snowflake®

DATA + AI FOUNDATIONS IN THE CLOUD FOR FINANCIAL SERVICES

A Financial Services Executive Survey

CHAMPION GUIDES

EBOOK

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INTRODUCTION

A MESSAGE FROM SNOWFLAKE SVP OF AI, SRIDHAR RAMASWAMY

This year, no other topic has captured the imagination of the financial services industry more than generative AI (gen AI). As we enter this new era of computing, gen AI continues to accelerate at lightning speed with advancements happening in the span of weeks, giving rise to greater systemic implications across the financial services ecosystem. The industry is racing to gain a commercial advantage, creating an explosion of powerful open source and commercial LLMs within its organizational tool kit. However, gen AI adoption is simultaneously creating further debate around the benefits and risk associated with implementation.

There is, therefore, a newfound urgency for banks, asset managers, insurers and payment providers to understand how to deploy gen AI technologies meaningfully to maximize business value, address risk concerns and meet customer expectations. But before an organization can implement an AI strategy, it must build the foundations of a solid enterprise data strategy.

For this reason, we have conducted an industry-wide survey to learn how financial services organizations are modernizing their data experiences and harnessing business value enabled through the cloud. We are hopeful that the insights we continue to gather from our industry stakeholders will give us a better understanding of the priority use cases, business outcomes and AI implementation to ensure new value creation and bottom-line impact across the financial enterprise.

Dive into the data and consider what success looks like for your cloud, data and AI transformation journey.

Sridhar Ramaswamy
SVP of AI, Snowflake

EXECUTIVE SUMMARY

In Snowflake's first **Financial Services Executive Survey**, we canvassed the views of more than 300 C-Suite leaders, including CIOs, CDOs and senior-level technology executives from the world's leading financial firms to capture the pulse of the industry on cloud data competency.

This report is divided into chapters that provide insights from our respondents. Key findings include:

CLOUD TRANSFORMATION

- The top three reasons cited for cloud migration were cost (55%), business agility (50.2%) and tech debt (16.7%)
- More organizations were adopting multi-cloud strategies (37%) vs. hybrid (34%), single (14%) or private cloud (14%)
- For organizations choosing multi-cloud strategies, their decision was based on three key factors: access to the best individual solution providers (67%), flexibility to negotiate costs (44%) and access to modular flexibility in a data platform capability (36%)

ENTERPRISE DATA AND AI STRATEGY

- For financial data consumption, enabling data science and AI workloads (34%) and the ability to share or collaborate with users (34%) on a single data platform were the two features organizations were most interested in
- Most organizations will dedicate investment in cloud data managed platform services (67%) for their future data and AI strategy ambitions

COST OPTIMIZATION AND ECONOMIC VALUE

- Organizations are using up to 40% of their data spend on data management alone
- More organizations believe they will deliver on their future data cloud strategy in 2–5 years (48.7%)
- There is a business urgency, with organizations either implementing business use cases now (31.5%) or within the next 12 months (43.4%)

CHAPTER 1:
THE STATE OF THE NATION

Macroeconomic factors will reshape businesses in the coming years as growth expectations continue to shift. It is a turbulent market environment characterized by higher interest rates, greater geopolitical risks and increased regulatory scrutiny, and the financial services industry is navigating a number of challenges, often pivoting to demonstrate business value and outcomes. Cost pressures increase as shareholders demand that firms continue to show margin even in more challenging environments. Competition escalates as organizations expand into new geographies and digital challengers look to take market share. Also, the battle for new customers and retention has intensified, with organizations augmenting their offerings to improve customer experiences. Meanwhile, how organizations adopt emerging technologies like **Generative AI** is driving focus on new investment priorities, altering the business operating model and compelling new use case implementations throughout these organizations.

Notwithstanding, we are seeing the financial services industry recalibrate business operations to manage economic impact, adapt and grow more resilient in the face of changing market dynamics and evolving business challenges. Most notably, financial organizations are investing significantly in big data, analytics and AI capabilities to support their longer-term business growth strategies. **Reports** show that by 2025, global data creation is projected to grow to more than 175 zettabytes. Notably, the financial services industry is the most prolific adopter of big data and analytics among sectors globally and will consider ways to harness and manage data effectively for analysis, insights and AI initiatives.

Finance and data are inextricably intertwined, and as financial data becomes digitized, new business use cases emerge and AI-enabled workflows become more prevalent, technology teams have to modernize their technology infrastructure and systems, employing the cloud as a primary mechanism to meaningfully use and manage the explosive growth of big data and the intensive compute requirements of the industry. Consequently, companies of all sizes and strategies are choosing to increase their investment in cloud infrastructure. Gartner **estimates** that spending by cloud providers on new servers will grow 16.6% as they build out capacity in data center facilities. Overall global technology spending is set to top an eye-watering $4.5 trillion.

