



# Microsoft Azure Stack HCI and Intel for Financial Services

Partner value and opportunity

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# Financial services trends and challenges



# The financial industry is facing increasing pressures

FSI leaders see an average return of 136% on data investments, yet only

# 30%

have modernized their infrastructures.<sup>1</sup>

Customer expectations are soaring, with more than

# 1 in 3

consumers reporting they would switch banks to get a better digital and mobile experience.<sup>2</sup>

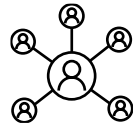
In 2023, FSI compliance spending exceeded

# \$206B

to address increasing financial crime regulations.<sup>3</sup>

The rise of FinTechs and non-traditional players (like ApplePay and ClearBank) is increasing the pressure on financial institutions to accelerate modernization and harness innovation to remain competitive.

# Business objectives driving the need for FSI modernization



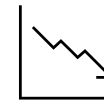
Delivering personalized, digital customer experiences



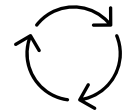
Harnessing data and AI to innovate and stay competitive



Leveraging analytics and automation to reduce risk and fraud



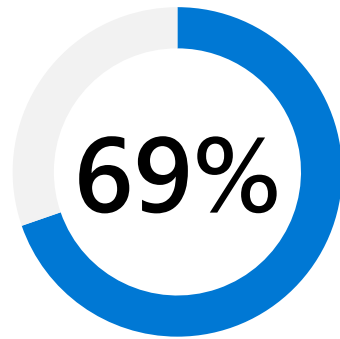
Reducing infrastructure complexity across dispersed locations



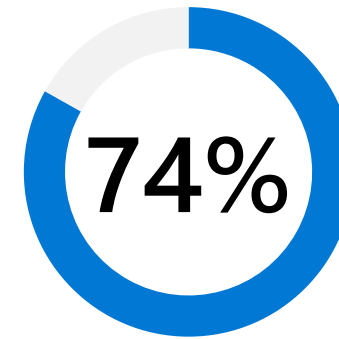
Improving energy consumption and costs

Supporting these initiatives requires a modern, digital platform

# Financial institutions know the value of technology evolution, but the process is ongoing



*of FSI leaders report that digitalization initiatives are accelerating and expected to significantly transform the industry by 2026<sup>1</sup>*



*of FSI leaders say they intend to modernize data with the cloud this year<sup>2</sup>*

Meanwhile, maintaining aging legacy infrastructures incurs excess costs and effort while resulting in redundancies, inefficiencies, and complexity that inhibit data utilization, inflate technical debt, and create security vulnerabilities.

# Financial services modernization challenges and needs

## Data Gravity



On-prem incumbency with **heavy data** (multiple petabytes) that is subject to strict compliance standards requires a long migration journey and hybrid flexibility to retain datacenters.

## Data Latency



Powering real-time service delivery requires **critical data to remain available on-prem** for faster accessibility while **avoiding the potential latency and regulatory concerns** of the cloud.

## Cloud Innovation



FSIs need a **robust hybrid infrastructure** that enables them to keep critical data on-prem while leveraging cloud innovations like **AI and IoT** and enabling models to run locally to meet compliance.

## Security & Compliance



Increased digitization magnifies **critical risks around fraud, data integrity, and cybersecurity** – the more apps are scaled across diverse environments, the broader the attack surface and potential for security risks.

# Fraud, security, and compliance concerns are escalating



The volume of ransomware attacks on the financial industry nearly doubled from **34%** in 2021 to **64%** in 2023<sup>1</sup>




Losses incurred by FSIs amount to roughly **\$5.9 million** per cyber incident, topping nearly every industry in damages<sup>2</sup>



Regulators have taken more than **26 compliance actions** against FSIs for deficiency in risk and data management since 2016, totaling **\$3.4+ billion** in fines as of 2023<sup>3</sup>

As a result, FSIs are looking to technology and innovations to help improve data security and fraud detection





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## FSIs need an agile, flexible infrastructure that enables them to...



