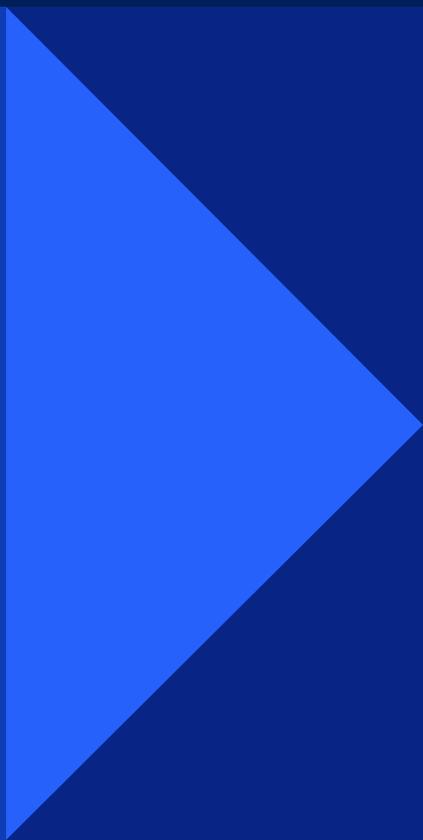


# The State of Transformation

2025 Digital Transformation &  
Next-Gen Technology Study



# Data strategy is the X-factor as firms venture deeper into digital transformation

A major shift has occurred from two years ago, when ChatGPT was still a relative novelty, digital assets were not yet embraced by mainstream asset managers, and operational resilience often referred to being able to work from home. Then, there was a cautious optimism about the digital transformation journey.

Today, when the introduction of a new AI model has the power to send shockwaves through financial markets, Bitcoin ETFs are routinely turning over billions in average daily volume, and cybersecurity has become a global mandate, financial services firms can no longer afford half-measures or indecision over where to place their bets. Most are already heavily invested in digital transformation initiatives and, now that they've started to reach a critical mass, new real-world challenges and opportunities are starting to reveal themselves.

Data strategy has increasingly become the center of gravity in this equation. As firms venture deeper into their digital transformation journeys, they are finding that a robust data management strategy has the power to unlock new opportunities while data silos and fragmented technology bolt-ons have become the enemies of progress. In fact, when financial services

technology and operations leaders were asked what they would choose if they had a magic wand to accelerate their firms' digital transformation progress, the top responses were all focused on data harmonization, the ability to use data in a more seamless, connected way, and, of course, cybersecurity.

While most firms agree on the priorities, when it comes to the granular, functional aspects of implementing these changes to their operations, many are experiencing an uneven and inconsistent roll-out as they struggle to reconcile innovation goals with the limits of legacy technology.

Magic wand wish:  
A seamless platform

**If you had a magic wand to accelerate your firm's digital transformation, what would you ask for?**

**27%** A single platform to be used front to back – across regions, asset classes, and functions

**22%** An easier way to deliver personalized experiences to all stakeholders

**21%** Single source of data that can be leveraged across my firm

**18%** Immunity against cyberattacks

Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

“It all comes back to the data. Any model, any capability you're building, if the data is not right, if it's not as comprehensive as it needs to be, it's not going to be as impactful.”