Today, with the arrival of generative AI, the financial services industry is intensifying its focus on data and the cloud capabilities that will help democratize access to insights, analytics and data science—both internally and externally. But for organizations to successfully implement an AI strategy or future generative AI use cases, organizations must institute a comprehensive enterprise data strategy that is deployed in the cloud to leverage flexible storage, secure data governance controls and elastic computation. Failure to implement a sound data strategy may lead to challenges such as data access, limited data protection and privacy, exposure of intellectual property, algorithm basis and AI hallucinations. Recent industry-wide excitement around generative AI is driving new possibilities for corporate innovation and realizing an expansive number of use cases to drive productivity gains and efficiencies across the organization. Fundamentally, however, data remains critical to power these emergent technologies.

#Snowflake Insight:

Time compression matters to an industry that is built to compete

"Ultimately, organizations are looking to achieve improved customer and commercial outcomes with speed to market. With demands for data higher than ever, driven by ambitions to deploy AI and generative AI applications, the opportunity cost is rising for firms that stick with legacy technologies; they need to leverage the value of cloud technology to improve the propensity for data insight and support the data-rich needs of today's customers. Be it quant researchers seeking to analyze more data to backtest strategies, banks striving to create a new suite of sustainable finance solutions or underwriters seeking to price risk more accurately, they all need to power workloads on the cloud with flexibility, scale and performance to deliver business outcomes."

—RINESH PATEL,
Global Head of Financial Services, Snowflake

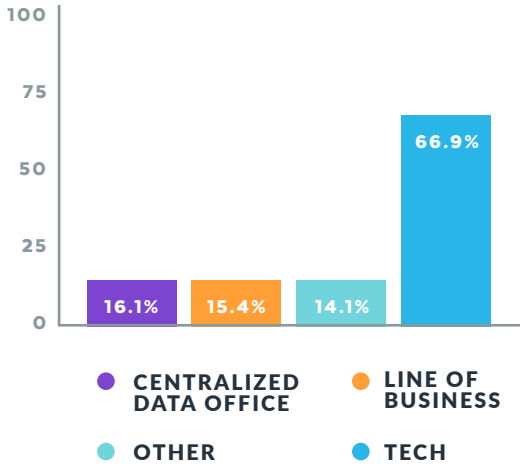
CHAPTER 2:
INDUSTRY CHALLENGES AND DECISION COMPLEXITY

The world's leading financial services organizations have broadly adopted cloud technology to support infrastructure capability, but the pace of transition to cloud progresses unequally. Some firms will see their journey to the cloud blocked by legacy technologies and accompanying data architectures. For many organizations, this will prove difficult to scale and meet modern-day performance goals. In this chapter, we highlight some of the key challenges financial services organizations face, learnings we can apply from our initial analysis and some emerging themes coming from that data.

Current and ongoing data and technology challenges reflect the level of complexity involved with cloud transformation processes. Organizations are faced with several important decisions and considerations. Who owns the decision-making process is a major consideration, as these decisions can sit in the technology office, a line of business or elsewhere.

We asked people who are making investment decisions inside the organization the following:

Which team within your organization is primarily responsible for cloud investment decisions?



#Snowflake Insight:

Cloud decision-making is changing rapidly, and business leaders want deeper engagement

"The financial services industry must address the new post-pandemic reality: digital delivery of services is expected. Line of business owners want to own and enhance the client experience, which means they will search for capabilities to mobilize proprietary data and modeling strategically to extend competitive differentiation. Secure and governed delivery of these intellectual capabilities via the cloud ensures an improved data lifecycle, enhanced speed and a frictionless data experience."

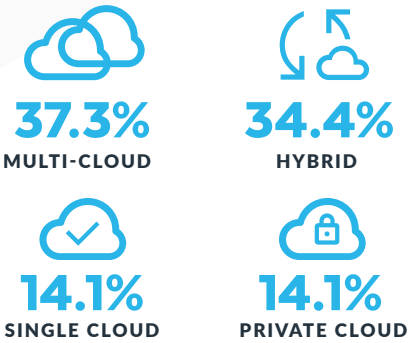
—JAMES MCGEEHAN,

Head of Banking and Capital Markets, Snowflake

While most organizations (66.9%) mention that their technology teams are primarily responsible for cloud investments, research indicates that other parties are becoming more influential in the decision-making process—from the line of business to the centralized data office. We're seeing a gradual shift in decision-making responsibility, reaffirmed by analyst reports that show technology innovation is no longer solely the province of CIO departments. There's a particular focus on lines of business that are investing directly and gaining strategic decision-making authority.

Another consideration that organizations must make in their cloud transformation journey is whether to adopt a multi-cloud strategic approach to their data strategy.

