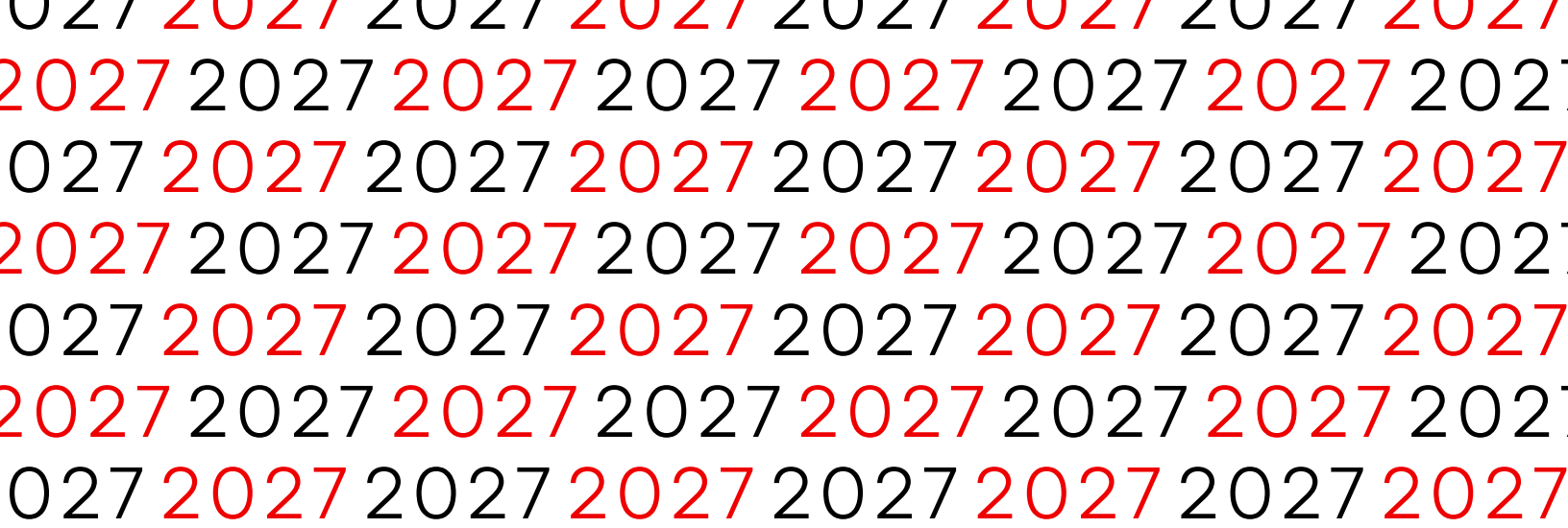


# How Banking CIOs Can Deliver on 2027 Priorities





Banking CIOs are entering 2027 with a familiar tension: expectations keep rising while budgets barely grow. **Gartner's 2026 CIO and Technology Executive Survey** puts the average increase in banking IT budgets at 3.9% for 2026, and only 16% of banks expect a decrease. Regulatory requirements keep expanding, and geopolitical uncertainty is reshaping how banks choose vendors. The pace of technological change isn't slowing down either.

Half of banking CIOs report falling short on at least one critical digital initiative their CEO cares about, even as CEOs keep pushing for more productivity, lower costs, and stronger resilience.

Closing that gap depends less on next year's budget than on finding where cost and risk have quietly built up in infrastructure nobody has re-examined in years.

One of the most overlooked sources of cost and risk is how a bank moves its documents.

It rarely makes it into modernization roadmaps, despite underpinning productivity, resilience, and AI readiness.

# The New CIO Mandate

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Four themes now define what success looks like for a banking CIO:



## Productivity



## Modernization



## Cost control



## Resilience

Gartner's data backs the first three directly. Employee productivity (69%), cost reduction (65%), and resilience of business operations (60%) top the list of outcomes CEOs expect from IT on internal-facing systems this year.

Looking ahead, the same survey adds customer experience as another key success metric. Looking ahead, the same survey adds customer experience as another key success metric.

Regulatory expectations keep tightening. Geopolitical uncertainty is reshaping how banks choose vendors: 32% of banking CIOs are increasing their focus on regional providers.

Investment is shifting toward AI, too. Banking CIOs are raising AI funding by an average of 39% and generative AI funding by 44% this year.