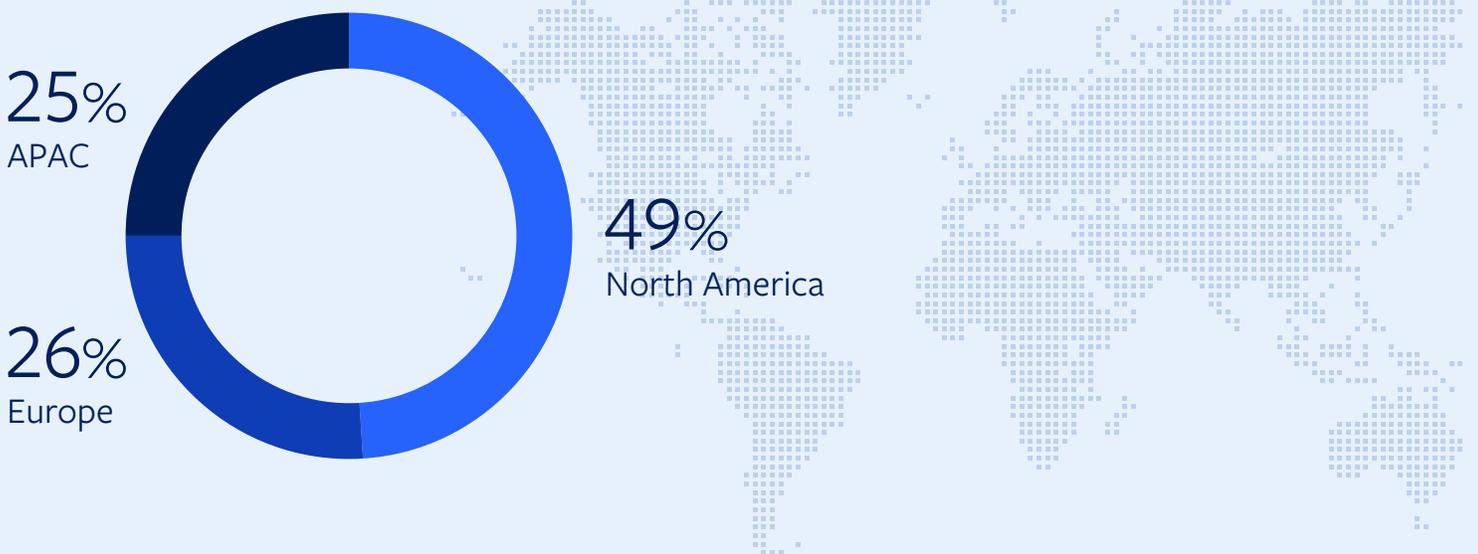
»» Managing Director and Global Head of Operations, Large Investment Bank, U.S.

# Methodology

The fifth annual Broadridge Digital Transformation & Next-Gen Technology Study breaks down the sentiment, reflections, and actions of more than 500 financial services technology and operations leaders from around the world and across wealth management, capital markets, and asset management firms, demystifying what's guiding each organization's transformation roadmap and exploring their unique approaches to data, AI, crypto, cybersecurity, personalization, and more. Broadridge commissioned Phronesis Partners to conduct this survey.

509 Total respondents

\$83B Average AUM



# Inside the report

# Foundational technologies in focus

When it comes to the technology being adopted most widely today, firms are focused on cloud, cybersecurity, and, new to the top of the list this year, AI.

Cloud is king, with 86% of firms integrating it into their processes, and 84% making moderate to large investments this year, consistent with last year's study. This dominance underscores the industry's recognition of the cloud as the backbone of scalability, operational efficiency, and agility.

However, with the increasing sophistication of cyberthreats, firms have also maintained their focus on cybersecurity technologies, with 66% of respondents indicating they currently have cybersecurity tech built into their operations to protect sensitive data and ensure ongoing regulatory compliance,

and 87% reporting that they plan to make moderate to large investments in cybersecurity this year. Despite this steady investment, it is noteworthy that more than one-third (34%) of firms still do not have cybersecurity technologies built into their core operational infrastructure.

Similarly, when asked to describe the primary drivers of increased tech spend over the next year, the most frequent responses were upgrading legacy technology, clear evidence of business benefit, and increased attention to cyber risks.

## Building the technology backbone

**Percentage of firms utilizing the following technologies in their operations and processes.**

**86%** Cloud

**66%** Cybersecurity

**57%** AI

Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

“Firms that are still trying to drive transformation by bolting on point solutions are quickly starting to realize that there is a limit to how much they can accomplish before they address the fundamental flaws in their platforms.”



**Jason Birmingham,**  
Global Head of Engineering,  
Broadridge

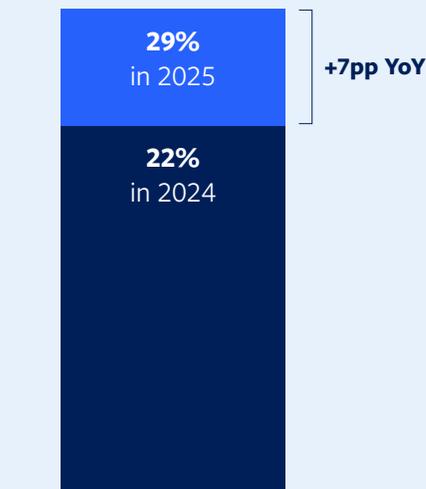
While firms are clearly focused on foundational technology, they are also breaking new ground in areas such as advanced analytics and data visualization, robotic process automation, and other emerging technologies. Overall, financial services technology and operations leaders expect to allocate 29% of their total IT spend to technology innovation over the next two years, an increase of seven percentage points from last year’s study.