Which of the following cloud strategies are you adopting, or have you adopted, across your organization?



**This question was a multi-select answer*

If you chose multi-cloud, what are the key reason(s) for adopting such a strategy?

- **67%:** Ability to select the best individual solution providers
- **44%:** More flexibility to negotiate costs
- **36%:** Modular flexibility
- **38%:** Segregated infrastructure leading to overall security
- **21%:** Less reliance on a single vendor and greater operational resilience

More organizations selected multi-cloud strategies (37.3%) than hybrid (34.4%) or single cloud (14.1%), reflecting smart long-term strategies for both business and technology leaders. Firms can capitalize on relevant services from the best-of-breed technologies on offer from cloud service providers (67%)—and ensure that they are well-positioned to negotiate costs (44%) with maximum flexibility. A multi-cloud approach places leaders in the driver's seat to manage the abundance of available resources and allows a level of visibility and control over cloud usage to best match business needs.

Interestingly, many firms have entered a multi-cloud environment due to their legacy practices of layering services on their cloud environments. As such, multiple security settings and data repositories are confusing and complex to manage. Technology leaders must manage duplicative technology services and applications, creating a higher cost burden.

#Snowflake Insight:

Moving to multi-cloud is a complex choice beyond technological considerations

"We see a variety of reasons for moving toward a multi-cloud strategy. The potential advantages for technology buyers are multifold—choice of preferred solution providers, better cost considerations and flexibility outcomes. A key advantage of multi-cloud capability is the way in which businesses now have the ability to move toward better commercial outcomes. The industry is understanding that institutional clients are going multi-cloud in order to service key customers in terms of distribution and data experience."

—NATHAN ATTRELL,
Head of Financial Services, EMEA

Organizations that are operating on a single cloud or have yet to consider multi-cloud will be met with the present-day limitations of data portability and the unintended creation of data silos within geographies and the services provided by localized cloud providers. Over time, many organizations will look for additional applications and use cases to support evolving business needs. For the largest enterprises, cross-cloud capabilities have been a result of organic growth and M&A, with enforced interoperability requirements for many.

Regulators are providing an additional pull factor. The Digital Operational Resilience Act (DORA) introduced last year is aimed at improving security and stability for what it calls IT security for financial entities, such as banks, insurance companies and investment firms operating in the bloc. Multi-cloud is part of a broad push toward operating infrastructure reliability, cost efficiency, interoperability and ensuring regulatory compliance.

When moving to multi-cloud solutions, it is imperative for organizations to decide on and implement a cross-cloud layer. This layer allows the company to analyze all data for decision-making wherever the data is located, ensures business continuity and disaster recovery through cross-cloud replication and performs account migration without data portability concerns.

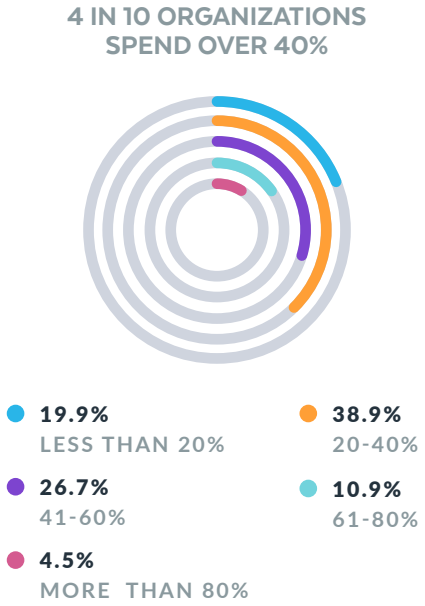
We also solicited responses from our survey respondents about general approaches to data management and the support they required from third-party providers. These were split between cloud data management frameworks (CDMC), in-house and consultancy-based approaches.

As a means of standardizing their approach to data management in the cloud, several of the world's largest financial organizations have adopted the **CDMC framework**.

The CDMC approach focuses on governed access to data in the modern cloud environment. However, the goal of standardization for many organizations is impacted by preexisting processes and the problems inherent in the rigidity of legacy systems. The lack of standardization creates several pain points with data management—inefficiencies and pressure on cost to maintain different systems and settings.

This leads to spiraling costs on data management for organizations to leverage their data. We found that more than four in 10 organizations are using over 40% of their total data spend on data management, an incredible cost burden.

What percentage of your total data spend is spent on data management?



#Snowflake Insight:

Multiple data management approaches add to complexity and cost

"Many financial services organizations have incrementally built in the cloud, bringing in new technologies, solutions and capabilities as new use cases and business priorities emerge. This has created multiple data silos with complex and inefficient data management approaches. These impact collaboration, create departmental barriers, limit wide-scale reuse of shared data and delay time to insight."

