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WHITE PAPER

CREATING THE USER EXPERIENCE YOUR CASH MANAGEMENT CUSTOMERS EXPECT

THE FUTURE OF
FINANCE IS OPEN

Creating the User Experience Your Cash Management Customers Expect

Digital technology continues to transform the way we do business and banking.
Because cash management solutions essentially represent the digital face of a bank to its corporate banking customers, there is new focus on how banks can optimize the cash management user experience to be ever more functional, intuitive, and informative. Corporate customers are demanding a user experience that matches what they're accustomed to as consumers, without compromising the advanced functionality they need to manage their operations in an increasingly complex business environment.

To help understand the nature of this demand, Finastra commissioned Aite Group to conduct in-depth interviews with corporate banks around the world. The resulting report provides distinctive insights into what constitutes an ideal corporate banking user experience, and reveals that while most banks are still in early stages of revamping their cash management capabilities, a clear vision exists.

Finastra stands ready to partner with banks to deliver this vision. We recognize that banks serve businesses of different sizes, geographies, and industry segments—all requiring differentiated and unique end user experiences. That's why we support multiple cash management delivery channels, including seamless and intuitive online, tablet, and mobile user interfaces, as well as host-to-host connections. Our APIs help banks create open platforms for innovation and collaboration with their customers and partners. Combined with our world-class payments, trade and financial messaging solutions, we provide the foundation for the optimal corporate banking user experience.

We welcome the opportunity to discuss the findings in this report, explore your bank's vision for the future of the cash management user experience, and share how we can help you make that vision a reality.

PARTNER. ADVISOR. CATALYST.

Creating the User Experience Your Cash Management Customers Expect

AUGUST 2017

Christine Barry

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101 Arch Street, Suite 501, Boston, MA 02110 • Tel +1.617.338.6050 • Fax +1.617.338.6078 • info@aitegroup.com • www.aitegroup.com

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IMPACT POINTS

- This Impact Report explores what banks consider to be the ideal experience they strive to offer to their large corporate, middle-market, and small-business customers, and the key challenges they are facing in their attempt to do so. It also analyzes key current and planned bank user experience initiatives and the ways in which technology will be leveraged to achieve these goals.
- Eighty-two percent of bankers state that improving overall user experience is a high priority for the commercial side of their bank.
- An integrated experience is something most banks are striving for, yet 90% of bankers feel they do not sufficiently offer it today.
- When asked about the biggest obstacle they face when trying to achieve that ideal, bankers mention three key challenges more often than the others: integrating, funding/finding budget, and aligning priorities across the various groups within the organization.
- Hands down, the biggest user experience initiative taking place within corporate banking today is focused on onboarding. Other key initiatives include corporate portals and increased use of analytics.
- Of bankers interviewed, 65% state they are buying more technology from vendors than they have in the past. For 44% of bankers, the majority of their bank's vendor solution purchases are from fintech providers.
- While a high-touch servicing model works for large corporations, it is neither efficient nor scalable to the large number of middle-market customers and the growing number of small businesses being migrated onto treasury platforms. Banks need to find the right balance between automation and human touch when serving these customers.
- This report is based primarily on the results of 34 detailed phone interviews with bank executives at large and midsize banks around the globe conducted by Aite Group in June and July 2017.

