



How To Balance Digital Innovations With Daily Tasks

mobile banking fintechs digital banking

Summary: Digital banking is a must for community financial institutions, with nearly 65% of the US population using digital banking in 2021. Yet, bankers can find it challenging to balance continuous digital innovations with daily tasks. We provide you with four important steps to assist you in your digital banking efforts.

Launched in 1979, the hugely popular Sony Walkman was first called the “Soundabout” in the US, “Stowaway” in the UK, and “Freestyle” in Australia. Sony America even suggested calling it “Disco Jogger.” Its initial price tag was \$199, which may sound cheap. But, that equates to about \$766 today. Technology can be expensive, but it also adds value in many ways.

The value of technology is not lost on many consumers. Statista reported that 1.9B people were using online and mobile banking worldwide in 2020. That number is expected to grow by 32% in 2024 to 2.5B online and mobile banking users. In the US, almost 65% of the population are digital banking users. While these numbers may not be surprising to anyone anymore, it can be difficult for some community financial institutions (CFIs) to keep up with the ongoing digital banking demands.

Despite understanding the benefits, CFIs can wrestle with many aspects of going digital. Here are **four steps to help you navigate your digital banking journey.**

1. **Determine your game plan.** Not all institutions need all the bells and whistles right now, but to stay in the game, you will need to incrementally add some. Map out your digital banking plan, so that you can be ready with the time and financial resources needed. As innovations increase and technology gets cheaper, it will get easier and more cost-effective to add more functionality to your digital banking. With your game plan in mind, given your size, budget, and ambitions, as well as your in-house technical capacities, you can effectively decide which direction is right for your institution right now.

2. **Start with a hybrid.** For a banker that’s busy with multiple daily tasks, performing a digital transformation is a little like grooming and shoeing a horse, while the animal runs at full gallop. Since you can’t focus solely on digital conversions, you will need to balance these tasks and milestones with ongoing analog operations. The key to success, bankers say, is to understand that you’ll be running a hybrid organization for a period of time.

As digital technologies come online, you will need to train your employees to use, sell, and service them without disrupting customer use. Aim for a gradual shift from analog to digital, rather than one dramatic flip of a switch. As George Westerman from the MIT Sloan Initiative on the Digital Economy said, “When digital transformation is done right, it’s like a caterpillar turning into a butterfly, but when done wrong, all you have is a really fast caterpillar.”

3. **Follow your customers’ digital needs.** The digital innovations that your institution makes should provide value to its customers. While this may sound like common sense, it does not always happen. Keep your customers engaged with a mobile banking app that helps you understand their transactions and which features they most use. A good app should link up with the appropriate back-office automation that lets you get

aggregate data from customer transactions. For instance, it might tell you when a customer is making progressively larger deposits on a regular basis or when large sums of money are just sitting in an account. That information might suggest that a customer is ready for loan offers or guidance around investment choices.

4. Remember your core values. Going digital is a must to continue competing in an evolving world of financial services. But, don't forget the qualities that brought your customers to you in the first place — personalized service and community roots. You'll have to compete on digital offerings, and you'll need to get good at it. But providing relationship banking is just as important to many of your customers. Make sure to match the personalized service they expect with the digital developments they want to stay true to your customers and relevant in today's increasingly digital world.

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ECONOMY & RATES

Rates As Of: 12/14/2021 06:25AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.05	0.00	-0.04
6M	0.11	0.01	0.02
1Y	0.27	0.02	0.16
2Y	0.66	0.10	0.54
5Y	1.23	0.07	0.87
10Y	1.44	-0.01	0.52
30Y	1.82	0.03	0.18
FF Market	FF Disc		IORR
0.08	0.25		0.15
SOFR	Prime		QBER
0.05	3.25		0.07

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