Digitize and make use of new technologies like AI and IoT for modern customer experiences, increased efficiency, and innovation



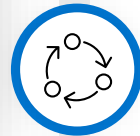
Strengthen cybersecurity and automate fraud detection while maintaining compliance with changing regulatory requirements



Extend cloud capabilities to the edge to transform data into real-time insights and power innovation



Reduce infrastructure complexity, simplify management across environments, and optimize compute power



Quickly develop and deliver products, applications, and services to stay competitive

# Azure Stack HCI + Intel Technologies for financial services



# Transforming financial services with Microsoft and Intel

Microsoft's adaptive cloud approach with [Azure Stack HCI](#), and [Intel technologies](#) empowers financial institutions to modernize in a secure and compliant way while accommodating their on-premises dependencies.



Distributed hybrid infrastructure (DHI)

## Modernize Financial Services with Azure Stack HCI + Intel

Powerful, secure, and flexible hyperconverged infrastructure



Intel® Xeon® Scalable processors



Reduced infrastructure complexity and cost with hybrid flexibility



Extended Security Updates for legacy Windows Server and SQL workloads



Low latency and best-in-class VDI



Cloud innovation and industry-leading security at the edge

# Transforming financial services with Microsoft and Intel



**Modernize** and consolidate on-premises infrastructure with Azure services and Intel servers

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**Deliver** deliver cloud-native applications and services from the edge, powered by Intel

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**Transform** data into insights and value with Azure AI and analytics, accelerated by Intel

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**Accelerate** application development and deployment with DevOps tools

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**Secure** hybrid cloud environments with Intel Crypto Acceleration, Total Memory Encryption, and Secured-core server

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**Govern** and manage apps and environments seamlessly with Azure Policy

# A Gartner leader in distributed hybrid infrastructure (DHI)



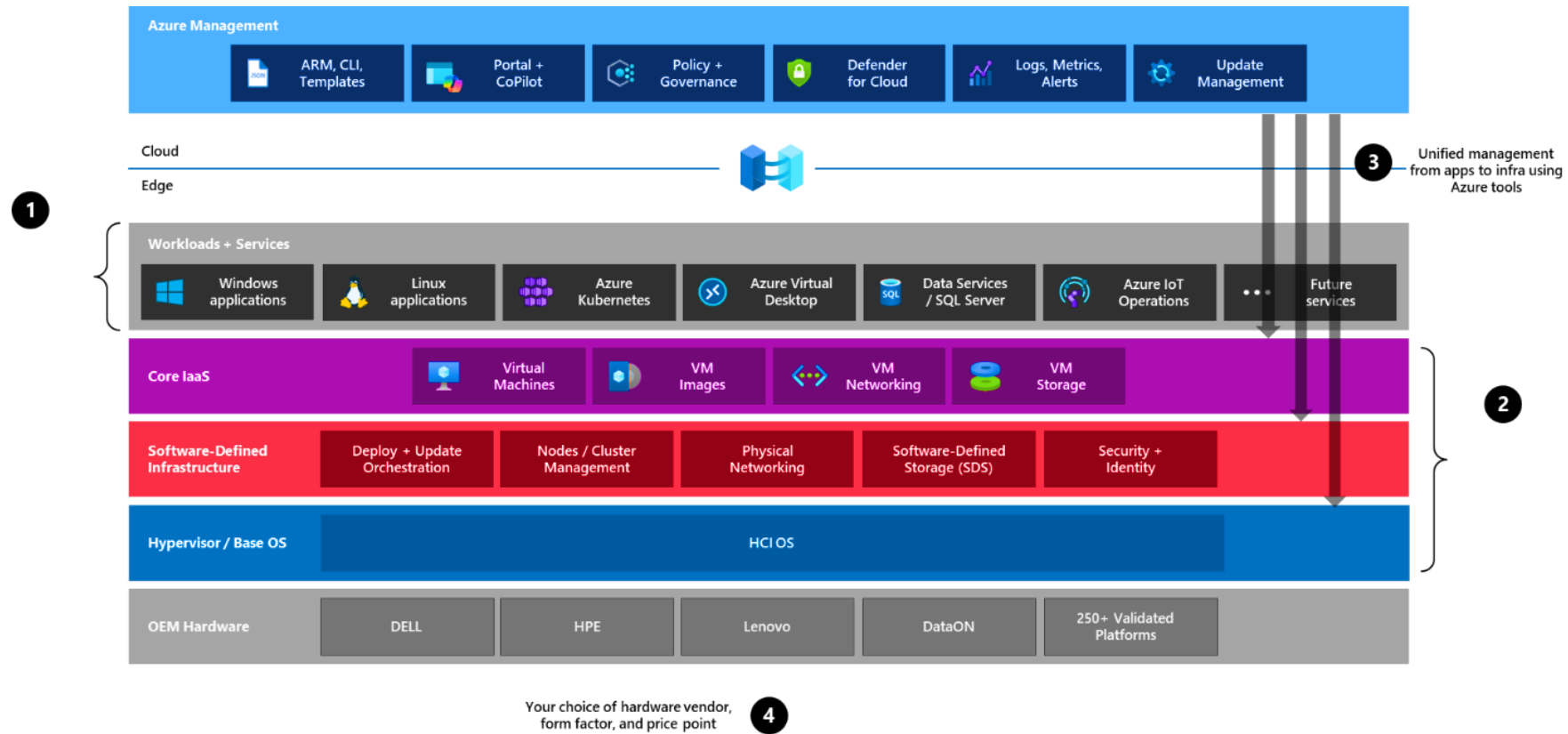
*Microsoft DHI customers can tap into a robust global ecosystem that encompasses direct sales partners, OEMs and the pervasive presence of Azure Cloud. This dynamic setup yields significant advantages to meet diverse requirements effectively.*