“It’s really all about straight-through processes and the ability to see consistent data across all products and workflows,” explained Jason Birmingham, Broadridge Global Head of

Engineering. “Digital is hard for firms because they are dealing with several disparate systems, each with their own data models that do not necessarily talk to one another. That may have worked in the past, but today, that’s not sustainable when you’re doing things like tackling new AI projects, building a distributed ledger capability, and developing an automated trading platform — all at the same time. Firms that are still trying to drive transformation by bolting on point solutions are quickly starting to realize that there is a limit to how much they can accomplish before they address the fundamental flaws in their platforms.”

### Increased investment in innovation

**What percentage of your organization’s technology budget will go towards innovation over the next two years?**



Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

### Top reasons for increased tech spend



Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

# Data challenges arise on the path to digital maturity

While most financial firms agree that a clear data strategy is the key to maximizing return on technology investments, many are still facing challenges breaking down data silos and getting to the level of data quality and consistency they need to power their digital transformation ambitions.

The financial services industry has placed significant emphasis on creating a data platform that serves as the single source of truth across the firm. However, this goal is often unattainable for most companies.

“Just because you’ve put all your data in a big lake, it doesn’t mean we can all go swimming,” said Stephanie Clarke, Broadridge

head of international strategy and corporate development. “The real value lies in enabling disparate data sets to communicate effectively with one another, guided by a well-defined data and governance strategy.”

Data silos continue to hinder progress

### What is your level of agreement with the following statements relative to data management?

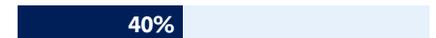
We have a clear data strategy that enables us to maximize our ROI



We are dealing with data silos



We have data quality issues



Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

“Just because you’ve put all your data in a big lake, it doesn’t mean we can all go swimming.”

**Stephanie Clarke,**  
Head of International Strategy and Corporate Development, Broadridge



“Data is so challenging for us. If I could do everything from scratch, it would be much easier, but in the case of having a lot of legacy systems, especially Japanese vendor systems, it is so painful to remove, to replace. So the challenge all the time for us is how to migrate the existing system into a new one.”

»» **Global Head of Operations, Global Investment Bank, Japan**

# GenAI proving its place in financial services workflow

One of the bright spots in the digital transformation journey for most financial firms has been the widespread adoption of AI, specifically generative AI (GenAI), within everyday workflows. Overall, 72% of firms are making moderate to large investments in GenAI this year, up from 40% in 2024.

The composition of that increased investment in AI says a lot about how it has become more entrenched in all aspects of the financial services industry workflow. AI now ranks third after cloud platforms and cybersecurity tech among the most frequently used technologies in financial firms' operations and processes. Moreover, 86% of firms say they plan to increase their investments in AI over the next two years.

## AI productivity gains become too hard to ignore

The results of this year's study also show an evolution in the way financial firms are starting to extract value from AI. More than two-thirds (68%) of financial services professionals believe the greatest impact

GenAI will have is on employee productivity, followed by better reporting (51%) and reduced operational cost (50%). As we see in the chart on the following page, the primary reasons firms are implementing GenAI tools are to reduce costs/improve efficiency (29%), improve customer experience (28%), and improve employee experience (19%). When it comes to ROI, 35% of firms expect to start seeing their GenAI investments pay off within six months. For many firms, however, it will take quite a bit longer to see that ROI: 33% believe it will take one-to-two years before they start getting a payback on their GenAI investments; 24% think it will take between three-and-four years; and 8% think it will take five years or more.

Where firms are making the biggest investments

**87%** Cybersecurity technology

**85%** Advanced analytics and data visualization

**84%** Cloud platform

**80%** Artificial intelligence

**74%** Digital identity/biometrics

**73%** Robotic processing automation

**72%** Generative AI

Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

“You need to have good data before you can use AI in an effective way.”

