace with the demands of customers' needs and development team production schedules, banks need a reliable way to push code changes into production rapidly, while still getting feedback from those changes and avoiding integration issues and unresolved dependencies. Cloud-native development models employ a CI/CD deployment methodology that can improve the delivery of code changes, allowing modifications to be made more frequently. In addition, CI/CD streamlines the deployment of applications reliably and consistently, while automating testing and security compliance. CI/CD helps banks deliver cloud-native applications faster, without impacting operational capacity.

DevOps culture

To adopt a cloud-native approach and maximize efficiencies, development teams, IT teams, and business lines will need to partner and collaborate, linking application development to IT operations (i.e., DevOps). In some instances, this shift can represent a culture change away from step-by-step, segmented development practices to a more interconnected, agile methodology. While new tools and technology can help break down the barriers that monolithic processes have created over time, a DevOps culture is predicated on collaboration.

## Building a cloud-native development organization

Choosing the right cloud-native development platform can help banks quickly deliver applications without sacrificing quality, reliability, or security. Continuous delivery approaches automate quality testing at every step of the process, rather than waiting until late in the development cycle or having to retest when the cloud infrastructure changes.

Red Hat® OpenShift® Platform, combined with our cloud-native integration and automation technology, creates a foundation of enterprise open source software technologies that empower developers to design, develop, deploy, and integrate cloud-native applications across any cloud infrastructure. Our container platform supports banks in their cloud journey, introducing a modern DevOps methodology while providing the flexibility to build and run scalable applications regardless of environment.

Learn more

Discover how cloud-native application development can help your organization build new applications, get more value from existing applications, and adapt to modern best practices. Read more about cloud-native application development.

About Red Hat
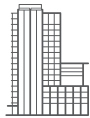
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