

# 50 YEARS OF FINANCE TECH EVOLUTION

## TRENDS, MILESTONES AND PREDICTIONS

Finance has always been on the innovation frontline - from digitising the stock exchange five decades ago to pioneering blockchain technology, IT never stands still in financial organisations. Look back at fifty years of financial technology evolution and check out the top five predictions for where the sector is heading.

### The 1970s

#### INFRASTRUCTURE INNOVATION

- 1971** **Microprocessors** form the backbone of powerful hardware and systems
- 1971** **NASDAQ** becomes the world's first digital stock exchange
- 1972** **Heavyweight ERP** SAP is founded and will have decades-long success
- 1973** **SWIFT** uses advanced Telecomms to enable rapid international payments
- 1974** **Networking** including Ethernet and WAN power new finance infrastructures

### The 1980s

#### AN ONLINE REVOLUTION

- 1981** **Sage software** launches and defines a new financial status quo
- 1983** **Online trading** gains traction following the 1981-82 downturn
- 1984** **Advances in Ethernet**, including the first commercial networking application and Ethernet bridges, reducing bottlenecks and increasing capacity
- 1987** **Fully digital telephony** ISDN transforms high-speed comms for finance
- 1989** **HTTP and the WorldWideWeb** are invented

### The 1990s

#### THE CLOUD DEBUT

- 1990** **FAIS artificial intelligence** transforms fraud detection capability
- 1995** **Online banking** is launched with Wells Fargo's offering
- 1997** **Financiers predict** the industry will adopt a hybrid technology identity
- 1998** **PayPal is founded** and becomes a leading online payment processing platform
- 1998** **Cloud ERP** arrives with NetSuite's game-changing application

### The 2000s

#### FINNOVATION TRACTION

- 2000** **The Financial Services and Markets Act** includes IT systems security and data controls
- 2005** **"Big Data"** is coined as a term and becomes central to digitised finance
- 2007** **Contactless services** begin with a Barclays contactless card
- 2008** **e-Finance innovation** accelerates following the credit crunch
- 2009** **Bitcoin is released** as the first stable cryptocurrency

### The 2010s

#### THREAT LANDSCAPE EXPANSION

- 2011** **Smartphone finance** expands with mobile wallets and widespread app banking
- 2014** **Blockchain 2.0** is born and gains wide use as a financial instrument
- 2017** **The cybercrime age** makes one of its biggest finance victims – Equifax
- 2018** **Finance cyberattacks** increase twelve-fold according to the FCA
- 2020** **Cloud technology** is used or plans to be used by 91% of finance organisations

### The 2020s

#### TECHNOLOGY PREDICTIONS

**Machine Learning:** Banks and insurers alike will increasingly use ML to streamline services, speed up decisions and customise offers.

**Finance as a Service:** Fully-integrated, outsourced services for every finance function will become established and legitimate.

**Cybersecurity:** Models will be rethought with a focus on new digital regulations and integrating security across hybrid devices.

**Edge Computing:** Real-time data processing and analytics will expedite decisions and deliver customer outcomes that drive competitiveness.

**Customers in Control:** Fintech means customers want more agency over services, which will force significant IT infrastructure changes.

Constantly rewriting the rulebook means no shortage of exciting change but keeping up and staying secure creates significant challenges. Promptly addressing risks and obstacles is fundamental to remaining competitive, compliant and customer-focused as the financial landscape continues to shift.

For advice on delivering digital change that matters, contact a Node4 specialist here.

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