Every dollar of a modest budget increase must go farther. A CIO now has to prove measurable productivity or cost impact beyond just keeping systems running. That means examining every system to see whether it is pulling its weight, even the ones that haven't been re-examined in years.

That includes the infrastructure banks use to move documents.

# The Hidden Barrier to Modernization

Fax rarely appears on a modernization roadmap. It still handles some of a bank’s most regulated communications: loan documents, wire confirmations, insurance claims, KYC paperwork, correspondence with regulators and correspondent banks. Much of that infrastructure runs on aging, on-premises servers, patched together over years through inherited vendor contracts and manual workarounds that quietly consume IT time.

That consumption compounds. Retarus identifies a 5–10% failure rate for typical legacy fax environments, as well as hybrid setups layered with add-ons over time. Failed transmissions can require manual resends and reconciliation against application data, adding to the operational burden. The potential impact becomes clearer in Retarus’ illustrative enterprise model. For a bank processing 10 million fax transmissions a year, even a 2-percentage-point improvement in delivery rate would mean roughly 200,000 fewer failed transmissions annually. At an assumed \$7 to \$10 in labor, delay, and remediation cost per failure, that represents \$1.4 to \$2.0 million a year in potential avoided costs.

Those figures don’t even include the potential business impact of documents that never reach their destination. **Splunk** and **Oxford Economics** found that unplanned downtime cost Global 2000 companies \$600 billion in 2026, a 50% increase in two years.

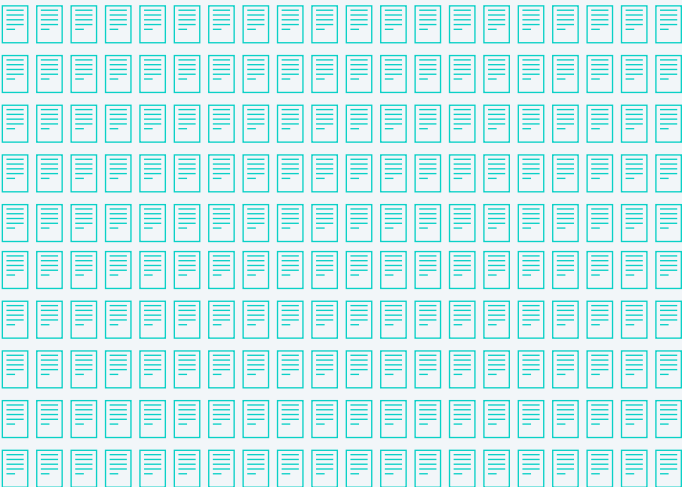
The average enterprise lost roughly \$300 million annually to outages, and stock prices fell an average of 3.4% after a major incident. Banks depend on continuous system availability for trading, payments, and compliance, which leaves them squarely exposed to those risks.

In many cases, fixing this doesn’t require touching core banking systems. A modernized document exchange platform can replace that fragile single point of failure with redundant, auditable infrastructure. That can strengthen business continuity and give compliance teams a defensible record for regulators. Handled well, document exchange contributes directly to the resilience and productivity goals already driving the rest of the CIO’s roadmap.

## Example Enterprise Model



10M / 365 days  
fax transmissions



2 % —————> 200,000  
delivery rate improvement      fewer failed transmissions

# Four Priorities for 2027

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1

**Resilience now**  
means more  
than uptime.

2

**Productivity gains**  
come from removing  
everyday friction.

3

**Cost reduction**  
has to come from  
eliminating spend.

4

**AI readiness**  
starts with what  
feeds the model.



# 1 Resilience now means more than uptime.

A bank can recover quickly from a system outage and still face difficult questions from auditors if it can't show where a critical document went. In banking, resilience isn't measured by availability alone. It also depends on whether documents reach the right destination securely, on time, and with an audit trail that stands up to regulatory scrutiny. That means building business continuity and auditability into the document exchange infrastructure from the outset, not adding them later.

Legacy fax environments make that harder than they should. Aging on-premises servers are often concentrated in one location, while support is spread across multiple vendors.

When a routing problem occurs, responsibility becomes fragmented, turning document exchange into a potential single point of failure within a regulated process. Modern cloud fax platforms address that differently.

Redundant infrastructure helps maintain availability, while real-time transmission tracking and centralized reporting give compliance and audit teams a reliable record of every document sent, received, and confirmed.