» Chief Information Officer, Investment Banking Division of Global Bank, Singapore



**But do we trust AI?**

While digital leaders are investing heavily in AI and many are already seeing benefits that are too good to ignore, 74% of respondents feel that GenAI should be more tightly regulated. The biggest roadblocks to adoption among firms that have been hesitant to adopt AI have been a feeling that the technology is still too immature (57%), lack of confidence in ROI (42%), and regulatory constraints and policy restrictions (28%).

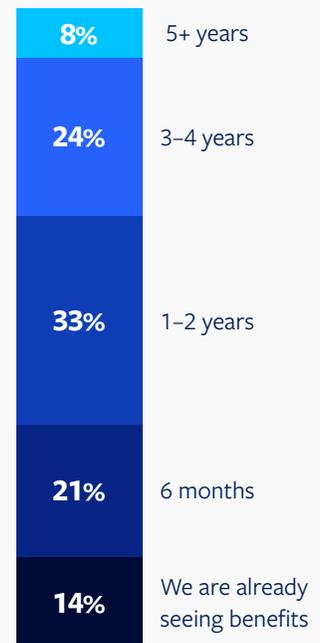
“We’re at this really interesting point in the hype cycle around AI and GenAI where widely accessible tools, like GenAI-powered note takers, drafting tools, and data visualization solutions are delivering immediate, measurable benefits to financial professionals,” said Joseph Lo, Broadridge Head of Enterprise Platforms. “We’re seeing a re-baselining of the expectations for what AI can deliver as people get increasingly more comfortable with incorporating it into everyday tasks. Over time, that will drive a rapid expansion of AI across more foundational, operational aspects of the financial services workflow.”

Firms extracting value from AI

**Primary reason for implementing GenAI tools:**



**Expected time for payback on GenAI investment:**



Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

“AI is a good thing for us, but when it comes to GenAI, we still have some security concerns. If the data is not good, you will not get tangible or suitable results, and we’re obviously concerned about hallucinations. On the whole, we see a lot of opportunity with things like copiloting tools and no- or low-code capabilities, but it is not a universal remedy yet.”

» Chief Operating Officer, Bank, Germany

---

## AI among top three most-used operational technologies

**Which of the following technologies are currently being utilized in your company’s operations/processes?**

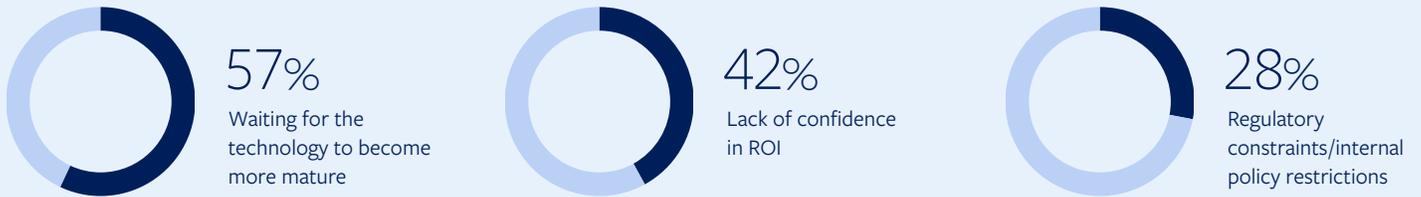


Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

---

## Key barriers to GenAI adoption

**What is preventing your firm from adopting GenAI?**



Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

“We’re seeing a re-baselining of the expectations for what AI can deliver as people get increasingly more comfortable with incorporating it into everyday tasks.”



**Joseph Lo,**  
Head of Enterprise Platforms,  
Broadridge

# Digital assets go mainstream

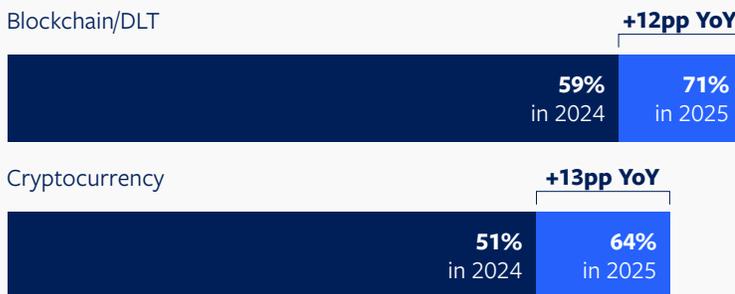
After many years of sitting on the sidelines, digital assets and blockchain technologies have captured the attention, and increasingly the wallets, of financial firms.

