

## THE TECHNOLOGY GIFT LIST

by [Steve Brown](#)

If you are looking to give that special gift to your favorite banker this year, we might suggest technology. However, before you leap to the conclusion that this is going to be another article on mobile banking, online applications, RDC or bill pay; we have a different perspective. While these are all well and good, they are yesterday's news. For 2011, many banks will look to develop a set of technologies that are cheaper and far easier to integrate and that we call "customer enablement applications."

Customer enablement technology is what bankers should have started with before online banking and account balance alerts. In fact, most bank technology has been focused up to this point on check capture, bill pay and endeavors that require a tight integration with core systems. In other words, most have been predominately transactional in focus and not customer-focused. The future of bank technology, in our opinion, is about delivering a more satisfying customer experience in order to build more profitable relationships.

Take for instance, problem resolution. This simple technology logs customer complaints into a central database and allows an automated management response system. Considering it only takes a simple database structure and some html programming, the technology can be delivered for under \$10k. However, the output and results are invaluable. Not only does this better enable customer service, but allows management a view on what problems customers are having, how they have been resolved and how long the resolution takes. If you are serious about building a better customer experience a problem resolution tracking system is an easy first step.

After problem resolution, the future of bank technology will revolve around helping customers make better financial decisions. Here, it is all about automating advice and guidance in a way that enables clients to make smarter financial decisions about their lives. Giving customers information about their area (housing prices, business formation, etc.), helping them deciding whether they have enough insurance and providing comparative data from other companies, are all applications that banks could develop in-house to get more intimate with their customer base.

Finally, given the success of Groupon, community banks are in an ideal position to take advantage of this business model if they are in a smaller market. A little technology; that is nothing more than advertising, combined with a person focused on assembling a network of local merchants; puts banks at ground zero in their community to match local retailers with online banking customer database preferences. A customer spends money on dry cleaning and bam - they get pushed a coupon for 50% off their next winter coat cleaning. The bank generates fees; their customers save money and the bank's business customers get sales - what a great gift to give all around.

Technology doesn't have to be complicated or expensive to be useful. For 2011, banks may want to consider innovating in order to receive a gift that keeps on giving in the form of stronger and more profitable customer relationships.

### Related Links:

[Treasury \\$30B Small Business Lend Fund](#)

# BANK NEWS

## **SBLF**

The Treasury now has a special website banks can visit to find out more about the \$30B Small Business Lend Fund that will provide capital for banks with assets under \$10B. The application deadline is 3/31/2011. See "Related Links".

## **Bank Pay**

The WSJ is reporting that banking regulators are considering requiring large banks to hold 50% or more of their executive's pay in the form of stock or deferred compensation, instead of cash up front. If adopted, the change could eventually trickle down to community banks as a best practice. The move is seen as a way to discourage excessive risk-taking that contributed to the financial crisis.

## **CU Closed**

The NCUA closed Beehive CU (\$145mm, UT) with Security Service Federal CU (\$5.9B, TX) purchasing all assets and shares (deposits). The agency also placed into conservatorship AEA Federal CU (\$309mm, AZ).

## **Modifications**

In a settlement with California, Wells Fargo will modify over \$2B (for an est. 14,900 homeowners) in option ARM loans assumed during its purchase of World Savings of Oakland and Wachovia and pay out \$32mm.

## **Rogue ATMs**

MA State banking regulators ordered merchants to shut down 400+ unregistered automated teller machines that were not properly registered with the state or failed to comply with rule such as posting contact information.

## **Basel III**

The Basel Committee released a calculation that if the new capital standards were in effect (set for 2015), European banks would be approximate \$765B short.

## **Retail**

Despite a surge in online buying this holiday season, experts estimate malls still make up 52% of total retail sales.

## **Property Damage**

Estimates put the annual cost of cleaning up graffiti in this country at between \$15B and \$18B. This is a big burden for already stretched muni budgets.

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