## Magic Quadrant

Figure 1: Magic Quadrant for Distributed Hybrid Infrastructure



# Enabling cloud-to-edge computing with the power of Azure



Tap into the broader Azure ecosystem

Bring cloud capabilities on-premises, across locations

Streamline VDI with low latency and high performance

# Microsoft Azure Stack HCI Powered by Intel Technologies



## Technology

- **Fully integrated, certified solutions**
  - Secured core servers with the latest Intel® Xeon® scalable processors
  - Intel® Virtualization Technology, enhanced with each generation, enables more seamless migration between cloud environments
  - Tested, integrated, and validated reference architectures



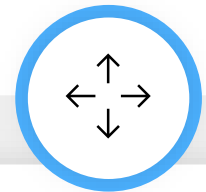
## Performance

- **Built-in accelerators in the processor**
  - Intel® Advanced Matrix Extensions (AMX) to accelerate AI workloads
  - Intel® Quick Assist Technology (QAT) to accelerate compression and encryption
  - Intel® AVX-512 for financial modeling
  - Accelerators free-up CPU cores, increase data throughput, lower latency, and drive server utilization



## Efficiency

- **Do more with less**
  - Optimized compute power and energy consumption to reduce costs and support sustainability goals
  - Consistent Azure experience across environments for reduced operating expenses
  - Flexible deployment options enable reuse of existing hardware and skillsets



## Agility

- **Consistency across hardware and software**
  - Simplified infrastructure management
  - Greater agility to deploy, run, and manage containerized apps and virtualized workloads from anywhere
  - Highly scalable as resource needs change



# Game-changing Security from Intel and Microsoft

- ✓ Secure every layer across hardware, firmware, and OS
- ✓ Protect data at rest, in transit, and in use
- ✓ Encrypt everything

## Intel® Supports Secured Core

Secure hardware, firmware and OS capabilities to help protect against threats

## Intel® Crypto Acceleration Technology

Reduces the performance impact of pervasive encryption, making it possible for users to broadly encrypt data with minimal performance impact

## Intel® Total Memory Encryption and Total Memory Encryption Multi-Key

Encrypts memory holistically across the platform using hardware-generated keys, and encrypts VMs to help protect existing software

## Intel® Quick Assist Technology

Accelerating Cryptography and Data de/compression – supported in Microsoft SQL 2022 on Azure Stack HCI





## Game-changing Security from Intel and Microsoft

# A comprehensive, multi-layer approach to security and governance



Hardened security posture and advanced threat detection to protect workloads, networks, and financial data



End-to-end infrastructure and application monitoring to proactively detect, diagnose, and resolve issues from cloud to edge



Zero-trust encryption, policy enforcement, and security controls to ensure compliance with industry regulations



Software-defined networking for micro-segmentation and network security groups



Policy enforcement, access management, and governance controls to ensure compliance with industry regulations

# A comprehensive, multi-layer approach to security and governance



## Industry leading built-in security

Microsoft's security products are industry leading in several Gartner magic quadrants.

