

The cost of change

Why bank strategies stall in a growing backlog of IT projects, and how to break the cycle

In brief

Most bank leaders can list their priorities from memory. Far fewer can say when those priorities will reach customers. The problem is rarely the ideas. It is how long change takes and how much it costs. That cost is spread across many budgets, so nobody owns it. The banks that move faster have not found a better replacement programme. They have changed how they make changes.

- **The cost of change is a business problem, not an IT problem.** It decides how many of the executive committee's priorities reach customers in time to matter.
- **The usual remedies often make it worse.** Large replacement programmes, platforms chosen by ticking boxes, and credit rules rebuilt separately for every channel all make the next change more expensive.
- **The banks that move faster share a few habits.** They change one product at a time. They build around their core system instead of replacing it. They keep credit and pricing rules in one place. They let business owners make changes themselves, with proper controls. And they keep a record of every decision as they go. Over time, they spend less on maintenance and more on growth.
- **We end with six questions** an executive committee may want to ask itself before talking to any supplier, including us.

1. A cost nobody owns

The pattern is familiar. A priority is decided at senior management and board level. Then it joins a growing backlog of IT projects. It needs customer screens from one supplier, decision rules from another, document checks from a third, and someone to connect them. By the time it reaches customers, the opportunity is smaller and the business case no longer adds up the way it did.

The cost shows up in three places at once:

- **Revenue that never arrives.** Products launch late. Customers abandon applications while they wait for documents and approvals. Brokers, dealers and partners send their best business to whoever answers first.
- **Cost that keeps growing.** Staff re-type data and check documents by hand. Suppliers and integrations overlap. Every product is launched as a separate project, reusing little from the last one.
- **Risk that is hard to see.** The same customer gets different answers in different channels. Evidence for supervisors and auditors is pieced together after the event. Staff use AI tools outside approved processes.

Each of these sits with a different executive and a different budget, so each gets its own fix. Every fix makes sense on its own. Together, they add another supplier, another hand-off and another copy of the credit rules, so the next change costs more than the last.

The same pattern shapes the technology budget. A large share goes on maintaining the systems the bank already has. Only a small part is left for new products and new systems. Every extra supplier and integration adds to the maintenance bill, so the share left for growth gets smaller each year.

Standing still has a cost. It is just spread across too many budgets for anyone to see it.

2. Why the usual remedies disappoint

Replacing instead of changing

When change becomes painful enough, the natural answer is to replace the system. In financial services, these programmes have a reputation for running long and delivering less than planned. Requirements are fixed long before go-live, and the business puts its priorities on hold while the programme runs. Often, the old system worked well enough. The real problem was how hard it was to change everything connected to it.

Choosing platforms by ticking boxes

Platforms are usually chosen against a long list of requirements, and the supplier with the most ticks tends to win. No supplier delivers everything a bank needs out of the box, and few programmes start with requirements that will not change. After the contract is signed, two things matter most: how quickly and safely your own people can adapt the platform to your products, channels, partners and policies, and how experienced the supplier's people are. Evaluations rarely test either.

Credit rules rebuilt for every channel

Eligibility, affordability, pricing and limits are often built separately for each channel, product system and partner, and over time they drift apart. Every policy change has to be made, tested and documented several times. It becomes harder for the chief risk officer to say with confidence that what runs in the live systems is what the credit committee approved.

AI used outside approved processes

Staff already use AI to read documents, summarise cases and draft papers, often outside approved processes and without a record. The concern is not that AI is used. It is that nobody can control it or show what it did.

3. What the banks that move faster do differently

None of these habits is new. What makes the difference is doing them together, as an everyday way of working rather than as a one-off programme.

They change one product at a time

They start where delay or cost hurts most, prove the approach there, then extend it. Each new product reuses the customer screens, decision rules, document handling and connections already built, so each launch costs less than the one before. Each step has its own business case, and the bank decides whether to take the next one.

They build around the core

The core banking system stays the book of record for what it does well. New products, customer journeys and decisions are built around it, and existing products move only when there is a good reason. New products no longer have to wait for changes to the core.

They keep credit and pricing rules in one place

Credit, pricing and eligibility rules sit in one decision engine that serves every channel and partner. A change is made once, tested against past applications, approved by a second person, and then applied everywhere at the same time.

