

# GROWTH IN FINANCIAL SERVICES IS BOTH RISKY AND NECESSARY

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*The following article is based on findings from “[Financial Services at the Crossroads of Digital Transformation](#),” our collaborative report with Forbes Insights.*

Despite the growing pains of disruption, many traditional banking institutions have chosen to embrace the change and invest heavily in growth strategies. The market demands it; a new wave of consumers is seeking a lightning-fast and highly customized financial services experience, backed up by impeccable data security. Financial services companies must race to meet these expectations — many of which require leveraging new technological tools and building partnerships with non-traditional financial services companies — or take their chances maintaining the status quo.

In a recent survey of financial and legal executives, nearly half of all respondents (46%) named expanding into non-banking areas as a growth strategy their company is currently pursuing, with expanding digital initiatives running a close second. These high-priority growth strategies carry significant legal risks. In fact, 75% of respondents associate expansion into non-banking areas with high or very high legal risks. Introducing new products and services (68%) and expanding digital initiatives (61%) are also setting off alarm bells among survey respondents (Table 12).

Despite the perceived dangers, intelligent and calculated risk may be the key to long-term survival in the financial services industry. Change is here and more is coming, and executives should embrace the opportunity to step out of their comfort zones, while still prioritizing regulatory compliance and consumer safety.

*K&L Gates has partnered with Forbes Insights again to conduct an in-depth study on how technological disruption and an ever-changing regulatory environment are impacting executives in the financial services industry, and what challenges and opportunities those trends present. Drawn from a detailed survey of 200 financial and legal executives, the report addresses topics including the impact of digital transformation, competition from non-traditional companies like FinTechs, forces of risk, and future outlooks on the industry.*

**[Download the report >](#)**

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