Nearly three-quarters (71%) of financial firms are making major investments in blockchain and distributed ledger technologies (DLT) this year, up from 59% in 2024, and 64% are making big investments in cryptocurrency, up from 51% last year.

A majority of respondents (53%) agree that digital assets will become widely accessible, and 40% believe digital assets are increasingly relevant to their business. However, 73% feel greater regulation is on the way.

## Increased investment in blockchain and crypto

### Percentage of firms making moderate to large investments in the following technologies



Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

## Watch this space

### What is your level of agreement with the following statements relative to digital assets?

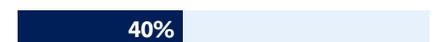
We are expecting greater regulation and governance of digital assets



I believe that digital assets will be a widely accessible asset class



Digital assets are increasingly relevant for my business



Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

“If you put the smartest people in our industry in a room and asked them to draw everything the way it works today, and then you tell them to erase it all and redraw it the way it should work, I guarantee that digital assets and blockchain would stay on the board.”

»» Managing Director and Global Head of Operations, Large Investment Bank, U.S.

# Tough talk on operational resilience and cybersecurity conceals serious concerns about recovery time

Cybersecurity and operational resilience are clearly on the minds of financial services professionals amid a number of high-profile data breaches, ransomware attacks, and system failures during the past year.

Cybersecurity is ranked among the top technologies receiving the highest level of investment, and it is clear firms are taking cyberthreats seriously.

Despite the widespread investment in cybersecurity, and strong levels of confidence that their firms can bounce back quickly following a cyberattack or unplanned incident, many firms seem to be unclear on how long — exactly — it would take them to recover from an attack. When asked how quickly their organizations would recover following an incident, 37% said a matter of hours, 33% estimated between two and three days, and 30% said it would take a week or more.

When it comes to operational resilience regulation, such as the Digital Operational Resilience Act (DORA), which entered into force in January 2025 and requires financial institutions operating in Europe to report key cybersecurity risks and conduct regular resilience testing, just 48% of firms feel they are ready to comply today. Nearly half (46%) of respondents say legacy technology and systems are limiting their resiliency strategy.

“We’ve seen a real shift in awareness of cyberthreats. It’s no longer a conversation about if an attack will happen, but will we be ready when it happens?” said Neha Singh, Broadridge Head of Post Trade Transformation and Strategic Products. “Firms have clearly made cybersecurity a strategic imperative, and they are generally confident they can get the right people together quickly to solve a problem. But when it comes to all the forensics that will need to be done and the data exchange protocols with other firms that will need to be tested, recovery times could vary widely depending on the details of the incident.”

---

Legacy systems hinder resiliency

# 46%

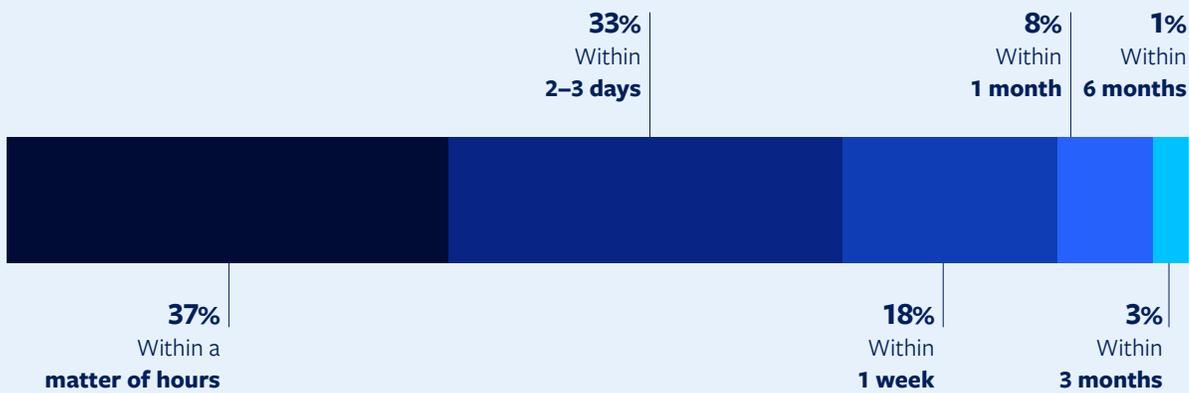
of firms agree that their legacy technology and systems are limiting their resiliency strategy

## Burden of proof for operational resilience

### I am confident in my firm's current recovery plans for a cyberattack or unplanned incident



### Among respondents who agree, recovery speed of organizations facing a cyberthreat



Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study

“We’ve seen a real shift in awareness of cyberthreats. It’s no longer a conversation about if an attack will happen, but will we be ready when it happens?”



