



## FIs Reveal Their IT Spending Priorities

by [Steve Brown](#)



technology

strategic planning

artificial intelligence

customer experience

**Summary:** Strategic planning is starting and your institution will likely be discussing various technology initiatives. Wouldn't it be helpful to know in which areas other financial institutions were investing? We give you the highlights of a recent survey on the spending priorities for financial institutions to guide you for next year's plan.

Do you happen to have an old Apple-1 computer (not pictured here due to licensing restrictions) collecting dust in your house, by any chance? If you do, you may want to dust it off and contact an auction house promptly. We found out that 7Ys ago, one of these early Apple computers sold for \$905K! Only 200 were made and they were assembled by co-founder, Steve Wozniak, according to CNBC. You could invest in the very latest technology at that price!

Investing in technology has become an important part of staying competitive for financial institutions (FIs). With strategic planning coming up, many FIs will be digging deeper than ever for technology spending. Though community financial institutions (CFIs) won't be spending as much, they will likely need to commit a larger portion of their budgets to technology, for both maintenance and new investments. Customer experiences continuously need to be streamlined and engaging, and operations need to be efficient.

### Where the money's heading

#### Customer experience initiatives

According to a recent survey from Yobota, a cloud-based, core banking platform, [73% of FIs are planning to invest](#) in new technologies over the next 12 months as part of their efforts to attract new customers. Also, 67% hope that enhanced technology will increase their ability to cross-sell products and services to current customers. Not surprisingly, upgrading the digital experience with their websites and apps is one of the top areas of focus, with 74% planning to steer money into such initiatives.

Another way that these organizations are hoping to provide customers with a more seamless experience is by stepping up their use of more sophisticated artificial intelligence (AI) software, such as chatbots and robo-advisors. Automating the customer service experience through AI initiatives is something that 63% of financial organizations are planning to invest in over the coming months. These channels can provide customers with instant touchpoints to their institutions, as people's expectations for instant gratification increasingly extend to queries regarding their finances.

#### Behind the scenes

Not all of the money that FIs plan to put to work is for customer-facing initiatives. Many FIs grapple with aging back-end systems and core technologies that increasingly struggle to interact with more sophisticated technologies. So, unsurprisingly, 74% of FIs plan to invest in improving or replacing such systems. These investments include areas such as application programming interfaces (APIs) and payment technologies.

## Data analytics

Data analytics are also a high priority, as more effectively mining information about customers' likes and needs is no longer just an added benefit but a necessity. Of those surveyed, 73% intend to invest in data analytics. Even though CFIs know their customers better than FIs, they face competition from big banks and fintechs alike. So, you want to be sure you have as much data as possible to ensure customer satisfaction with your services. Since data analytics extends to the Internet of Things (IoT), the data trove includes not only banking needs through digital channels, but also online shopping habits and social media interactions. This gathering of data provides a more detailed overall picture of an individual customer.

As your institution works on strategic planning and reviews next year's budget, you will want to consider certain technology initiatives. Knowing what the industry as a whole is doing and where the focus is can help you prioritize these initiatives to stay competitive.

## YOUR INTERNATIONAL PLATFORM OR OURS? YOU CHOOSE!

Your team can automatically send [international wires](#) using your own existing domestic platform, or our proprietary platform. Learn more by contacting us today.

## ECONOMY & RATES

Rates As Of: 09/09/2021 05:19AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.05	0.01	-0.04
6M	0.06	0.00	-0.03
1Y	0.07	0.00	-0.04
2Y	0.23	0.01	0.10
5Y	0.81	0.04	0.45
10Y	1.34	0.03	0.42
30Y	1.95	0.02	0.31
FF Market	FF Disc	IOER (Interest on Excess Reserves)	
0.08	0.25	0.15	
SOFR	Prime	OBFR (Overnight Bank Funding Rate)	
0.05	3.25	0.07	

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.