—CHRIS NAPOLI,
Head of Asset Management and Wealth, Snowflake

CHAPTER 3:
SOLUTIONS FOR AN ENTERPRISE DATA STRATEGY

Organizations looking to overcome these challenges must first map out an enterprise data strategy. More than six in 10 respondents (63.7%) see the endpoint of their investments as the creation of a fully managed cloud data platform solution to support their key business initiatives.

Where will you dedicate future investment based on your organization's data strategy ambition?

- **24.8%** Investment based on selected business use cases
- **63.7%** Investment that leads to a fully managed cloud data platform solution
- **11.6%** Investment with our existing on premise platform

Most of today's enterprise organizations have a hybrid cloud architecture, which requires an appropriate enterprise data management strategy that transcends the location of data. A managed cloud data platform solution enables the acceleration of business outcomes for the entire organization. These outcomes include the following:

- Single data platform
- Data collaboration
- Unified data governance controls
- Value-added security controls
- Faster query performance
- Built-in product upgrades
- Near-unlimited storage scalability
- Near-unlimited compute elasticity
- Lower ETL/ELT
- Cross-cloud operationalization
- Compliance (e.g., GDPR, CCPA)
- Automated backup and disaster recovery
- Lower costs, assuming cloud costs have been optimized
- Data marketplace
- AI/ML capabilities

#Snowflake Insight:

Address data governance with a stronger data and technology stack built in the cloud

"Data governance allows financial services organizations to protect, store and govern all data in a secure manner. Governance, security, entitlements, lineage, meta dating, cataloging and data domains can be folded into a self-service data access layer for the entire organization. This provides users with a single source of truth for data and transparency into the source and granularity of data: an enterprise-grade data mesh. We want customers to securely share data without losing control of it, while keeping it centrally located and easily traceable. Our customers can perform data cataloging through their own security and governance partners and use any data modeling technique, enabling them to create a customized governance approach."

—CHRIS NAPOLI,
Head of Asset Management and Wealth, Snowflake

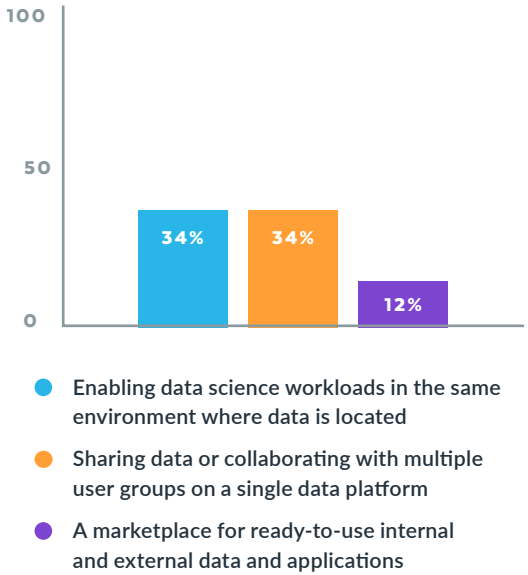
Financial services companies want a unified environment between data access and workflows. Organizations recognize a growing number of use cases where they need to enable access. This can be inside and outside the organization so users and employees can get deeper, more complex analytics without needing engineering teams. In this case, a major part of data democratization is the ability to provide safe, consistent access to both internal and external users.

Generally, technology teams strive to establish an overarching data technology architecture within each organization and its lines of business. To effectively build and manage this architecture, businesses must consolidate key needs and priorities, whether to establish a multi-cloud strategy, a private cloud (an internal cloud platform that's specifically designed to be used by employees and partners of an organization), or a public cloud (an outward-facing cloud platform managed by a cloud provider and primarily intended for public use by customers). The selection of cloud partners, data providers, other system integrations and application partners constitutes a complex and lengthy part of the journey to the cloud for financial services firms operating in an ecosystem. Several options are available to organizations for implementation approaches, from self-service to data mesh.

Snowflake's **Secure Data Sharing** removes traditional data barriers that can arise through centralized data access. Snowflake enables users to share live data from its original location rather than having to copy and transmit data.

Many organizations are still "data sharing" via traditional methods, such as emails, SFTP and APIs. Each was born out of necessity but they don't meet the ever-increasing demand for reduced time to insight, nor do they have the robust components organizations need to query large volumes of data without moving or replicating data to analyze it. Data sharing, as a unique proprietary mechanism on Snowflake, means there is only one copy of the data and it is accessed through a permissions system. This is still on the bleeding edge of adaptation, but first movers are already employing data sharing as a core mechanism for querying vast data sets. These organizations find there is a greater opportunity for them to win market share and deliver products and services faster, improve customer experience, lower client management costs and remove legacy barriers to client servicing.

