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Empowering Finance:
Cloud-Based Systems as the New Standard

The Future of Finance in 2025

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The Digital Transformation in Finance

The financial sector is undergoing a deep transformation driven by the fast adoption of digital technologies. It encompasses different technologies and practices revolutionizing how finance operates and serves customers. At its heart lies the shift from traditional, on-premise systems to cloud-based solutions.

> Cloud-based systems have emerged as game-changers for financial institutions. They offer several key advantages over traditional solutions, such as scalability, cost-effectiveness. and enhanced securitv.

In recent years, the banking and insurance sectors have experienced a surge in cloud adoption, with a remarkable increase in firms embarking on their cloud journeys. From August 2020 to August 2023, the percentage of firms adopting cloud-based systems rose from 37% to 91%, with North America as the global leader, boasting a substantial 98% rate of initial cloud adoption among regional financial services firms1.

EMPOWERING FINANCE: CLOUD-BASED SYSTEMS AS THE NEW STANDARD

Globally, there has been a notable increase in the adoption of public cloud solutions across many sectors. In 2023, the spending on public cloud services was projected to approach $597.3 billion, with ~80% of the market share attributed to cloud business models such as software-as-a-service (SaaS), infrastructure-as-a-service (IaaS), and platform-as-a-service (PaaS)2.

Empowering employees and clients through cloud-based technology is crucial for financial institutions to remain competitive.

The finance industry exemplifies this shift, with mobile banking usage growing by 35% in the past five years and robo-advisors managing $1.2 trillion in assets globally[5].

1970s-1980s: Mainframe Era

Legacy systems dominate, with batch processing and limited interfaces for finance.
Key Features: Expensive infrastructure, manual data entry, slow turnaround.

1990s: Early Client-Server Systems

Local networks introduced for faster financial reporting, mostly on-premise, with intricate IT management.
Key Features: Desktop-based applications, high hardware costs, complex updates.

2000s: ERP Systems and On-Premise Software

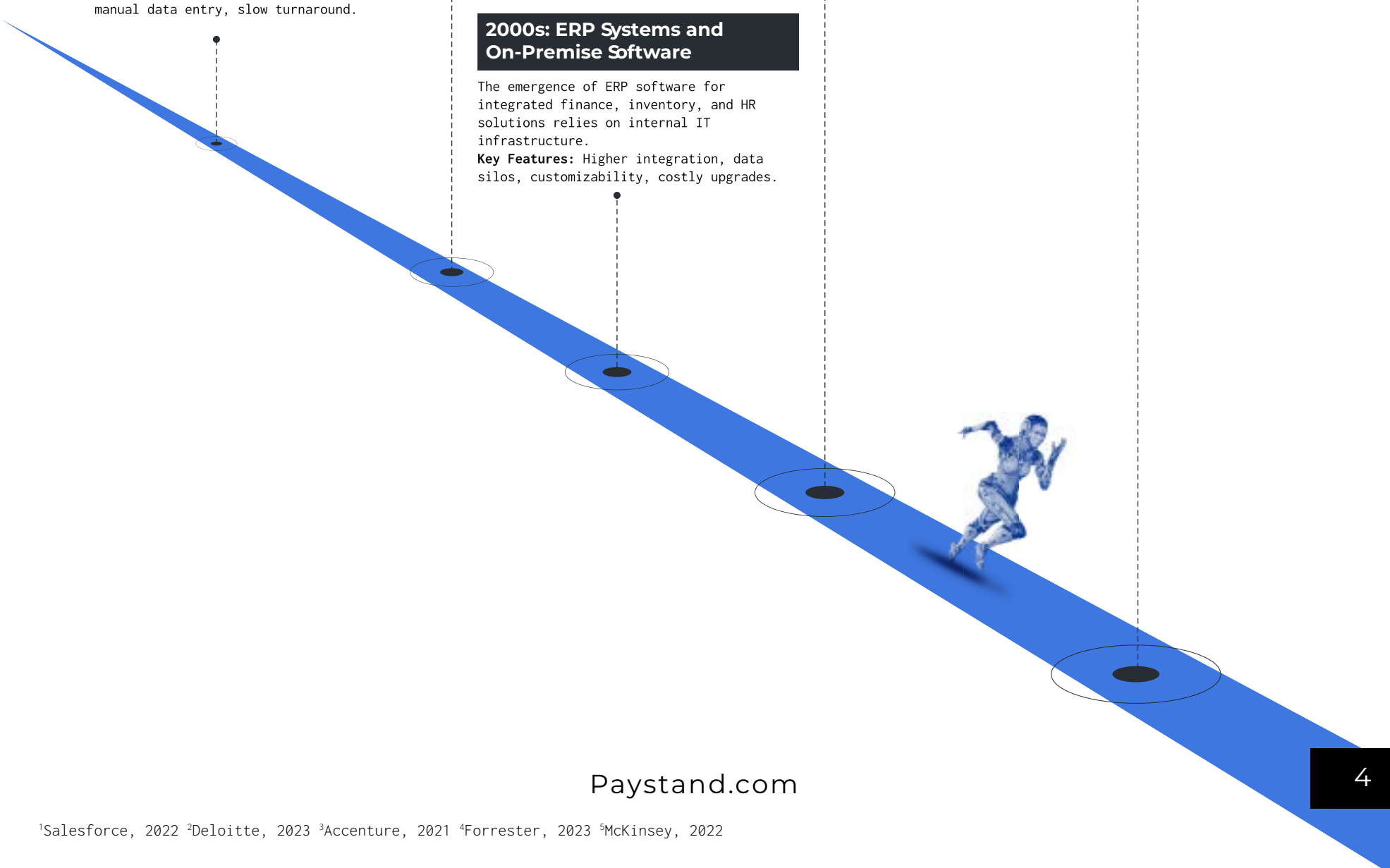
The emergence of ERP software for integrated finance, inventory, and HR solutions relies on internal IT infrastructure.
Key Features: Higher integration, data silos, customizability, costly upgrades.