INTRODUCTION

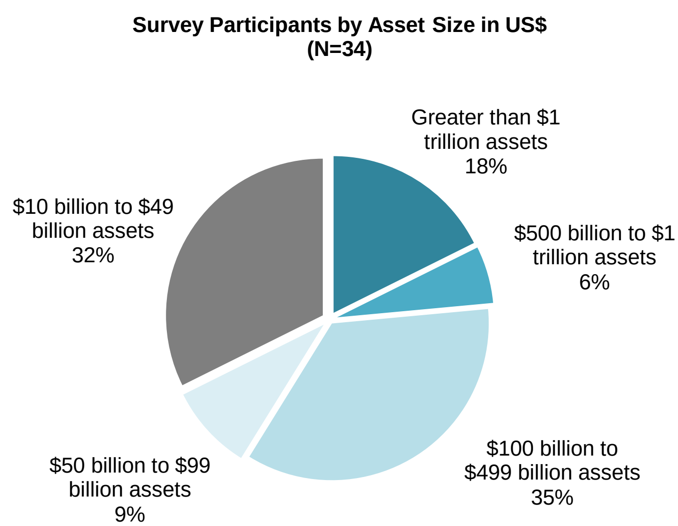
The topic of user experience is top-of-mind for most commercial banks. New demands from large corporate and small-business customers, coupled with the rapid emergence of fintech providers, are leading to the increased focus by banks around the globe on factors such as onboarding efficiency, solution intuitiveness, and data consolidation, usefulness, and delivery. While transforming their banks to deliver the type of experience their customers expect can be an extremely costly endeavor with a challenging return on investment (ROI), successfully doing so promises to be a win-win scenario for both banks and their customers. It creates opportunities for banks to better serve and deepen relationships with customers while also operating more efficiently and effectively.

This Impact Report explores what bankers consider to be the ideal experience they strive to offer to their large corporate, middle-market, and small-business customers, and the key challenges they are facing in their attempt to do so. It also analyzes key current and planned bank user experience initiatives and the ways in which technology will be leveraged to achieve these goals.

METHODOLOGY

This Impact Report, which was cosponsored by Aite Group and Finastra, is based primarily on 34 detailed phone interviews Aite Group conducted with bank executives at large and midsize banks around the globe in June and July 2017. Twenty-two of the banks are U.S.-based, and 12 are based in other countries (representing Europe, Canada, the Asia-Pacific, and Africa). While Finastra provided suggested questions for bank interviews, the findings and analysis of these questions remain completely independent and unbiased. Figure 1 shows a breakdown of survey participants by asset size.

Figure 1: Survey Participants



Source: Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

THE MARKET

The commercial banking customer experience is changing for the better, and most of that change is being driven by new customer expectations and the emergence of highly innovative fintech companies. While the corporate side of the bank led innovation for the banking industry in the 1990s as it introduced the world to digital banking, the retail/consumer banking side has since caught up and surpassed it, especially around user experience. This has resulted in corporate and business customers around the globe beginning to question why, if it is possible on the consumer side, a similar experience can't be created for them. Product complexity is no longer an acceptable excuse for the lack of intuitiveness, clunky navigation, and siloed information these customers commonly face from their banks.

Table A: The Market

Market trends	Market implications
Customer experiences in their private lives are driving higher expectations for corporate banking offerings.	Banks are focusing increased attention on improving user experience.
Emerging fintech providers are filling market gaps and raising the bar for customer user experience expectations.	A growing number of banks are partnering with fintech providers, with some even making financial investments in them.
Banks are looking to improve digital capabilities so customers are more likely to serve themselves.	Banks must find a balance between automation and human touch so customers feel they are being sufficiently serviced via the channel of their choice while maintaining a personal relationship with their banks for more complex inquiries and requests.
Application program interfaces (APIs) are viewed as an important component to achieving the user experience banks are striving for.	Most banks are still in the early stages of determining API use cases. While they recognize its benefits for internal system integration and data exchange with vendors, they are far less sure about the potential for usage by their middle-market and corporate customers.

Source: Aite Group

THE IDEAL CUSTOMER EXPERIENCE

The first electronic banking solutions rolled out in the early 1990s were developed primarily to focus on functionality needed by large corporations. Their multistep navigation was acceptable given the complexity of the transactions they enabled corporate treasurers to perform. While functionality remains critical, new expectations exist for the ways in which that functionality and the data it produces are delivered.

