

# TURNING INNOVATION TO YOUR ADVANTAGE

The financial world is being shaken to its core. From virtual and embedded experiences to digital assets and decentralized finance, innovations are appearing faster than ever. **How do you find your feet on ground that's constantly shifting?**

Based on a survey of 875 senior executives from banks, insurers, capital markets firms and fintechs, The Global Innovation Report pinpoints the innovations you need to watch – and the strategies to help you turn them to your advantage.\*



## The impact of innovation is widespread and long term.

More than three-quarters of senior executives say major innovations will affect their businesses in the next 12 months. And these aren't passing fads; the impact is sustained or even grows over the next three years.

### Innovation will impact my organization



Embedded finance

Next 12 months

83%

Next 3 years

83%



Cryptocurrencies\*\*

81%

81%



Decentralized finance

81%

84%



The metaverse

79%

83%

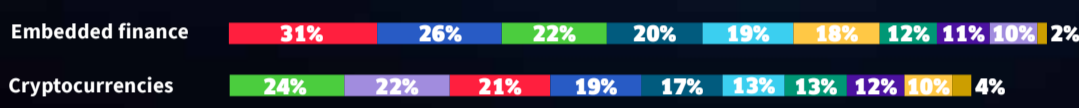
**All four trends have the potential to upend business models, posing a real challenge for financial services providers.**

**While these technologies will require industry participation and regulatory clarity to move to the mainstream, the seeds of innovation have already been sown. So, you need to understand the implications of these technologies now to avoid being left behind.**

Tony Warren, Executive Vice President and Head of Strategy and Solutions Management, FIS

### How innovation will affect my organization

- Increase competition
- Decrease competition
- Increase risk
- Reduce risk
- Increase operating cost
- Decrease operating costs
- Change sales and/or distribution models
- Strengthen customer relationships
- Weaken customer relationships
- Drive revenue



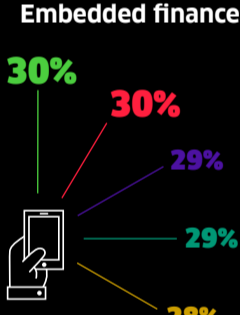
## Innovation fosters growth.

Some firms are already embracing these innovations – because they see the opportunities. From improving their brand and increasing their competitive advantage to strengthening customer relationships and attracting new customers, the advantages of acting now are clear.

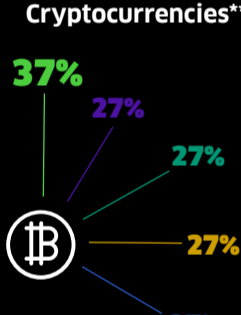
### Top reasons to offer or develop related services

- Improve our brand, image or reputation
- Increase or preserve competitive advantage
- Retain customers and/or strengthen relationships
- Access or attract new customers
- Increase revenue
- Potential returns from price appreciation
- Stimulate innovations
- Gain early adoption advantages

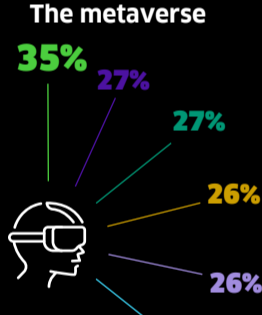
Embedded finance



Cryptocurrencies\*\*



The metaverse



## Meanwhile

**71%**

of firms that are actively researching opportunities in DeFi say it presents a significant growth opportunity for their organization. This suggests that those who choose to explore DeFi in-depth today could reap major rewards from this potentially disruptive trend.

## The opportunity is clear. What about the strategy?

Let's look at the executives who believe innovation will have a major impact on their organization over the next 12 months.

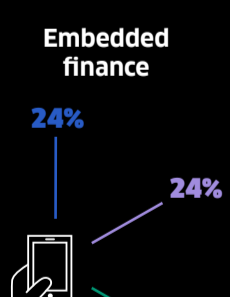


When asked how they are responding, three strategies come to the fore: **adopting new technology, augmenting skills and increasing budgets.**

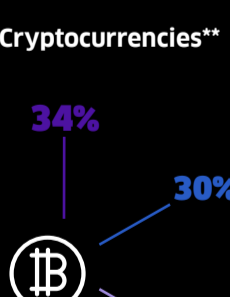
### Most popular strategies

- Build new technology
- Purchase new technology
- Increase technology budget
- Hire people to add skills or knowledge
- Seek partners to add technology capabilities

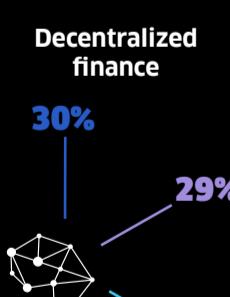
Embedded finance



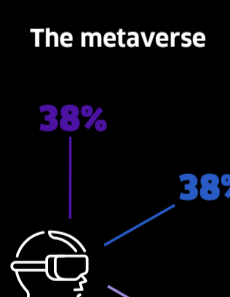
Cryptocurrencies\*\*



Decentralized finance



The metaverse



## There's no time to waste.

These firms are already taking action. And no wonder. Embedded finance, DeFi, crypto and the metaverse are all significant industry transformations and they're developing faster than previous innovations.

**How do you make sure you're keeping pace, especially when your closest competitor isn't a bank down the street but a retailer halfway around the world – or even a virtual trading post in the metaverse?**

Melissa Cullen, Head of Strategy – Banking & Payments, FIS™

### Harness these innovations now to strengthen relationships and drive revenue tomorrow.

You're facing more pressure and uncertainty than ever. But those who make the right choices from the plethora of new technologies, innovations and trends at their disposal will dominate the markets of the future.

Only FIS has the technology and expertise to navigate the entire ecosystem. With open fintech, streamlined solutions and the as-a-service model, we help you embrace these innovations with confidence and speed.

**CONTACT US TODAY** to learn more about The Global Innovation Report 2023 or

**EXPLORE THE FULL FINDINGS** to assess your strategy.

\*All data is based on a survey of 875 executives from banks, insurers, capital markets firms and fintechs in North America, Europe, APAC and Latin America. The survey was conducted by Longitude Partners on FIS' behalf between June and September 2022.

\*\*Includes stablecoins