

The energy crisis

Is there a silver lining for the Financial Sector?



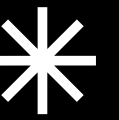
In this report, we offer key insights into the impact of the energy crisis on enterprise networks in the Financial Sector. The crisis is hitting businesses hard all around the world, but – perhaps surprisingly – there are some distinct positives too.

We recently reached out to senior decision-makers across the sector, including both the Banking and Financial Services verticals. The respondents to our survey all have a decision-making role in large enterprises (4,000+ employees) in the US, UK, France and Germany. Leaders in the sector should be pleased to note the positive effects we discovered, notably the way the crisis has boosted organizations' wider network sustainability agenda.

Of course, we also found evidence of **considerable pain and anxiety from the crisis**, with implications for leaders here too.

Some__bad__news

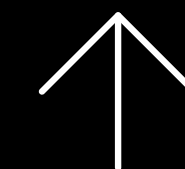


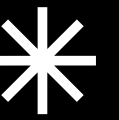


Higher energy prices

With increased global energy prices because of the current energy crisis, most businesses are having to pay more for the energy they use. The Financial Sector is no exception, with its leaders reporting increased network energy costs.

52% More than half are seeing energy price increases imposed on top of existing contract terms, not just when their contracts are renewed.





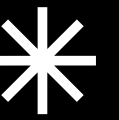
Supply concerns



Over half (54%) of Financial Sector leaders cite high energy costs as their biggest concern about their network operations (including data center, cloud and connectivity) from an energy point of view.

40%

A significant number also worry about potential energy supply shortages in future. Some leaders even admit to taking these problems home and losing sleep over them.



An inflationary spiral

Higher energy costs in the network have impacted how much Financial Sector businesses charge for their own services, with most organizations raising their own prices as a result:

Financial Sector businesses are effectively passing on some or all of their heavier cost burden.

The good news





A drive for efficiency

The first positive is that Financial Sector organizations are striving to make their network operations more energy efficient. They are doing this in two distinct ways:

44% Aim to maintain the same activity levels while consuming less energy.

42% Seek to increase their activity levels while consuming the same amount of energy.

Encouragingly, few in the sector admit to cutting back on service capacity, or 'consuming less by doing less'.

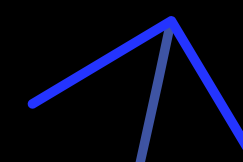




Increased investment

57%

Equally good news is our finding that over half of Financial Sector leaders say their desire for improved energy efficiency has spurred them to invest more heavily in their enterprise network operations.





The spotlight is on sustainability

And finally, 47% of Financial Sector businesses have accelerated and strengthened their network sustainability efforts.

No doubt, alongside enhancing their energy efficiency, most are seeking to reduce their carbon footprint, and many see potential in renewable energy sources, particularly solar power.

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Summary and implications





Overall, the energy crisis
has caused Financial Sector
network operators to:

- Be impacted by, and be concerned about, high energy prices.
- Worry about certainty of energy supply.
- Increase the price of their own services.

- Seek and invest in energy efficiency measures.
- Work hard to maintain or increase their operational activities.
- Boost their business sustainability efforts.



These impacts have varied across the sector, depending on the energy consumption of individual businesses. Clearly, the effects are greater for those whose network operations (including data center, cloud and connectivity) are a significant part of their operational expenditure.

Variations in national energy legislation, production and policies also mean differences in the impact of energy costs and supply across different geographical regions.

Investments in energy efficiency shorten the upgrade cycle for network infrastructure

Financial Sector leaders can also take some comfort from the fact that they are far from alone in facing tough energy environment for their enterprise network operations. As a large global network operator ourselves, with 15% of our production cost related to energy, we understand the pain of increased energy costs.

There are measures leaders can take to manage and mitigate the continued effects of this ongoing crisis. They should not hesitate to collaborate across the sector and with their network providers to access the best support and advice.

Above all, perhaps, leaders should not ignore the positive outcomes from the energy crisis. In particular, it has hastened the transition towards more sustainable networks. For example, investments in energy efficiency are shortening the upgrade cycle for network infrastructure.



Research methodology

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This research was conducted on behalf of Arelion by Savanta, a global leader in digital data collection. An online survey was carried out with 95 industry representatives in Financial Sector enterprises, comprising 60 Banking and 35 Financial Services organizations in the US, UK, Germany, and France.

All participants in the research work for enterprises with more than 4,000 people, and all are involved in decision-making for their company’s network development strategy.





About us

Formerly Telia Carrier, Arelion is a leading light in global connectivity services. We've been keeping the world connected since 1993 and today our global IP backbone, AS1299, is ranked number one in the world.

Our network spans Europe, North America and Asia, with 75,000 km of optical fiber and 1,700 MPLS end points. Our award-winning customer service team supports our expansive customer base in 125 countries, who rely on us for their business-critical services.

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