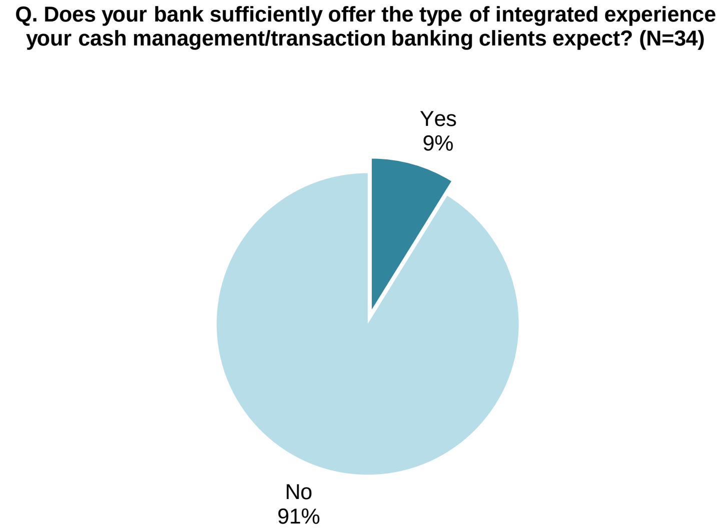
While most banks are still in the early stages of evolving their cash management/transaction banking user experiences, most have a pretty clear vision of what customers expect and what needs to be done. For most, the strategy and vision expands beyond cash management to either a commercial-bank or an enterprise-wide strategy in which experiences are similar, regardless of product area, solution, or even channel.

Interestingly, many of the strategies and initiatives described by bankers are similar, regardless of geography and, in many cases, even size. Below are some of the responses bankers provided when asked to describe at a high level the ideal experience they hope to offer their cash management/transaction banking customers:

- Simplicity, faster access to information, and more efficient onboarding
- A centralized, common data store to expose data across all delivery channels in a similar fashion
- Ease of doing business and frictionless interaction while having the right products available to meet customer needs
- The flexibility to create "personas," or different views for different client roles, so clients can manage their own experience with the bank across channels
- An Amazon-like experience that is better aligned with the consumer experience
- Greater transparency, more automated workflows, easier document exchange, and the ability to electronically store documents in an online folder
- Ease of navigation within digital offerings, consolidated views and data, and the ability to serve customers through their channels of choice (with the flexibility to switch at any time)
- Solution intuitiveness that doesn't require training or guides
- Re-engineered processes, workflows, and data presentations that are better-aligned with the ways in which clients operate, as opposed to past practices of forcing clients to make bank offerings work

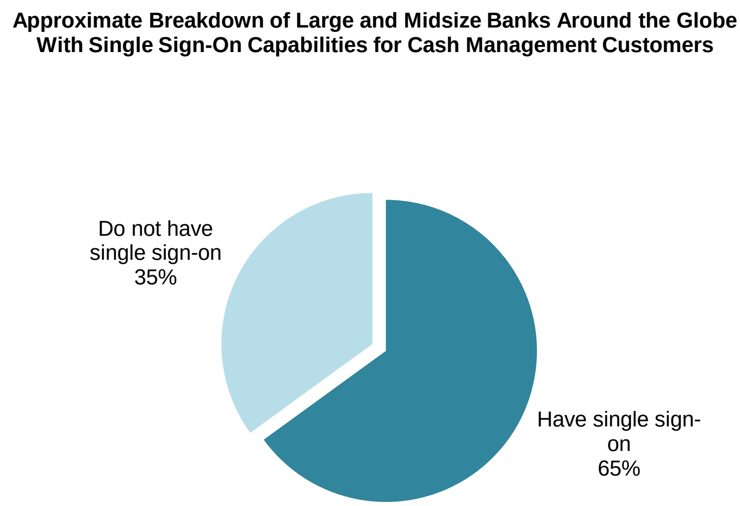
An integrated experience is also something banks are striving for and something that more than 90% of the bankers interviewed feel they do not sufficiently offer today (Figure 2). Approximately 35% of large and midsize banks don't even have single-sign-on capabilities across most of their treasury product portfolios. Among the 65% of large and midsize bank executives stating they have single sign-on, very few have a true portal experience with a similar look and feel across solutions.