## Confidential compute

Supported by Intel® SGX technology and hardware-enhanced capabilities built into Intel® Xeon® processors to limit access to sensitive data actively in use in CPU and memory.

## Security built for the Azure datacenter

Azure Stack HCI security derives learnings from our hyperscale cloud and brings it to your datacenter.

## Silicon-assisted security

Unique differentiation delivered with our Silicon and OEM partners via Secured-core, providing industry-standard hardware-based root of trust to ensure only trusted components load in the boot path.

# Empowering financial services with leading AI innovation

Microsoft empowers financial institutions with **cloud-based innovation and AI solutions** to build intelligent solutions that can extend to run securely and compliantly at the edge with Azure Stack HCI.

## Azure AI Services

Azure AI and ML services enable FSIs to take an **innovative, proactive approach to combating fraud**, leveraging insights gained from both structured and unstructured data sources (like voice recognition or geolocation) – all while keeping data protected and compliant with built-in security.

## Microsoft Copilot

With Microsoft Copilot, FSIs can leverage **generative AI with natural language processing (NLP)** to transform important tasks, like empowering call center agents with semantic search and intelligent recommendations to improve customer service delivery.



# Partner opportunity

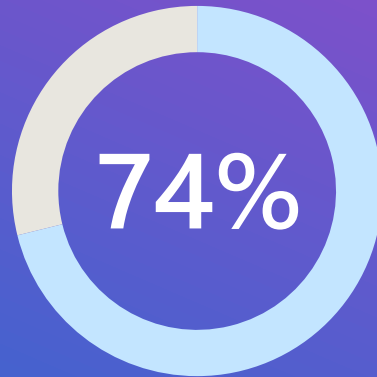


# The business opportunity for partners

Helping financial institutions modernize while addressing their unique infrastructure challenges with Microsoft's adaptive cloud approach and Azure Stack HCI

While modernizing legacy systems is crucial to supporting next-gen financial experiences...

...it requires significant investment, technical expertise, and seamless integration with existing workflows.



of FSI leaders indicate that their organizations will need a "moderate" to "large" amount of outside assistance to help them transform.<sup>1</sup>



*Microsoft's adaptive cloud strategy provides partners an ideal opportunity to help customers navigate the complexities in their modernization journey while bringing the power of Azure anywhere and everywhere.*

– Dion Ubert, Global Sales Director for Adaptive Cloud, Microsoft

# Empowering Partners with Microsoft Azure Stack HCI



## Market Opportunities

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The best option for customers looking for VMware alternatives post acquisition. Bridge to (and from) to enable FSI workloads and operations while maintaining compliance. Deliver on the demand for Edge capabilities. CSP-enabled.



## Business Relevance

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Deliver advanced solutions to solve FSI challenges in the simplest way possible (for the customer). Address modernization and transformation strategies.



## Revenue Opportunity

High revenue and margins on Azure Stack solutions. Capture additional revenue with add-on products and services tied to Azure Stack HCI solutions and FSI use cases. Leverage flexibility to size to any customer requirement.

# Partner profitability with Azure Stack HCI

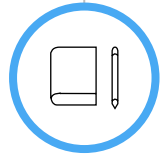
## \$ Opportunity Value



### Infrastructure Hardware

Margin\* opportunity:  
5% to 20%

- Azure Stack HCI Premier | integrated systems | validated nodes
- Storage solutions
- Networking equipment
- Extended hardware warranty



### Programs & Incentives

Rebate earning based  
on priority

- Azure consumption incentives ([link](#))

Measure and Reward  
Incentives for the new Azure offer (Azure plan) are calculated as a percentage of Azure consumption revenue

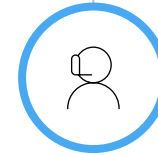
Incentive structure	CSP Indirect Provider	Maximum earning opportunity <sup>1</sup>
Azure consumption CSP motion	4.00%	\$75k USD
Azure Reservation and Savings Plan Incentive (includes ACR from Reserved Instance and Azure Savings Plan)	5.00%	
Azure Workload Accelerator CSP <sup>2</sup>	2.00%	\$25k USD