Which of the following features is your organization interested in using when accessing financial data via a cloud platform



#Snowflake Insight:

Apply modern data sharing for business value creation

"Since it's virtually impossible for any single organization to produce all the data needed to uncover global, market, competitive, consumer and societal trends, organizations are embracing data collaboration. The ability to use Snowflake Data Sharing to access and join data sets in real time, both within and across organizations, allows organizations to realize the true value of data."

—MATT GLICKMAN,
VP Customer Product Strategy, Financial Services, Snowflake

The top two features organizations were most interested to employ from a cloud-enabled data platform when accessing financial data—the application of data science workloads (34%) and data collaboration (34%) between users on a single data platform—reflect the near-unlimited scale and performance capabilities of the cloud that prove so attractive to business and technology leaders.

The third feature most organizations were interested in relates to cloud-enabled data marketplaces (12%). These are evolving as a value-added benefit for organizations that can take advantage of a cloud environment, providing users with query-ready data access. Users can enhance internal data with external data to enrich data analysis and insight. Marketplaces allow consumers the opportunity to simplify their data experience, reducing the time to implementation with seamless access to data sets in a single location. Many also take advantage of the time saved from multiple vendor management processes.

Finally, data that is commercialized through marketplaces can allow organizations to capitalize on new product development and applications, sourcing new data, listing data and purchasing data. This can potentially create competitive advantages for organizations as they can launch with more comprehensive data sets and agilely modify the input information.

Which data sets would you be looking to access via data sharing?

18.4%
PRICING, REFERENCE DATA AND ECONOMIC DATA

17.7%
COMPANY, FUNDAMENTAL AND CORPORATE ACTIONS DATA

16.8%
ALTERNATIVE DATA AND NEWS

16.5%
ESG DATA

**This question was a multi-select answer*

Organizations need to ensure the highest levels of data security and governance for customers and many prefer to do this through a single, interconnected global network. A cloud-enabled marketplace gives industry-leading data providers looking to transform the "try, find, buy" experience to help organizations more effectively access the data that they need. Market reach is extended with a data marketplace as products are available to thousands of organizations in the data cloud. Sales cycles are also dramatically shortened as data can be trialed and purchased with just a couple of clicks.

#Snowflake Insight:

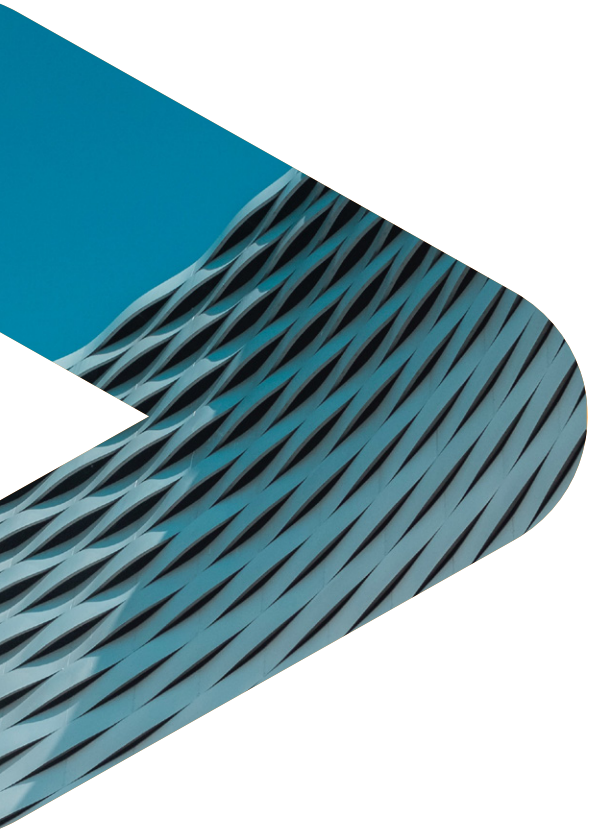
Discover the data potential and the network effect of a financial ecosystem

"Leading financial organizations thrive on data-driven decision-making. With live access to ready-to-query data from business partners and customers, as well as potentially thousands of data sets and data service providers, organizations can leverage the most from the financial ecosystem all at once and accelerate outcomes faster."

—RINESH PATEL,
Global Head of Financial Services, Snowflake

CHAPTER 4:
BUSINESS IMPACT

Ultimately, an enterprise data strategy should help organizations support business outcomes. A well-executed strategy can drive revenue, improve customer experiences and enable new products. But for this to happen, there needs to be alignment between the technology and business sides of the organization.



We asked technologists what they focused on in delivering the needs of their business teams.

What are the primary business use cases your organization is looking to run in the cloud?