Figure 2: Banks Offering an Integrated Experience



Source: Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

Figure 3: Banks With Single Sign-On Capabilities



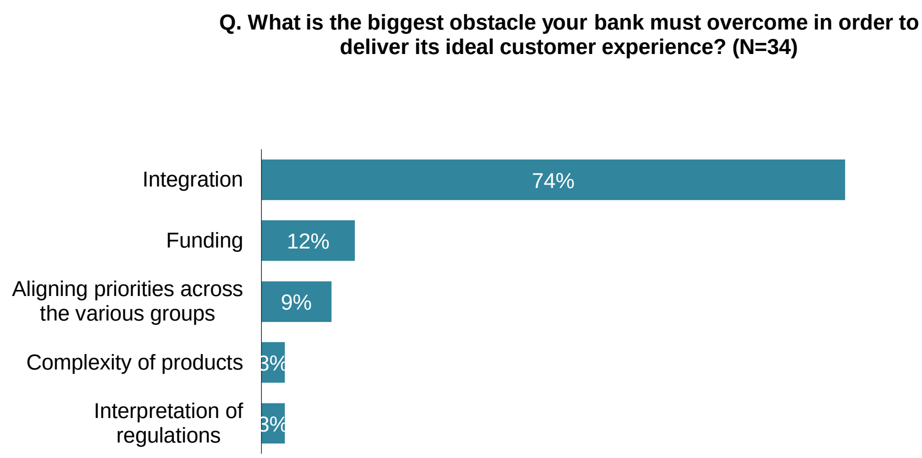
Source: Aite Group estimates

The numerous disparate systems currently in place at most banks reflect the specialized nature of the various product areas and the complexity of corporate banking transactions. While this siloed structure may make sense at an operational level, it doesn't for the growing number of corporate treasurers and decision-makers whose responsibilities have broadened over the last few years and now require a more holistic view of data. For example, a corporate treasurer making a payment often needs to be able to see the balance available in the account from which the funds are coming and may also need to draw down on a loan or access a short-term investment to fund the transaction. Thus, the simple act of making a payment can involve looking at cash management, lending, and liquidity solutions. Further, consolidated information from multiple systems help them better manage and forecast cash flow.

BANK CHALLENGES

Of course, achieving the ideals listed in the previous section is much easier said than done. When asked about the biggest obstacle they face when trying to achieve that ideal, bankers mention three key challenges more often than the others: integrating, funding/finding budget, and aligning priorities across the various groups within the organization (Figure 4).

Figure 4: Primary Obstacles to Overcome in Customer Experience Transformation



Source: Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

INTEGRATION

Hands down, more bankers mention systems integration as their primary challenge to achieving their user experience goals than any other challenge (74%). Over the years, banks have built big technology stacks that are monolithic and difficult to change. Legacy systems form an integral part of their value chain, and while some systems are being replaced, a complete overhaul of this value chain is unrealistic. The older, less flexible platforms upon which those legacy systems were built make integration and data accessibility difficult. This prevents banks from having a single source for client data and results in data consistency challenges and the need to ask customers for the same information multiple times—which is frustrating for customers. Additionally, some systems are real-time while others are batch, further complicating bank goals to create a real-time environment.

Integration challenges are especially great for the majority of banks that buy most of their technology from multiple best-of-breed technology providers. We affectionately refer to these banks as “Frankenbanks.” Unfortunately, their efforts to offer best-in-class capabilities to customers have worked against them when it comes to customer experience. In an ideal world, banks would be able to select a single vendor and require all other vendor partners to easily plug into their back-end systems. Several bankers state a strong desire for vendor solutions to be more open and capable of exchanging data with other solutions—a task some are more willing and able to comply with than others.

Regional and some super-regional banks are typically among the banks hardest hit by integration challenges. While the largest multinational banks are not immune to it, they are more likely to have many homegrown solutions and the resources to invest to make their processes more seamless and their portal experiences more user friendly. On the other side of the spectrum, smaller banks are also less challenged in this area, as they typically use fewer vendors and largely depend primarily on their core banking vendor to meet most of their technology needs. Such practices make them likely to have a more consistent experience across products.