### Licenses

Margin\* opportunity:  
5% to 15%

- Azure Stack HCI per core per month
- Windows Server Std/ Data center
- SQL Server
- Windows 10/11 desktop (AVD user access right)
- Hyper-V



### Professional Services

Margin\* opportunity:  
25% to 40%

- Infrastructure assessments
- Envisioning and advisory
- Deployment and configuration
- Adoption and enablement



### Managed Services

Margin\* opportunity:  
25% to 60%

- Infrastructure remediation & break/fix
- Performance analytics & reports
- Security monitoring & compliance
- Remote HCI management
- SLA & VIP support services

\* estimated margin



## Partner Success Story

US-based Microsoft partner helped a large financial institution modernize its legacy storage area network (SAN) to Azure Stack HCI with Intel Xeon Scalable processors.

The institution benefitted from a **simplified infrastructure, improved security, reduced latency, and faster transaction times and workload performance**—all helping to improve service delivery and customer satisfaction.

The partner provided white glove service and incorporated its own Hybrid Cloud Solutions for additional data recovery capabilities, which enabled a more resilient deployment while **driving supplemental revenue**.



# Building an Azure Stack HCI practice for financial services

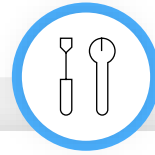


# Best practices for building a successful Azure Stack HCI practice for financial services



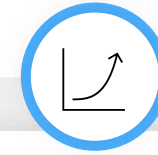
## Gaining internal alignment

Approach hybrid cloud as a unified business motion by eliminating departmental silos and competition across hardware and software teams. Leverage Microsoft's extensive enablement resources to cross-train teams and cultivate internal alignment.



## Technical enablement & upskilling

Invest in training and upskilling to build a knowledge base around not just Azure Stack HCI, but the broader Azure ecosystem, services, and integrations, which is the true differentiator. Also invest time in understanding the unique needs and challenges of the financial industry to help drive initial conversations and establish strategic relevance with customers.