**Neha Singh,**  
Head of Post Trade Transformation  
and Strategic Products,  
Broadridge

# Firms still chasing perfect formula for personalization

Of all the digital transformation megatrends over the last five years, few have captured the imagination of the financial services industry more than the idea of mass personalization.

The notion that AI-powered technologies, dynamic user interfaces, and predictive analytics can be used to better anticipate client needs and deliver a fully customized experience has been the industry’s vision quest for the better part of a decade.

According to this year’s study, while progress is being made to improve customer experience, the majority (59%) of respondents feel that siloed departments, data, and technology are limiting progress on more personalized client engagement. In fact, 52% of respondents say their biggest single customer experience challenge is the ability to personalize content. That could take the form of content or delivery channels. For example, 57% of respondents say their firms are still sending print communications to clients who have chosen to go paperless because of siloed systems used to manage digital and print communications.

“The struggle is real. Let’s look at a bank, for example,” explained Matt Swain, Broadridge Head of Communications Insights and Experience. “Firms will have multiple relationships with the same customers through things like direct deposit accounts, credit and debit cards, mortgages, and even life insurance and wealth management accounts. Some of these may have grown organically and others through acquisition, and even though each line of business will have several digital components, they’re often running off their own legacy platforms. It’s very rare to find a level of digital maturity where the various business lines and their discrete platforms are truly connected.”

Getting the basics of personalization right proves challenging

## Which elements of customer experience (CX) do you find the most difficult to get right?



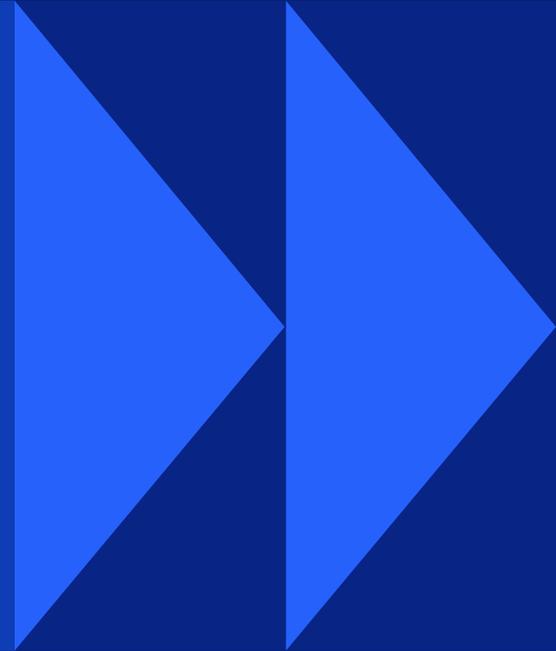
Source: Broadridge 2025 Digital Transformation & Next-Gen Technology Study



**Matt Swain,**  
Head of Communications  
Insights and Experience,  
Broadridge

“It’s very rare to find a level of digital maturity where the various business lines and their discrete platforms are truly connected.”

# Takeaways



# Digital maturity: Visionary ideals confront functional realities

Throughout the study, a common refrain emerged among respondents who clearly understand the value of digital transformation and, in most cases, have been investing heavily in a wide range of digital initiatives addressing everything from AI and crypto to operational resilience and personalization: *We’re working on it, but the deeper we get, the more obstacles we encounter.*

The phenomenon is best captured in the responses to a series of questions we asked about perceived digital maturity. When asked to rate their overall level of digital maturity based on their firms’ progress to date with the ingredients of transformation such as developing an innovation culture, modernizing core IT, and delivering digital customer experiences, 30% of respondents classified their firms as leaders. When pressed on specific operational areas of their business where they are actively implementing digital transformation efforts, such as regulatory compliance and reporting, product development and

management, and middle office, just 26% of respondents were classified as leaders.