The Emergence of Cloud-Based Systems

Cloud computing disrupts traditional models, providing flexibility, lower costs, and better collaboration.
Key Features: SaaS models, subscription pricing, remote access, less IT overhead.

2020s: Cloud-Native and AI-Driven Solutions

The financial industry adopts cloud-native, AI, and machine learning to automate processes and improve decision-making.
Key Features: Real-time data, predictive analytics, automation, global accessibility.



[1]Salesforce, 2022 [2]Deloitte, 2023 [3]Accenture, 2021 [4]Forrester, 2023 [5]McKinsey, 2022

01 What Are Cloud-Based Financial Systems?

Cloud-based financial systems are software applications hosted and delivered over the Internet rather than installed on individual computers or servers.

These systems offer several advantages over traditional on-premise software, including:

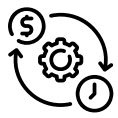
- **Real-time data access:** They offer real-time access to financial data anywhere there is an internet connection, enabling businesses to make informed decisions quickly.
- **Scalability:** They scale easily, saving businesses time and expense on hardware and software.
- **Automation:** They automate repetitive tasks, freeing accounting staff for strategic work.
- **Security:** With regular backups, cloud-based financial systems in secure data centers protect businesses from data loss in hardware failures or natural disasters.

SaaS platforms are cloud-based software delivery models accessed over the internet and licensed on a subscription basis. They offer several advantages over traditional on-premise software in finance, such as lower costs, ease of use, automatic updates, and scalability.

By leveraging SaaS platforms, financial institutions can streamline operations, enhance collaboration, and improve decision-making while minimizing IT infrastructure investments and maintenance.

02

The Benefits for Finance



Enhanced data security & compliance

Cloud-based systems protect financial data with encryption, updates, and compliance measures, reducing breach risks and enhancing fraud detection. Almost 84% of businesses use cloud solutions for data storage and backup3.

02

Improved scalability and flexibility

Cloud-based systems offer businesses scalability and flexibility. They enable integration with tools and applications, including APIs for real-time financial data, improving efficiency and streamlining processes.

Cost efficiency

Cloud-based systems offer significant cost savings over traditional systems by avoiding upfront expenses and enabling pay-as-you-go models. They require fewer IT personnel, leading to long-term savings on staffing and training. Migrating to the cloud and adopting software company processes can generate 30% cost savings[4].

Paystand offers secure, scalable, and compliant cloud-based payment solutions that integrate with existing financial systems.

Partnering with Paystand provides a comprehensive suite of solutions to streamline operations, protect data, and optimize financial processes, enabling businesses to grow and innovate while maintaining security and compliance.