- **50.5%:** Cybersecurity
- **38.6%:** Fraud detection
- **33.8%:** Claims management
- **32.2%:** Marketing analytics
- **28.6%:** Risk analytics

Cybersecurity was the most prominent use case for the technology team surveyed in this report. The threat of data breaches or other cybersecurity interests looms large as they drive increased media and regulatory scrutiny. With high-profile cyberattacks affecting global markets recently, technology teams have been spurred to action and are willing to invest. Regulators around the world are tightening requirements; failing to meet international levels of protection can have dire consequences across jurisdictions.

Cybersecurity and fraud detection are priorities for industries, particularly the banking sector. Significantly, financial crime will be incorporated into a broader set of use cases that the industry will capture as part of its risk management considerations; criminal activity has risen and become more global in nature with online and digitalization of banking and payment systems. The importance of finding ways to tackle threats and mitigate such risks requires the industry to invest in AI and machine learning that enables real-time fraud and anomaly detection and minimizes high false positives to improve customer experiences. Firms are also placing greater emphasis on AI/ML and advanced analytics to respond rapidly to sophisticated criminal players that possess knowledge of banking processes, controls and vulnerabilities.

According to the data, there is a common urgency among organizations to deliver against these specific use cases within the next 12 months. However, most of our respondents believe an enterprise cloud strategy will take two to five years to implement.

What time frame are your primary business use cases being delivered against?

43.4%
UP TO 12 MONTHS

18.6%
1-2 YEARS

6.4%
3-5 YEARS

On one front, a level of urgency exists in line-of-business leaders who seek tactical outcomes with the delivery of their data strategy in the cloud within the next year. Many organizations face intense competitive pressure and business leaders are responding by addressing high priority use cases quickly. At an enterprise level, however, organizations are realizing that to deliver upon their future data capabilities in the cloud, they must first spend time re-architecting and simplifying their data processes. By factoring in these considerations and modernizing systems with a target state in mind, organizations are delivering their broader enterprise goals within the next two to five years.

Organizations are on the cusp of their gen AI journey and learning how they can empower business users with gen AI systems using natural language methods. Teams are able to make productivity gains through gen AI tools that harness industry domain knowledge, access internal and third-party data for analysis and reduce time-to-insight. For both technical and non-technical teams, gen AI allows organizations to move with greater agility, versatility and scale to derive code, create data and build models to power use cases on the cloud. Organizations may not see radical change and the business impact of gen AI technology yet, as the realization of use cases takes time and organizations need to contend with a holistic view of what their cloud, data and AI strategy will engender.

#Snowflake Insight:

Business use cases should drive prioritization of data cloud migration strategies

"Most organizations recognize that data cloud migration initiatives are a tremendous opportunity to reformulate their data strategy, radically simplifying data ingestion, integration, collaboration and consumption workflows. This can lead to longer durations in their cloud journey as they methodically re-architect large portions of their data assets and pipelines to reduce the complexity they see in their on-premises ecosystems. Best-in-class organizations recognize the need to sequence their migration and simplification initiatives with an eye toward delivering early business value against high-priority use cases."

—SULLY MCCONNELL,
Head of Insurance, Snowflake

CHAPTER 5:
COST OPTIMIZATION AND ECONOMIC VALUE

Organizations have faced significant challenges in managing the costs of complex technology solutions. With on-premises systems, technology leaders must tally different applications and systems from several vendors. Teams have to consider staffing costs and infrastructure, data center management and implementation and maintenance of servers, storage arrays, network gear, operating systems, virtualization software and app software. Getting a clear view of how much a transaction actually costs the organization is essentially impossible.

Cloud usage has made it easier to assess the costs to deliver technology solutions with greater transparency (for example, total cost of ownership), potentially acting as a de facto chargeback model by giving the user a single bill for their use of services. Various solutions are available, so when considering cloud capabilities, it's important to factor in what makes the most business sense—beyond price performance—that allows a balance of automation, control and technical benefits that leads to better economic outcomes.

The two most common reasons for cloud migration—cost and business agility—are intricately interconnected. Businesses in dynamic environments want to be agile without ballooning costs.

What is your primary reason for cloud migration?

55%
COST

50.2%
BUSINESS AGILITY

16.7%
TECH DEBT

**This question was a multi-select answer adding up to a total greater than 100%*

Moving to cloud technology requires teams to balance a host of considerations when assessing the overall impact of cloud migration:

Visibility and control: Leaders should have the ability to streamline costs when building out data platforms. Managing separate bills, especially for infrastructure versus software, can easily escalate costs. A better view of attribution with usage is vital so that controls are in place to manage which department, team or individual needs resources. Finally, a consumption pricing structure that enables organizations to pay for what they use, with tools that provide a clear view of usage and compute, should make it easier for customers to predict and plan usage and work within budgets for what needs to be completed.

Elasticity: Organizations must be able to increase and decrease capacity as needed based on usage levels to access the benefits of an elastic platform. Importantly, billing based on charges for actual use, to the second, should also follow to match the technical elasticity features of a comprehensive data platform.