Cross-border banking adds another layer of complexity. Data sovereignty requirements increasingly dictate where information can be processed and stored. A resilient document exchange platform supports global operations while keeping transactions within the jurisdictions where regulation requires them, reducing the need for separate regional workarounds and giving banks one auditable environment instead of several disconnected ones.

That foundation is vital beyond resilience itself. AI initiatives, workflow automation, and broader cloud modernization all require document exchange infrastructure that is dependable before new capabilities are layered on top of it.

[<< Back to Four Priorities](#)

# 2 Productivity gains come from removing everyday friction.

Productivity is often the result of removing small interruptions that slow people down throughout the day. In banking, those interruptions can be surprisingly routine: resending failed fax transmissions, tracing routing errors, or matching fax logs with application records after something goes wrong. Individually, they don't seem significant. Across thousands of employees and millions of transactions, they unobtrusively consume time that could be spent elsewhere.

That helps explain why improving employee productivity tops the list of outcomes banking CEOs expect from internal-facing systems. Gartner found that 69% of banking CIOs surveyed identified it as a leading priority. For CIOs, the challenge is finding operational friction that has become accepted as part of the job and removing it without disrupting the business.

Legacy fax infrastructure is one example. Failed transmissions often require manual retries. Support teams spend time investigating delivery issues, while business users wait for documents to reach the right destination.

Those tasks rarely appear on a modernization roadmap, yet they add up across retail banking, lending, claims, and back-office operations.

A cloud fax platform reduces much of that hidden workload without changing how employees do their jobs. Centralized reporting, automated routing, and integration with applications such as Outlook, SAP, Salesforce, and other enterprise systems keep existing workflows intact while reducing manual intervention behind the scenes.

The visible process changes very little. What changes is the amount of time IT teams and business users spend resolving issues that no longer need to happen.

For CIOs under pressure to demonstrate measurable productivity gains, those incremental improvements can become one of the clearest business cases for modernization.

Fewer support tickets, fewer manual retries, and more time available for higher-value work are easier to quantify than many large-scale transformation projects, and they can often be achieved with far less disruption.

<< Back to [Four Priorities](#)



# 3 Cost reduction has to come from eliminating spend.

Few banks set out to overspend on document infrastructure. Costs accumulate gradually instead. Hardware refreshes, software licenses, maintenance contracts, vendor support, and the IT time spent troubleshooting delivery issues often sit in different budgets, making the overall expense easy to overlook. By the time a platform is reviewed, it has usually become more expensive to maintain than anyone realizes.

That matters because cost reduction remains one of banking CEOs' top expectations for internal-facing systems. Gartner found that 65% of banking CIOs identified it as a priority. With IT budgets growing only modestly, CIOs face increasing pressure to deliver measurable savings while protecting investments in broader modernization initiatives.

Legacy fax infrastructure illustrates the challenge well. Server maintenance, licensing, hardware replacement cycles, and manual support continue regardless of how frequently the platform is evaluated.

Many banks also manage fragmented vendor environments built through acquisitions or years of incremental upgrades, adding complexity alongside cost.

Moving document exchange to the cloud addresses those expenses at their source. Banks can retire on-premises infrastructure, consolidate support under a single accountable provider, and reduce the operational effort spent managing failed transmissions and disconnected reporting tools.

Because cloud fax integrates with existing applications rather than replacing surrounding workflows, migration can begin with a single high-friction process and expand over time instead of requiring a disruptive enterprise-wide cutover.

The financial impact becomes more meaningful at scale. For banks processing millions of fax transmissions each year, modest improvements in delivery rates and fewer support escalations translate into measurable savings. Add lower infrastructure costs and less manual intervention, and the business case becomes easier to justify.

For CIOs, it's one of the few modernization initiatives that can improve cost efficiency while leaving day-to-day banking operations largely unchanged.

<< Back to [Four Priorities](#)

# 4 AI readiness starts with what feeds the model.

The success of an AI initiative depends on more than the model itself. Banks first need a reliable way to move documents into AI, OCR, IDP, and automation systems without compromising security, governance, or regulatory requirements. If that foundation isn't in place, even the most advanced AI capabilities have less value because the information feeding them can't be trusted.

Banks are already making that investment. Gartner reports that 56% of banking CIOs say AI is deployed somewhere in their organization, while 55% report the same for generative AI.