02

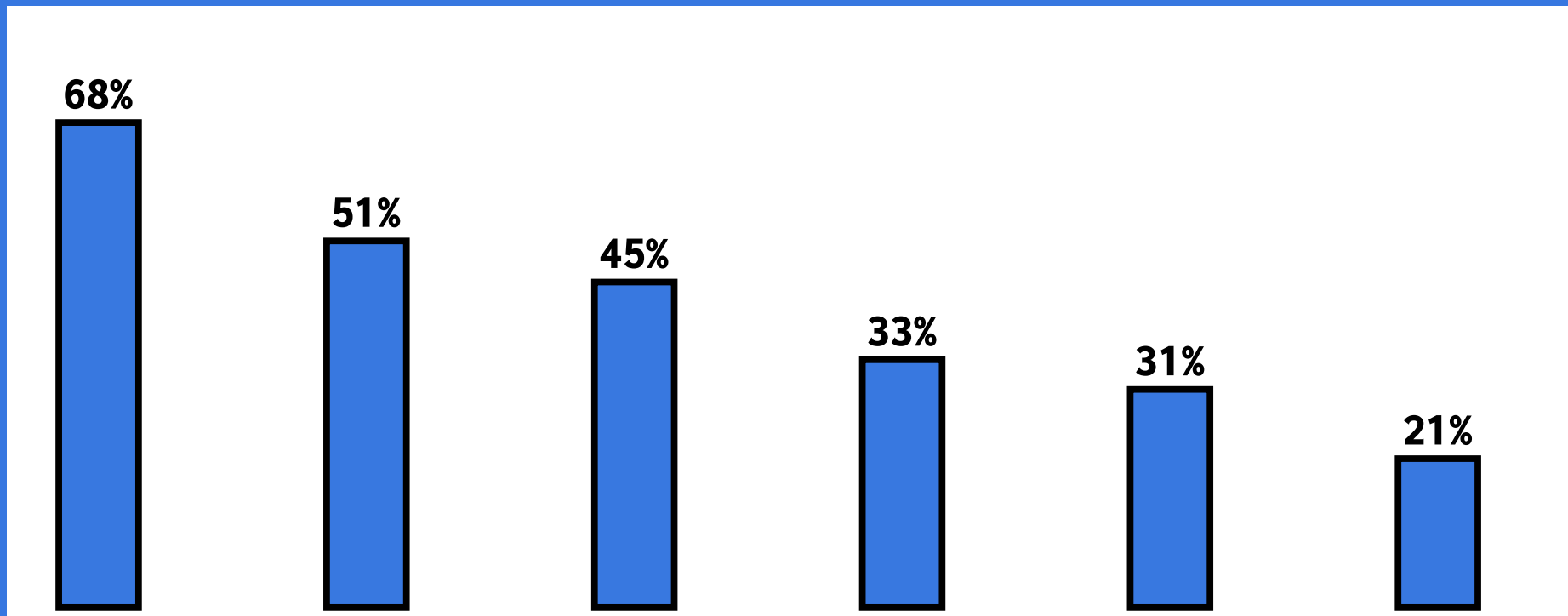
Cloud-Based Systems vs. Traditional Setups: Cost Savings & Efficiency

Key Areas	Traditional Financial Setup	Cloud-Based Financial
Initial Setup Costs	High, often requiring hardware purchase and installation.	Low, no hardware; subscription-based
Maintenance Costs	Recurring with on-site IT staff or external support.	Included in service package; minimal IT involvement.
Software Updates	Manual updates, potentially disruptive.	Automatic, seamless, and regularly updated.
Data Security	In-house security teams, prone to breaches if outdated.	Robust, with automatic backups and encryption.
Scalability	Limited; requires additional physical resources.	High; can easily adjust to business growth.
Efficiency in Reporting & Analytics	Slow, often reliant on manual compilation.	Real-time, automated reports.
Automation Capabilities	Limited, requiring manual processes.	Extensive, reducing manual workflows.
Remote Access & Flexibility	Minimal, usually tied to office-based systems.	Full access is available from any location and device.

03 Implementation Challenges

Challenge	Traditional Financial Setup
Security concerns	Implement robust security measures like encryption, access control, and monitoring.
Integration with existing systems	Use APIs and integration tools to connect cloud-based systems with on-premises applications seamlessly.
Data migration	Develop a comprehensive data migration plan, including extraction, transformation, and validation.
Scalability and performance	Choose a cloud provider that offers scalable infrastructure and performance optimization tools.
Cost management	Monitor and optimize cloud usage to avoid overspending. Utilize cost-saving features such as reserved instances and spot instances.
Compliance and regulations	Ensure that the cloud provider complies with relevant industry standards and regulations.
Skills gap	Invest in training and education programs to equip IT staff with the necessary skills to manage and maintain cloud-based systems.
Vendor lock-in	Avoid over-reliance on a single cloud provider using multi-cloud or hybrid cloud strategies.
Data privacy	Implement data privacy measures, such as anonymization and pseudonymization, to protect sensitive information.
Reliability and uptime	Choose a cloud provider with a proven track record of reliability and uptime. Implement disaster recovery and business continuity plans.