Simplicity: By investing in a managed service platform, teams can meet performance and cost efficiency goals. Technology teams will have less to worry about regarding upgrades, maintenance, network configuration, storage management, security configurations, penetration and vulnerability testing, high availability and all the other tasks necessary for a data platform to stay healthy and productive.

Cloud-managed platform services provide leaders with the opportunity to reimagine the holistic data experience for an organization, allowing them to future-proof businesses for current and future growth; they can add additional capacity without the expense of another transformation process.

Finally, it is worth noting that a growing area of responsibility for managing costs is being delegated to FinOps. FinOps is designed to create a financial accountability cultural change to the sometimes variable spend model of cloud. This enables engineering and business teams to make informed trade-off decisions between speed, cost and quality in cloud architecture and investment. Emerging as a central team in the cloud decision-making process, these leaders, comprising business property owners, technology specialists and finance specialists, are a critical enabler for organizations, helping keep cloud implementations on track.

#Snowflake Insight:

Take a forward-thinking and holistic approach to maximize economic value

"We are continuously partnering with all our customers to help lower TCO and pass on improved economics. Over the last three years, Snowflake has reduced the average cost of warehouse queries by more than 20% for customers. As Snowflake is a fully managed platform, we remove complexity, ensure near-zero maintenance, decrease administrative effort and reduce downtime events—improving productivity and allowing focus on delivering business impact, growth, and market competitiveness."

—RINESH PATEL,
Global Head of Financial Services, Snowflake

CONCLUSION

Scaling innovation and performance is a challenge across the entirety of financial services. Today, financial firms operate in a world that is data-intensive, highly regulated and competitive. The proliferation of data, coupled with new technological advances like generative AI, mean that organizations must embrace new cloud-native technologies and accelerate their data strategies.

From hundreds of conversations we've had with our customers, we know that the complexities involved with cloud transformation are not easy to solve. We see an intersection of business needs and industry challenges that require attention. Ensuring costs stay under control while still being able to make major investments across your technology stack remains an undeniable challenge.

Our mission is to align with the needs of our customers. We believe that more performant workloads, timelier transformations and faster decision-making correlate to increased business value, for both Snowflake and our customers.

We hope you have found these insights and emerging themes from our research useful and thought-provoking. While the world awaits the new wave of innovation that gen AI technology will bring, including productivity gains and efficiencies across the organization, business and technology leaders will need to consider readiness for deployment, which will entail how organizations can leverage more from data in the cloud.

METHODOLOGY

Snowflake conducted a survey from December 2022–January 2023. A total of 311 participants responded to the survey from the banking, insurance and asset management industries across EMEA, the U.S., APAC and the Middle East. More than 35% of the respondents held C-level positions, while the remaining respondents held senior technology, data and product roles. The survey was conducted using an online questionnaire. The questionnaire consisted of multiple-choice questions designed to be completed in approximately five to 10 minutes. The data collected from the survey was analyzed by data and marketing analysts at Snowflake and is presented in this report.

Participants: 311

Countries: Belgium, Canada, Denmark, France, Germany, Hungary, Italy, Japan, Netherlands, Poland, Romania, Saudi Arabia, Spain, Sweden, Switzerland, UAE, UK and USA.

Industry: Banking, insurance, asset management

Roles: C-level executive (e.g., CIO, CTO), senior manager or section head (e.g., head of digital transformation), senior product manager, senior data scientist/data engineer, senior technology role.

SURVEY RESULTS

Q1: What is your primary reason for cloud migration?

- **55.0%** — Cost
- **50.2%** — Business agility
- **16.7%** — Tech debt

Q2: Which of the following cloud strategies are you adopting, or have you adopted, across your organization?

- **37.3%** — Multi-cloud
- **34.4%** — Hybrid
- **14.1%** — Single cloud
- **14.2%** — Private cloud

Q3: Please choose the key reasons for choosing a multi-cloud strategy

- **67%** — Ability to select the best individual solution providers
- **44%** — More flexibility to negotiate costs
- **36%** — Modular flexibility
- **38%** — Segregated infrastructure leading to overall security
- **21%** — Less reliance on a single vendor and greater operational resilience

Q5: Are you currently using any standardized approaches to data management?

- **49.2%** — CMDC
- **28.3%** — Niche consultancy
- **32.5%** — Top-tier consultancy
- **37.3%** — In-house approach
- **.3%** — External (other)

Q6: How would you describe your approach to data platform implementation?

- **36.3%** — Self-service data access layer
- **34.1%** — Data mesh/data domains
- **29.6%** — Centralized data access

Q7: What is your preferred method of data consumption from the cloud?