Banks need to realign their technology in order to achieve their user-experience goals. Many are hoping to overcome their integration issues by building a layer between the front and back office and by implementing an API strategy (to be discussed in greater detail later in this report).

BUDGET

While most bankers name integration as their greatest obstacle for achieving their ideal customer experience, budget is a close second for many. Quantifying an ROI on an initiative that improves experience and is not linked to an actual product with a more clear-cut revenue stream is no easy task. Further, customer experience initiatives often primarily benefit the existing customer base and thus won't necessarily attract new customers, making this type of investment more difficult to justify. Finally, regulatory compliance, fraud prevention, and payment modernization initiatives are already eating away at bank budgets, leaving little for other initiatives, such as customer experience.

ALIGNING PRIORITIES

Priority alignment is another obstacle for banks. The breadth of customer experience initiatives across organizations results in the involvement of many individuals across product lines. Getting everyone on the same page with the same priorities proves to be a challenging task. So much needs to be done that even prioritizing within a single group can be challenging, never mind across multiple groups. Additionally, it is difficult to address everyone's needs with limited technology resources and staff, causing internal disputes. Finally, while most employees are not necessarily averse to change, it is a challenge to get them to operate differently or to be more forward-thinking.

REGULATION

On a positive note, banks are not feeling the same tug with regulation as they did immediately following the financial crisis. This is not to say that the regulatory burden has lessened but instead that banks have learned to operate in the "new normal." Having addressed some of the initial regulatory challenges immediately following the crisis, banks can now focus on other things more critical to growing their business. However, some face challenges when it comes to interpreting regulations and ensuring that new initiatives put into place are fully compliant.

PRODUCT COMPLEXITY

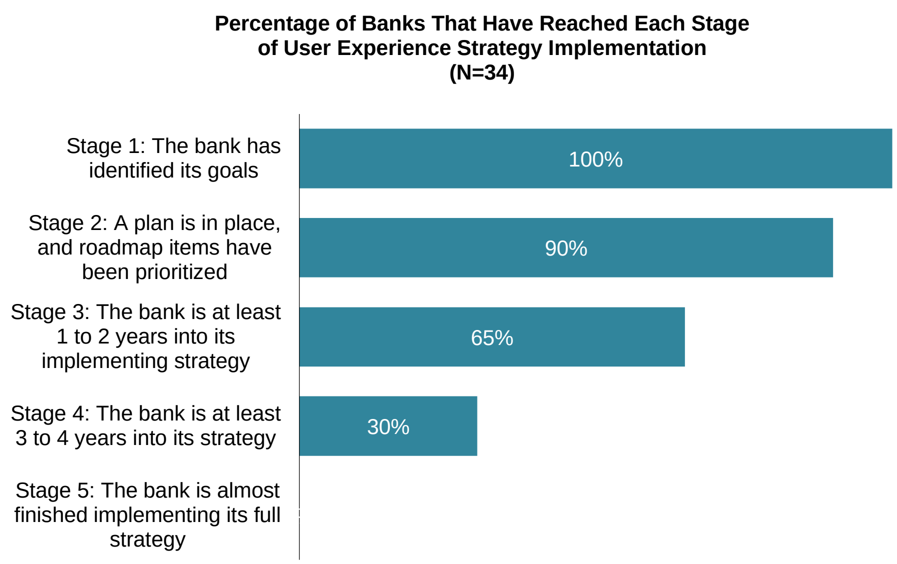
Commercial products are complex, and in today's banking environment, with more channels than ever before, the complexity only intensifies. Each channel has its own client expectation ramifications. It can be challenging to educate customers on the new capabilities and new ways to interact with the bank. Banks are also challenged by the fact that not all their customers are on the bleeding edge of technology; therefore, they may also be resistant to change.

C-level buy-in is a big factor in banks overcoming some of the challenges just described. Fortunately for many banks, the importance of user experience is something that is recognized at the top of the bank, so budget is becoming available, and initiatives are being supported and put in place.