Key challenges during cloud adoption 03



Source: Capgemini Research Institute for Financial Services, 2023;
Capgemini Cloud Services Firms 2023 (N=500)

Key Stakeholders

04

Cloud-based financial systems benefit various stakeholders by streamlining operations, fostering collaboration, enhancing transparency, and driving innovation. Organizations adopting this technology will set out to navigate the evolving business landscape and secure a competitive edge. In the financial services sector, 91% of executives[5] acknowledge the significance of this approach for driving growth and success.

Challenge	Traditional Financial Setup
CFOs	Automating tasks improves forecasting, enhances collaboration, and simplifies compliance for CFOs, allowing them to focus on strategic decisions.
Finance Teams	Offering enhanced data accessibility, collaboration, streamlined processes, improved reporting, and better compliance, contributing to success and growth.
Clients	Offering cost savings, accessibility, collaboration, security, and advanced technologies. Clients can optimize operations, make informed decisions, and gain a competitive advantage.
Employees	Enabling remote work, enhancing collaboration, providing real-time data access, streamlining tasks, and supporting continuous learning.

Cloud computing and finance are transforming the hiring landscape, with organizations seeking skilled professionals in both areas. New roles like cloud financial architects and data analysts will emerge at the intersection of these two domains.

The need for an agile workforce capable of adapting to new technologies is emphasized, and continuous learning and upskilling are crucial for employees to stay relevant.

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The Future of Cloud-Based Systems in Finance

The future of cloud-based systems in finance is inextricably linked to several emerging technologies and trends that are changing the financial landscape. These trends profoundly impact the financial industry, and cloud-based systems enable these changes. 89% of financial services executives consider these technologies essential to achieving business goals[6].

By exploring the current landscape, we can observe cloud-based systems seamlessly integrate with other pivotal trends, notably:

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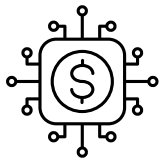
Self-service tools

Cloud systems offer self-service tools for financial institutions and customers. They enable remote access to financial data, leading to efficiency, cost reduction, and enhanced customer satisfaction.

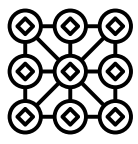
Generative AI

AI technologies like natural language processing (NLP) and machine learning (ML) can automate complex tasks, identify patterns, and generate insights from financial data. Cloud systems provide the infrastructure and scalability for these AI applications.



Open banking & DeFi

Cloud-based systems facilitate open banking for secure data sharing, enabling innovative financial products. DeFi leverages blockchain for intermediary-free financial services, with cloud systems providing infrastructure and scalability.



Remote work

The COVID-19 pandemic accelerated the shift towards remote work. Cloud-based systems enable remote financial operations by providing secure access to financial data and applications from anywhere.

Paystand's platform integrates with self-service tools such as accounting software, CRM systems, and e-commerce platforms, enabling businesses to automate financial processes and gain real-time insights into their financial performance. It also supports remote workflows by providing secure access to financial data and applications from anywhere, enhancing operational efficiency and effectiveness irrespective of employee locations.

By integrating with self-service tools and contributing to remote workflows, Paystand is helping businesses to take advantage of the latest trends in cloud-based finance.