They let business owners make changes themselves, with proper controls

Product, credit and operations leaders change rules, customer journeys and workflows themselves, instead of adding to the backlog of IT projects. Every change is recorded, tested, approved by a second person and tried in a test environment before it goes live, and it can be reversed. That discipline is what makes the speed safe, and it applies only within approved policy.

Start from something that works

Requirements written on a blank page tend to describe how the bank works today. It is better to start from a complete working system, with journeys, decisions, documents and operations already in place, and adapt it. People see what they really need early on, when changes are still cheap to make.

They keep evidence as they go

Every decision is stored with its data, the rules and model versions used, and its reasons, so the bank can show exactly how it was made. Every change records who made it and who approved it. When a supervisor, auditor or customer asks, the answer is already on file.

They bring AI inside their controls

AI agents prepare, check and draft; they do not decide. They work only within the permissions, processes and approvals the bank sets, and everything they do is recorded. Credit decisions follow rules and models the bank approves, and accountability stays with the bank. The bank chooses which AI models to use and keeps its data in systems and under agreements it controls.

They move budget from maintenance to growth

One platform with fewer suppliers and integrations costs less to maintain than a patchwork of legacy systems. Changes are configured, not written as custom code, so each one costs less to make and to support. Each year, more of the budget is free for improving products and launching new, profitable ones. Over time, the balance can flip. More of the budget goes on growth, and less on maintenance.

They keep managing the business case after approval

They set out what each product should deliver and compare it with what actually happens, product by product and channel by channel. When results slip, they can see where and why, and adjust pricing, policy or process under the same controls. The business case becomes a tool they manage with every month, not a document filed away on approval day.

4. Six questions for the executive committee

1. What did our last product launch really cost, across every budget it touched, and how much of that will we pay again for the next one?
2. In how many places does our credit and pricing policy live, and how long does an approved change take to reach all of them?
3. If a supervisor asked tomorrow, could we reproduce a decision we made a year ago, with its data and reasons?
4. Where are our people already using AI, and could we show what it did?
5. When we last chose a platform, did we test how quickly our own people could change it?
6. How much of our technology budget goes on maintaining what we have, and how much on new products?

5. Where Zoral fits

We built the Zoral Finance Operating System (fOS) around these habits, because we kept seeing the same pattern in the banks and lenders we worked with.

Zoral fOS runs customer journeys, products, credit decisions, documents and operations on one platform, alongside the systems a bank chooses to keep. Each solution starts from a working system rather than a blank specification, and business owners adapt it with proper controls. AI agents work within the bank's own controls, and results are tracked against plan after launch. Because products are configured on one platform instead of coded across many systems, Zoral fOS is designed to cost less to maintain than the legacy systems it works alongside or replaces. That leaves more of the budget for new products. Data, product definitions and audit history remain the bank's and can be exported in standard formats.

Most banks start where change costs them most, and build from there. We have built and launched the complete platform for a Shariah-compliant digital bank, as well as multi-product loan origination (LOS), credit decisioning and robo-underwriting systems. We have worked with clients regulated by the FCA in the UK, the CFPB in the US and the central banks of Malaysia and Thailand. References are available in confidence.

About Zoral

Founded in 2004	Over 100 projects delivered	350+ years of combined experience
Clients regulated by the FCA in the UK, the CFPB in the US and the central banks of Malaysia and Thailand	Independently audited under SOC 2, with details on the Zoral Trust Portal	Long-standing relationship with KPMG

- **An independent specialist.** The platform is our own, and the people who built it lead delivery, alongside our clients' advisers and systems integrators.
- **Atelier,** Zoral's consulting practice, works with leadership teams on questions like those in section 4.
- **AI for Zoral.** We use AI to help our specialists and our clients' teams design, check and test products and workflows faster. AI assists; people approve.

If this reflects what you see in your institution, we would welcome a conversation.

Senior Zoral specialists who have run banking, credit and risk operations would be glad to compare notes on where change costs you most, and what has worked elsewhere.

Book an executive briefing: zorallabs.com/schedule/briefing/

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We would welcome a conversation.

Talk to a senior Zoral team:

zorallabs.com/schedule/briefing/

Zoral Finance Operating System (fOS) · Atelier consulting

Independently audited under SOC 2 · details on the Zoral Trust Portal: trust.zorallabs.com

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