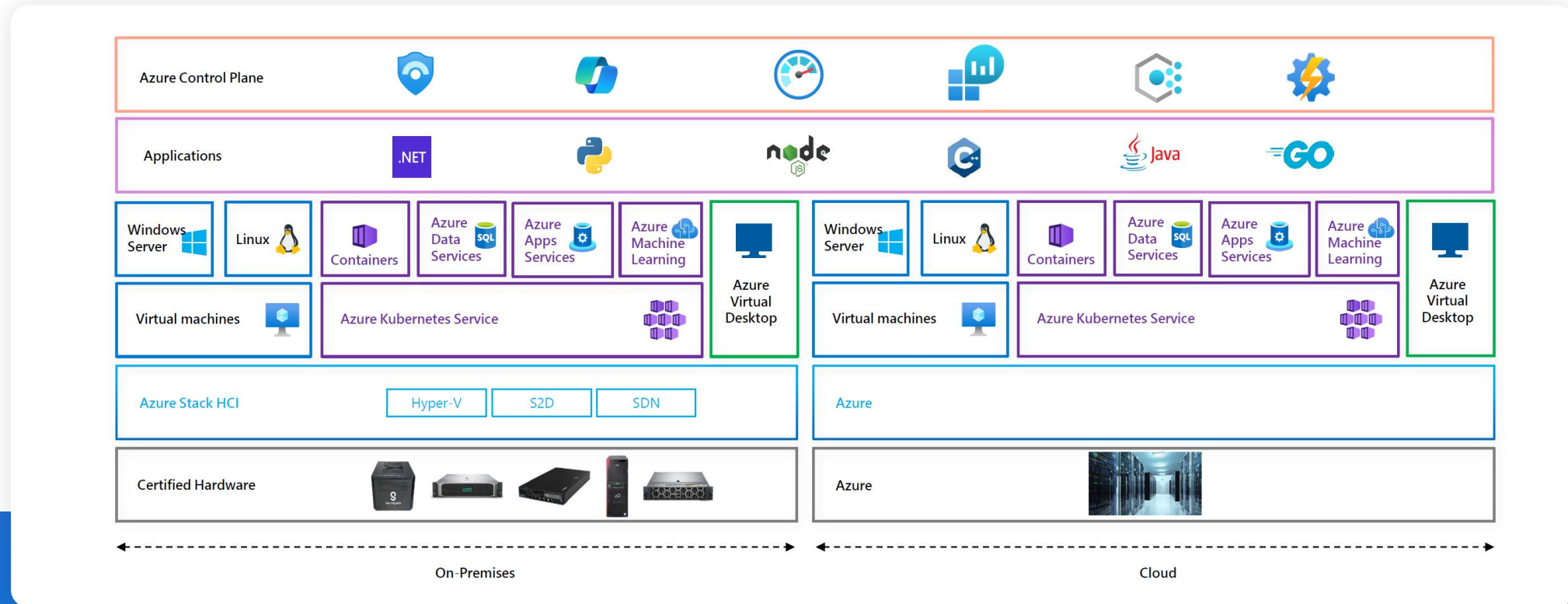


## Determining value-added services

Consider where your business strengths can bring additional value to customers through add-on services or solutions that can drive additional revenue, such as: assessments, transformation planning, ongoing infrastructure management, hardware procurement, license management, etc.

# Selling Azure Stack HCI into the financial services vertical

## Positioning Azure Stack HCI



Azure Stack HCI should be positioned as a critical enabler within the larger, end-to-end Azure ecosystem—which is the key differentiator.

# Selling Azure Stack HCI into the financial services vertical

## *Identifying opportunities*

### Use case: **Infrastructure & App Modernization**

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- Customers looking for **VMware alternatives** following the acquisition by Broadcom
- Quick wins that require less initial commitment but potential for **longer-term, progressive transformation**—including Extended Security Updates (ESU) for SQL Server and Windows Server workloads that are at end of life

### Use case: **Desktop Virtualization**

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- FSIs with **demanding workloads that can't be executed in the cloud** and that need to **simplify VDI** for hundreds (or even thousands) of users and devices across their distributed locations to save on costs and ensure compliance

### Use case: **Data Security & Compliance**

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- FSIs that have **recently experienced a fraud or ransom attack** that are seeking to strengthen security and/or re-establish compliance

### Use case: **Existing Azure Customers**

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- **Existing Azure customers** using Azure for its strengths in analytics and AI present an opportunity for Azure Stack HCI adoption to enable broader infrastructure and app modernization

# Selling Azure Stack HCI into the financial services vertical

## *Engaging customers*

### When engaging a new FSI customer, partners should:

- 1 Gain a deep understanding of their unique business needs and challenges
- 2 Discover or even help them formulate their immediate and long-term goals
- 3 Translate priorities into a technical strategy that maps to Azure Stack HCI (and broader Azure) capabilities
- 4 Tie the technical strategy back to the critical business needs of the health system

### Personas:

#### Business Decision-Makers (BDMs)

**Roles:** Chief Experience Officer (CXO), Chief Executive Officer (CEO)

**What to talk about:** Understanding the key business needs and priorities; demonstrating how the strategy with Azure Stack HCI can improve not just the IT infrastructure but deliver on core business outcomes

**What they care about:** Adhering to industry compliance, improving risk management and eliminating financial fraud, streamlining operations and OpEx costs, increasing internal productivity, improving and digitizing customer experiences, enabling innovation with new technologies like AI

#### Technical Decision-Makers (BDMs)

**Roles:** Chief Technology Officer (CTO), Chief Information Officer (CIO), Director of Infrastructure

**What to talk about:** technical features, capabilities, and pricing

**What they care about:** streamlining infrastructure management and efficiency, reducing complexity, strengthening security posture and compliance, improving access to data

# Get started with partner enablement resources



Visit the [Azure Partner Resource Gallery](#) to download the [Azure Stack HCI Partner Resources Guide](#), which contains valuable links to relevant training, marketing materials, and more—all in one place.



Learn more about the Intel solutions for Azure Stack HCI:

- [Intel Deep Dive Training on Azure Stack HCI](#)
- [Unify Operations Across Hybrid and Multi-cloud Environments](#)
- [Secure Your Microsoft Azure Arc-enabled Environment with Microsoft and Intel](#)
- [Accelerate AI Inferencing Workloads and Boost Security on Azure Stack HCI with Intel AMX and Intel TME](#)

**Thank You**