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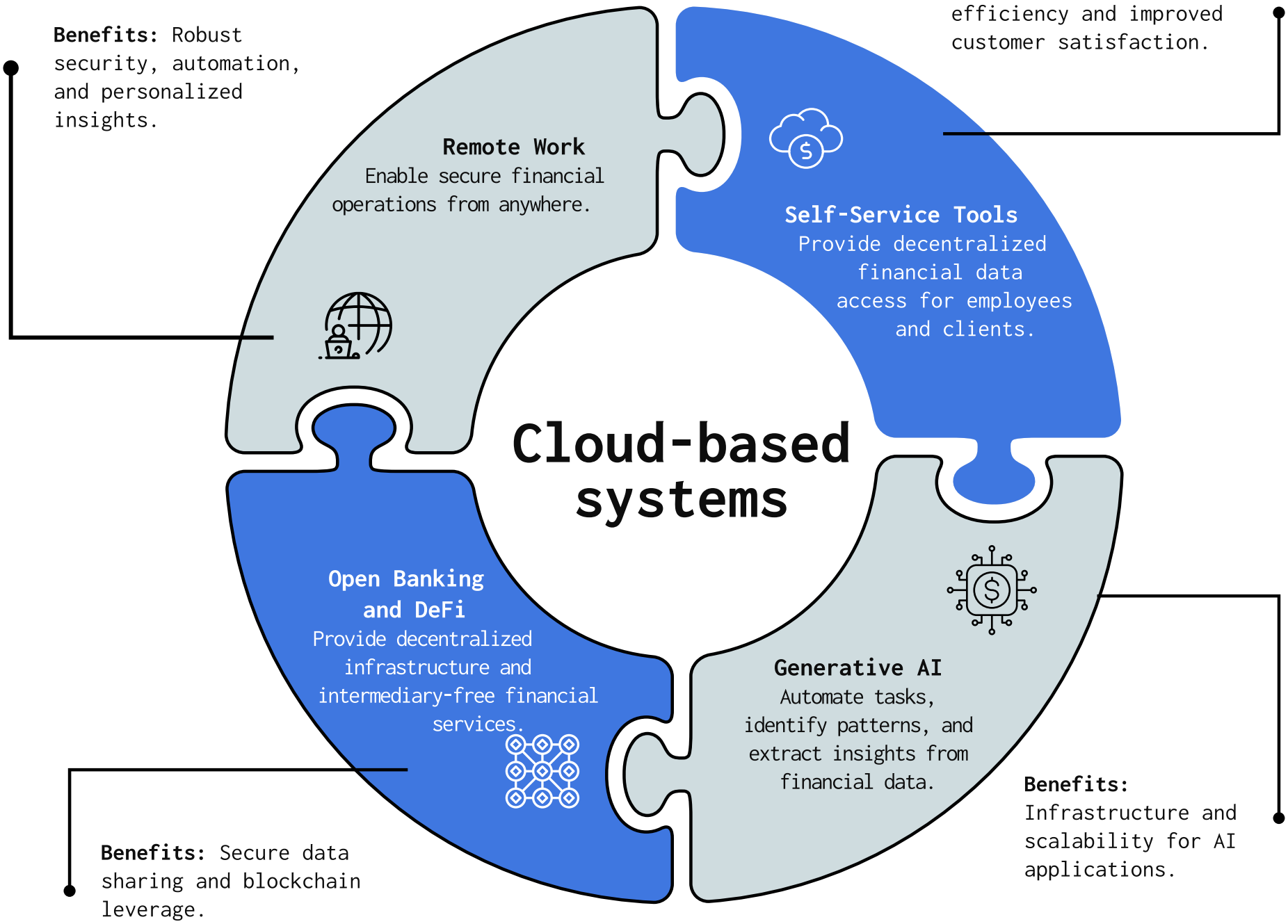

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Embracing Cloud-Based Systems for a Modern Financial Future

Cloud-based systems have become the backbone of a more agile, efficient, and secure financial management approach. As more businesses transition to these solutions, it’s clear that this shift is crucial for staying competitive and future-proofing operations.

06

At Paystand, we believe that cloud-based financial systems are not just a trend—they are the foundation of the future of finance.

These systems offer unmatched scalability, enabling businesses to grow without the limitations of traditional setups. They open new opportunities for financial transparency and collaboration across teams and with clients, positioning organizations to thrive in a digital-first world.

To stay ahead, businesses must embrace cloud technology as their core financial infrastructure. By migrating to the cloud, they can improve operational efficiency, cut unnecessary costs, and gain a strategic edge over competitors.

By the Numbers 07

91% Firms using cloud-based systems by August 2023, up from 37% in 2020.

98% North American financial services firms adopting cloud systems by 2023.

$597.3B Projected global spending on public cloud services in 2023.

80% Market share captured by SaaS, IaaS, and PaaS cloud business models.

84% Businesses using cloud solutions for secure data storage and backup.

30% Potential cost savings from migrating to cloud-based financial systems.

89% Financial services executives recognize cloud technology as crucial for growth.

paystand

Zero Fees · Zero Time · Zero Touch ·

With Paystand's Cloud-Base System, our customers have been able to:

Edgewood Healthcare — Reduce manual effort by **99%**

MOTOROLA SOLUTIONS — Save Time (Weekly) **20Hrs**

choozle — Cut Book Closing Time by **50%**

eden EQUIPMENT COMPANY — Save Time (Annually) **576Hrs**

Get Started