The firm also recommends prioritizing AI for high-impact use cases such as fraud detection, optimized lending, and improved customer service: areas where financial institutions are already accelerating adoption. For regulated industries, however, AI readiness begins with document exchange.

Customer records, loan applications, claims, and compliance documents all need to move securely into systems that support AI-driven workflows without being routed through public AI services or leaving the bank's security perimeter.

That requirement becomes even more important for institutions operating across borders, where data sovereignty rules determine how and where information can be processed and stored.

Retarus doesn't replace a bank's AI strategy. It supports it by securely delivering documents into existing AI, OCR, IDP, and automation environments through trusted API integrations. Banks retain control over how information flows, where it resides, and which systems can access it, allowing AI initiatives to move forward without compromising security or regulatory requirements.

As more banks move AI from pilots into day-to-day operations, the infrastructure delivering documents into those environments becomes part of the strategy itself.

Building document exchange around security, governance, and data sovereignty from the beginning is far easier than trying to retrofit those capabilities once AI is already in production.

[<< Back to Four Priorities](#)

# Modernize Without Disruption

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Migrating fax infrastructure can sound daunting to a CIO who has watched other modernization projects balloon in scope. In practice, replacing a legacy fax server rarely means rebuilding the surrounding business process. Applications and workflows already connected to the existing fax platform usually just need that connection replaced. The end-user experience typically stays the same.

Retarus runs migrations through a four-phase program:



## Plan

... maps the current environment: which applications and user groups send and receive faxes and which compliance requirements the new setup has to meet.



## Build

... handles the technical work of connecting applications, provisioning numbers, and configuring the service, without requiring a bank to rebuild the surrounding workflow.



## Run

... covers the transition to stable operations, including go-live support and monitoring.



## Improve

... is where the platform keeps adding value after go-live through delivery fine-tuning and expansion into adjacent workflows.

A bank doesn't have to commit to a full enterprise-wide program on day one. A quick-start approach lets it begin with a single process, application, or department. Some starting points, like email-to-fax or a self-service fax portal, can be live within a day. That solves an immediate problem and builds momentum before expanding further. Both approaches follow the same four phases. What changes is the scope at the start.

That flexibility is important for banks weighing modernization against operational risk. A phased approach lets a CIO show a concrete win first, whether that's fewer support tickets, a resolved delivery issue, or a documented cost saving, without committing to a disruptive cutover across every business unit at once. That first success becomes the case for expanding further, on a timeline the bank controls.

# Conclusion

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Banking CIOs won't solve the pressures of 2027 with a bigger budget. What moves the needle is finding the infrastructure working against multiple priorities at once and fixing it in a way that doesn't disrupt the workflows built on top of it.

Legacy fax infrastructure is one of those areas. It underpins some of a bank's most regulated communications, and it currently works against resilience, productivity, cost, and AI readiness. A phased, low-risk migration addresses all four without asking a bank to disrupt existing workflows.

Most of what's competing for a CIO's attention in 2027 needs new budget approval and months of executive sponsorship before implementation can begin. Document exchange doesn't. It can be approached incrementally, starting with a single workflow, application, or department before expanding further.

That result is what builds the internal case for the next one, long before the next budget cycle forces a harder conversation about where the money went.

That's a rare combination on a 2027 roadmap already crowded with larger, more expensive initiatives. Retarus' approach provides a practical path forward: resilient document exchange infrastructure that supports those priorities without requiring a full rebuild.

**Retarus provides cloud-based communications infrastructure for regulated industries, including banking and financial services. Its platform covers cloud fax, transactional email, and intelligent document processing, giving banks a way to modernize legacy communications systems without rebuilding the workflows that depend on them.**

## About Retarus

Retarus is a global provider of APIs, gateways, and applications for messaging, email management, and the exchange of structured data for business processes – with top performance, security, and data protection, provided from the company's self-operated data centers around the globe. Retarus (North America) Inc. is based in Secaucus, NJ, and with regional offices around the country, including Vermont and Massachusetts. Founded in 1992 and headquartered in Munich, Germany, Retarus is owner-managed and proud of its innovative strength. The company employs a staff of around 500 at 19 locations on four continents. Retarus' services are leveraged by the world's leading companies. Analysts constantly commend Retarus' outstanding quality and reliability.