This disconnect between perceived level of digital maturity and real-world execution of digital transformation in key business functions helps illustrate the challenges many firms are facing when implementing enterprise-wide transformation initiatives. While many firms have put in motion robust digital transformation agendas addressing big-picture strategic priorities, getting the granular details right to fully digitize core functions has introduced a new set of hurdles.

---

## Digital maturity: highs and lows

**How would you rate the digital maturity in the following operational areas within your organization?**

Segment	Highest digital maturity areas	Lowest digital maturity areas
<b>Wealth</b>	Technology and data management, Fee management and accounting, Client relationship management	Prospecting and marketing, Financial wellness and advisory, Regulatory compliance and reporting
<b>Asset management</b>	Client relationship management, Investment strategy and research, Fee and expense management	Portfolio and order management, Regulatory communications and reporting, Product and distribution strategy optimization
<b>Capital markets</b>	Technology and engineering, Quantitative analysis, Information security	Middle office, Treasury, cash and liquidity management, Securities finance and collateral management

# Views from the front lines of digital transformation

To better understand how the forces of technological disruption, limits of legacy technology, and constantly evolving regulatory pressures are affecting financial firms, we conducted follow-up interviews with several respondents. Following are some of the insights they shared.

“We believe there is more we can do, but the legacy technology issue is ongoing. Ideally, these legacy systems would be transferred to new systems. But it is not easy because the new system does not have the same concepts; it doesn't have the same level of granularity. So there is always a gap, and it is always very difficult to fully bridge that gap.”

» **Global Head of Operations, Global Investment Bank, Japan**

“We're under an enormous amount of regulatory scrutiny. We're under an enormous amount of audit scrutiny from our internal audit functions, and we have a lot of old technology. So the intention is, yeah, we'd all love to be doing stuff in AI and other funky tech. But the reality is that our tech teams are focused on things like audit remediation, regulatory responses, upgrading our technology, and upgrading our data.”

» **CIO, Global Capital Markets and Banking Institution, Europe and APAC**

“We have a huge legacy information system and a series of multiple different systems in use across geographies, with very few integrations between the different layers, such as account management, customer position, or cash pooling. This makes it very complicated for us to deliver new services. It is an issue we're spending a lot of time thinking about, but for the time being, we have no real solution.”

» **Head of International Trade and Transaction Banking Transformation and Projects, Corporate and Investment Bank, France**

“The shortening of the settlement cycle is really exploding the challenges around operational resilience because there really is no margin for error. In the T+2 environment, if there was a problem clearing a trade overnight, it would usually be resolved before it could create any serious problems. Now it's a T+1 world. Everything has to be done perfectly on trade date or there's an impact within a few hours the next day.”

» **Managing Director and Global Head Of Operations, Large Investment Bank, U.S.**

# Putting the pieces together

Ultimately, what we've found as we've talked to financial services leaders, interrogated the data, and charted the progression in trends over the five years we've been conducting this Digital Transformation & Next-Gen Technology Study is a marketplace deep in the trenches of a metamorphosis.

While financial firms are far from being through the growing pains and incremental setbacks that come from overhauling legacy systems and incorporating new operating models — all while the technology, regulatory, and macroeconomic backdrop keeps evolving every day — they are deep enough into the process to see the value and keep pushing through the pain to come out stronger on the other side.

“It's hard because it's hard,” quipped Broadridge Global Head of Engineering, Jason Birmingham. “There are so many practical barriers that need to be overcome. Firms are starting to recognize that they cannot realistically rewrite every single asset they have. Instead, they need to understand the data those engines consume and model that data for the different use cases they're trying to address. It's a challenging process, but we are seeing firms make huge progress

every day. By partnering with specialists who understand the complexities involved and appreciate how each incremental change will reverberate across different systems and front-, middle-, and back-office functions, it starts to become possible to connect the dots.”

The key to keeping that positive momentum is to not just define lofty goals in a vacuum but also to address the detailed operational underpinnings that will go into achieving those goals. Whether it's setting the standard for effective use of generative AI, building an ironclad operational resilience plan, establishing dominance in crypto, or redefining customer experience for the digital age, financial firms need to establish a playbook for how they are going to systematically evolve their operational workflows each step of the way.



# Let's talk about your digital transformation

Visit us at [Broadridge.com](https://www.broadridge.com) or call +1 415-805-9722 to find out how we can help.

Contact us

Stay connected to the latest insights

