

Why mainframe migration for financial services is a sound investment

Is your financial services firm feeling the pressure to create seamless digital experiences for customers and employees that work on multiple platforms and devices? Are quick, easy-to-use, online services from nimble financial technology (“FinTech”) competitors stealing your customers? How are you balancing demands for digital transformation and customer-centric products with the need to maintain the mainframe running your core business systems?

Technology-savvy consumers and a new breed of competitors have resulted in new roadblocks for banks, credit providers, investment firms and others in the financial services industry. Digital transformation offers a way to break through, a fact that is recognized by many in the financial services sector, especially banks and investment firms. In a 2018 Forrester survey of global financial services decision makers, 81 percent said they planned to begin, or are already working on, a major transformation project.¹

So, what’s holding them back? In many cases, it’s scale. Providing digital services means a dramatic increase in online, web, and mobile transactions, queries, and risk analytics, which can strain company infrastructure. The result can be periods of downtime or even business disruption. To avoid performance issues that could harm business and process millions of new transactions, financial services companies need to shore up their infrastructure and prepare for short-term rapid increases in processing.

¹Jost Hoppermann, Forrester, “True Digital Banking Drives Interest in Core Banking,” April 2018, <https://www.forrester.com/report/True+Digital+Banking+Drives+Interest+In+Core+Banking/-/E-RES140051>



The barriers to digital transformation in financial services

In 5–10 years, says Forrester, banks and other financial services firms without state-of-the-art digital services will lose out to competitors.¹ Some might be out of business. In the retail banking space of financial services, it's already happening as branches shut their doors because customers are choosing to do business with competitors who offer a quick, simple digital experience.

If your financial services firm has been around for years, or even generations, you've probably invested millions of dollars in your legacy IT systems, all of which are affecting your agility. And the biggest gobbler of your budget is the mainframe—the home of those core legacy systems. According to a report from Boston-based research and advisory firm Celent in 2017, 77 percent of financial services IT budgets are spent on maintenance.² Most of that spend is on the mainframe.

Think about it. Maintaining, fixing, and patching your mainframe to meet customer digital expectations and handle unpredictable and heavy workload demands can quickly drain your resources. Not to mention the major impact on the performance of transactions, accounts, loans, and customer experiences. Decades of legacy system accumulation has woven a tangled web of interdependencies that can make data standardization and migration difficult, labor-intensive, and expensive.



Mainframe migration to the rescue

OpenFrame from TmaxSoft gives you the freedom to migrate your legacy mainframe applications on Linux, Unix, Docker Containers or the public cloud. When you migrate your legacy applications, you not only see significant cost savings, but you also get the greater flexibility needed to drive and deliver instantaneous, highly personalized experiences similar to those on mobile devices to consumers, investors, mortgage brokers, capital markets, major accounts, and more.

USE CASE

Major credit provider migrates mainframe with TmaxSoft OpenFrame

BENEFITS

- Annual run costs decreased by 66%
- 100% faster processing, 240% reduction in DR time
- Application footprint decreased by 78%
- Response time of 200 milliseconds
- New migrated platform supports growth and innovation (SOA, cloud, and more)

¹Aurelie L'Hostis, Forrester, "The State of Digital Banking, 2018," February 2018, <https://www.forrester.com/report/The+State+Of+Digital+Banking+2018/-/E-RES140252>

²Adrian D. Garcia, "JPM, Big Banks Spend Billions on Tech But Innovation Lags," July 27, 2018, <https://www.bankrate.com/banking/jpm-big-banks-spend-billions-on-tech-but-theyre-still-laggards/>

Mainframe migration enables you take your existing mainframe assets and move them to the cloud or on premises quickly and with minimal risk. Your applications work as-is on an open system such as Linux. There are no changes to the underlying business logic or user interface. There is no negative impact on the enterprise or on the measures you have in place to address regulatory compliance and data security, and it requires minimal training. Because the operating systems are open with multiple database and utility options, they integrate with the new technology required to achieve a competitive edge in the financial services sector.



What does mainframe migration offer financial services?

If you choose to migrate your mainframe, your financial services firm will benefit from:

- Average deployments of 6 to 12 months – ensuring a very rapid ROI
- Supports COBOL, Assembler, PL/I, Easytrieve and more legacy technologies
- Deploys on AWS, Azure and Google Cloud environments
- Allows for significant reduction in annual run costs for increased investment in innovation
- Enables horizontal and vertical scalability to deliver extremely high performance
- Uses your existing workforce and skillsets
- No change to the end-user experience or application business logic
- Supports both containers and virtualized environments
- Modernizes from a monolithic mainframe to a multi-tiered cloud-ready architecture
- Measures in place for regulatory compliance remain unchanged

USE CASE

Global bank migrates mainframe with TmaxSoft OpenFrame

BENEFITS

- Reported a significant increase in performance and reliability over the mainframe
- Migrated 49,300 programs and 16 million lines of code from the mainframe
- Accomplished 600 MIPS project in 9 months
- High performance and reliability during mass transaction processing



What is needed to reduce or eliminate your mainframe footprint?

Partial migration: Reduce or re-platform peak MIPS

If you anticipate keeping your mainframe running for several years, OpenFrame can be a great solution to offload a portion of your batch or online applications to help reduce your peak MIPS and reduce your overall mainframe run costs.

Mainframe Replacement: Move all workloads to a distributed environment

OpenFrame can fully support the move of all your legacy technologies to the public or private cloud. Completely eliminate your z/OS environment and take full advantage of the flexibility and benefits that an open system/cloud environment can deliver.

Want More Reasons for Migration?

For more details on the benefits and drawbacks of upgrading, rewriting and migration, [check out this eBook](#).

