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## Accepting and Embracing Change

by [Steve Brown](#)

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In the music industry, there are countless songs about change. From Fleetwood Mac's "Landslide" to Bob Dylan's "The Times They are a Changin'" to even the song "Time to Change" written for the 1970s family sitcom the Brady Bunch.

Perhaps there so many songs about change because it's so hard for many of us as human beings to do. Difficult as it may be, we live in a fast-paced world and lots of things including technology are constantly changing and improving. As bankers, we need to make sure we're keeping up with the times, or we risk being swept away by more change-flexible competitors.

There are countless examples of ways to make technology work better for your bank and your customers. Consider remote deposit capture, for instance, which has already come a long way in the past several years. A study by RemoteDepositCapture.com found that 63% of financial institutions polled now either offer mobile RDC, or plan to (33%) within 12 months. But while most institutions are offering this capability, many haven't done a bang up job of rolling it out to corporate customers. While 95% of institutions polled offer RDC to their retail clients, only 37% offer it to corporate clients, the study found. Clearly there's opportunity for growth here, and early adopters may benefit from an out-of-the-gate advantage.

If RDC is too pedestrian for you at this point, consider video conferencing as yet another avenue to explore. Just recently, for instance, Bank of America said it plans to install video terminals in about 500 branches over the next 2Ys and will use videoconferencing to connect customers with mortgage lenders, wealth managers and small-business bankers. Community bankers call these connection points "people" and they are real life individuals, but video may be coming down the road as expenses are just too high. One way to leverage this is to link customers with product experts sitting in different geographic locations so you don't have to overstaff.

Another interesting area is biometrics. Various electronic fingerprinting technologies are on the rise, along with voice recognition tools and even retinal scans. It may be only a matter of time before passwords as we know them today are replaced by more sophisticated tools that are less open to compromise. While not many banks have made a grand splash here, some are starting to dip a toe into the water. U.S. Bank, for instance, is piloting software that uses voice biometrics to bolster card security. Keep your eyes and ears open to see how things progress in this area and be prepared to act swiftly if the industry starts moving more quickly.

Finally, consider debit card printing. The attraction here is that customers leave the bank with their new debit card in hand instead of waiting for it to arrive by snail mail. Already institutions offering on-the-spot debit cards and are rolling out the technology. This is one way banks may be able to keep people coming into branches at some level. After all, debit payments have mushroomed over the years and there's no reason to suspect this trend will abate.

With so much technology to choose from and things changing so rapidly it can be difficult to decide where to focus precious dollars to get the most bang for the buck. There are hard decisions to be

made and while we realize change can be scary, it should be noted that standing still while the world is moving around you is an exercise in futility.

## **BANK NEWS**

### **CFO Survey**

A survey by Deloitte of North American CFOs of large companies as of Q1 finds 25% expect a fundamental change to their company's business strategy in the next year, 20% expect a substantial merger or acquisition, 16% expect a substantial divestiture and 15% expect to discontinue the operation of a business unit.

### **ID Theft**

Research by IDT finds 13mm Americans fell victim to identity theft in 2013.

### **Cash Hoard**

A Bain & Co. report finds private-equity firms were sitting on \$1T in unused cash at the end of 2013.

### **Social Impact**

Entrepreneur reports people upload 100 hours of video to YouTube every 60 seconds, share 4.75B pieces of content on Facebook every 24 hours and do 500mm new tweets per day on Twitter.

### **Customer Worries**

The latest Merrill Edge Report finds 63% of Americans say having enough money for current living expenses is a higher priority than saving for retirement (48%). Perhaps that is why 55% of those surveyed say their biggest fear is running out of money in retirement.

### **Retirement**

The Insured Retirement Institute finds about 50% of people 50 to 55Ys of age have less than \$100k saved for retirement.

### **Data Collection**

Gartner research finds 64% of business respondents either have already invested in big data technology or plan to do so in the next 2Ys. The banking industry ranked #3 in spending in this area.

### **Job Opportunity**

A survey by ConnectEDU finds 72% of college students graduating this year are optimistic about their job prospects vs. only 64% last year. In addition, 34% said they wanted to work for a company with <100 employees.

### **Expensive Error**

A Career Builder survey finds 42% of companies said a bad hire cost them at least \$25k in the past year and 25% said it cost them at least \$50k.

### **Economic Growth**

The data shows the economy has grown at just over a 2% pace since mid 2009.

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