- **33.4%** — API
- **30.2%** — On-prem storage
- **23.5%** — Push to cloud storage
- **12.9%** — Data share

Q8: Which data providers and data sets would you be looking to access via data sharing?

- **18.4%** — Pricing, reference data and economic data
- **17.7%** — Company, fundamental and corporate actions data
- **16.8%** — Alternative data and news
- **16.5%** — ESG data

Q9: What are the primary business use cases your organization is looking to run in the cloud?

- **50.5%** — Cybersecurity
- **38.6%** — Fraud detection
- **33.8%** — Claims management
- **32.2%** — Marketing
- **28.6%** — Risk analytics

Q10: What time frame are your primary business use cases being delivered against?

- **31.5%** — Already live
- **43.4%** — Up to 12 months
- **18.6%** — 1–2 years
- **6.4%** — 3–5 years

Q11: Which team within your organization is primarily responsible for cloud investment decisions?

- **66.9%** — Tech
- **15.4%** — Line of business
- **16.1%** — Centralized data office
- **14.1%** — Other

Q12: What percentage of your total data spend is spent on data management?

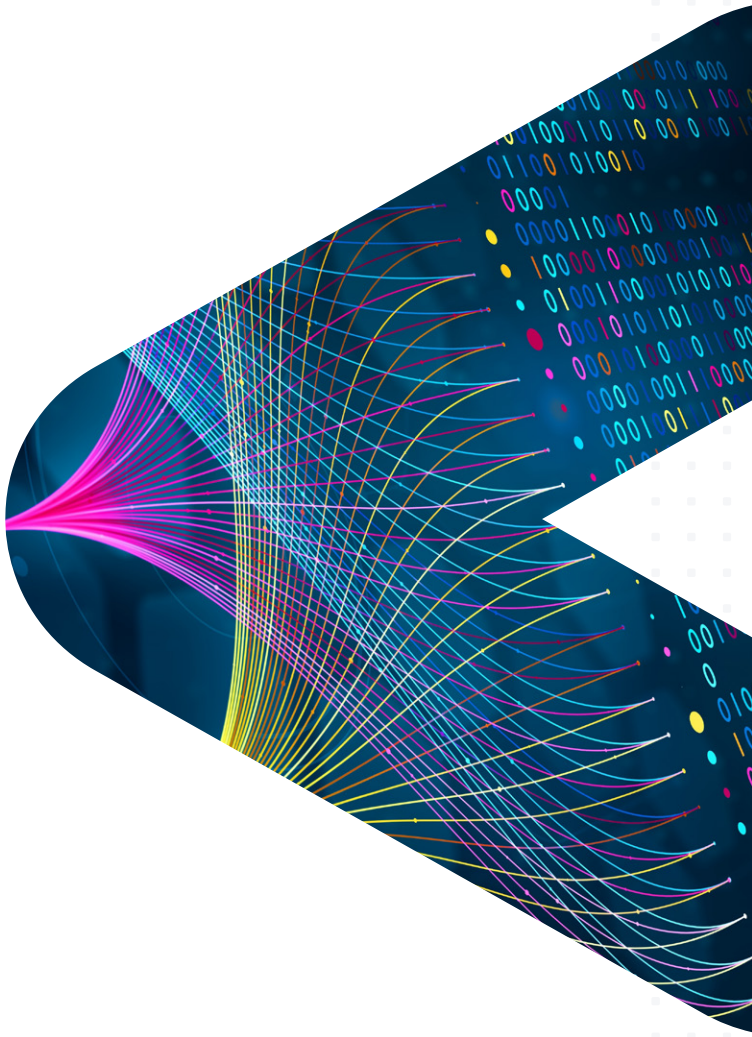
- **19.9%** — Less than 20%
- **38.9%** — 20–40%
- **26.7%** — 41–60%
- **10.9%** — 61–80%
- **4.5%** — More than 80%

Q13: Where will you dedicate future investment based on your organization's data strategy ambition?

- **24.8%** — Investment based on selected business use cases
- **63.7%** — Investment that leads to a fully managed cloud data platform solution
- **11.6%** — Investment with our existing on-premises platform

Q14: What time frame is your organization's future data cloud strategy being delivered against?

- **44.4%** — Currently being implemented
- **48.7%** — Within 2–5 years
- **6.9%** — 5 years or more



ABOUT SNOWFLAKE

Snowflake enables every organization to mobilize their data with Snowflake's Data Cloud. Customers use the Data Cloud to unite siloed data, discover and securely share data, power data applications and execute diverse AI/ML and analytic workloads. Wherever data or users live, Snowflake delivers a single data experience that spans multiple clouds and geographies. Thousands of customers across many industries, including 639 of the 2023 Forbes Global 2000 (G2K) as of July 31, 2023, use Snowflake Data Cloud to power their businesses.

Learn more at **snowflake.com**