

Hammered by Risk, Talent Gap and Gloomy Economic Outlook, U.S. Executives Forge Ahead with Tech Investments, Finds FIS Global Innovation Report

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Key facts and findings

- FIS' Global Innovation Report found that 83% of U.S. executives across industries say they have either already been impacted by financial risk or expect to be within the next 12 months.
- 95% of firms across industries stated they are nevertheless either already pursuing innovation strategies, or plan to within the next 12 months for combatting risk.
- 48% of leaders said budget constraints were the top issue impeding innovation, but they also cited other hurdles to overcome, such as a lack of in-house expertise/knowledge.

JACKSONVILLE, Fla.--(BUSINESS WIRE)-- While financial forecasters continue to signal near-term economic downturns across the globe, research from **FIS®** (NYSE: FIS), a global leader in financial services technology, has found that executives remain committed to investing in innovation to thwart emergent risks.

FIS' **Global Innovation Report** sought to understand the risks that today's executives face, how they're managing them, and how new technology is being leveraged to help.

According to the study, 83% of U.S. executives across industries said they have either already been impacted by financial risk or expect to be impacted within the next 12 months. Further, 53% of executives stated that they face budgeting issues when it comes to implementing innovative solutions. However, 95% of respondents are still turning to innovation to mitigate macro risks.

The findings suggest that even in today's challenging economic environment, U.S. executives still prefer to combat risk by augmenting their competitiveness through innovation:

- The most common innovation strategy was technology and systems innovation, cited by 60% of executives.
- 55% of those leaders cited becoming more competitive as the reason to pursue innovation in their technology and systems.
- Meanwhile, 53% of surveyed leaders reported that they're pursuing artificial intelligence (AI) to be more competitive, and 52% are pursuing generative AI tools to be more competitive.¹
- 49% reported the pursuit of embedded finance capabilities to improve their competitiveness, and 49% reported competitiveness as their reason for pursuing open banking capabilities.

"U.S. financial services firms have been leading the charge in adopting innovative technology to enhance security, customer experience and overall competitiveness," said John Durrant, Banking Solutions President at FIS. "Now, as the findings in this report suggest, business leaders everywhere are shifting from a 'wait-and-see' approach to a deliberate investment and experimentation strategy. FIS believes this trend will continue as automation and AI pose unique opportunities to streamline operations and enhance customer service while future-proofing against competitors who are diving into digital head first."

The report also sought to explore the variables that are impeding executives' ability to implement innovative solutions in response to their respective risks. While budget constraints were the top reported issue with 48% of firms experiencing it, a large portion of U.S. respondents also expressed internal struggles that pertain to talent and infrastructure.

The talent gap and a change-resistant culture are putting pressure on industry leaders who seek to proactively mitigate risk through technology:

- 50% of firms reported a lack of in-house expertise/knowledge.
- 49% reported resistance to change among employees.
- 48% reported a lack of internal technology and/or data.
- 44% reported a resistance to change among top management.

"While the adoption of emerging technology is key for growth, leaders must double-down on closing the talent gap in tech in order to realize the full potential of their investments," added Durrant. "As leaders lean on internal talent to help digitally transform their organizations, it is critical that it comes with a focus on up-skilling and building a culture of innovation that has employees rallying around change instead of running from it. Meanwhile, companies can close the skills gap faster by finding the right partners that can help them launch the innovative capabilities they seek."

About the FIS Global Innovation Report Research

FIS' **Global Innovation Report** surveyed more than 2,000 business leaders around the world. It reveals executives' attitudes about today's risks and their strategies for managing them, as well as how they are turning to innovation and new technologies to protect their business and create a competitive edge.

The U.S. data is based on a sample of 480 executives from the global study, spanning U.S.-based financial institutions, securities and investment firms, insurers, fintechs, retailers, technology providers, energy and utilities firms, and healthcare providers, as well as other sectors.

The survey was conducted by Savanta on FIS' behalf in June 2023.

About FIS

FIS is a leading provider of technology solutions for financial institutions and businesses of all sizes and across any industry globally. We enable the movement of commerce by unlocking the financial technology that powers the world's economy. Our employees are dedicated to advancing the way the world pays, banks and invests through our trusted innovation, system performance and flexible architecture. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index. To learn more, visit www.FISglobal.com. Follow FIS on **Facebook**, **LinkedIn** and **Twitter (@FISglobal)**.

1 The survey defined AI, exclusive of Generative AI, as machine learning technologies for process automation and data analysis. Generative AI encompasses technologies designed to create new content from provided inputs, e.g., ChatGPT.

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