THE FOCUS ON USER EXPERIENCE

User experience is a huge focus point and a very high priority for most banks. The main focus is driven largely by need—the need to meet new customer expectations and the need to compete against innovative fintech companies that are raising the bar for user experience. Most banks are still in the early stages of their user experience initiatives but have a good vision of where they want to be (Figure 5). Unfortunately, customer expectations will continue to evolve, so banks are always running after a moving target.

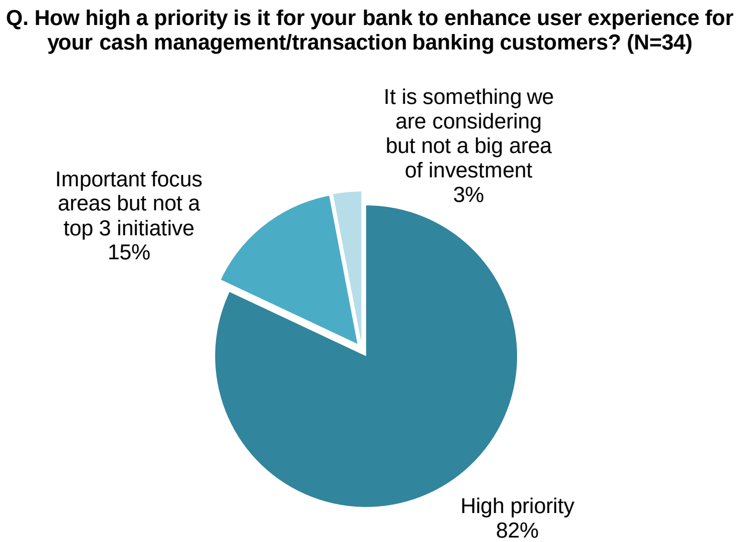
Figure 5: Stages of User Experience



Source: Aite Group estimates based on Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

Fortunately, most banks feel they have most of the necessary products and functionalities in place but recognize that they need to make them easier for customers to access and need to make them more tightly integrated for a more consolidated experience. They understand that customer expectations are evolving, especially as a result of experience on the consumer side, and that they must evolve too in order to retain their customers and attract new ones. Among the bankers surveyed, 82% state that improving overall user experience is a high priority for the commercial side of their bank (Figure 6).

Figure 6: Importance of User Experience



Source: Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

Technical architectures are not where they need to be and are no longer aligned with customer expectations. In the past, customers were all given the same screen and were forced to interact with it as best they could. Today, customers want greater control over how they interact, higher levels of customization, and more self-service capabilities. Solutions need to be significantly changed to provide that type of experience. That is no easy task, nor is it an inexpensive one. For example, Standard Chartered Bank recently announced that it will be spending US$1.5 billion to create an end-to-end digital experience for its customers.[1] Other large banks have made similar announcements. Much of their spend will go toward the building blocks that make this type of experience possible.

One banker mentions that the focus on customer experience by banks is a cyclical one but admits that the current cycle is more intense than what he can recall in the past. That bank has 25 user experience initiatives going on within its commercial bank. Such initiatives are believed to be critical to a bank's future success. While in the past a positive customer experience would make one bank stand out from another, today it is necessary to succeed. Customers will increasingly consider customer experience over the next few years when selecting new bank partners.

Banks are taking several steps to increase their chances of success with their customer experience initiatives. In addition to getting buy-in from senior management, a few bankers mention restructuring taking place within their organizations, whereby treasury services user

1. Derek duPreez *"Standard Chartered Launches $1.5 Billion as Digital Banking Takes Hold,"* Diginomica, July 21, 2016.

experience teams are falling under the umbrella of a group responsible for the digital experience across the bank. Since the retail bank is leading the way from a customer experience standpoint, this type of structure enables treasury services to benefit from lessons already learned on the consumer side.

Several banks have also begun hiring individuals from outside of the financial services industry to assist with user experience and innovation in general. This is critical, as customers no longer compare one bank's user experience to that of another. Instead, it is far more common for customers to compare the experience they have with their bank to the best user experience they have had in general—e.g., on Amazon.com—and say they expect that from their bank. Recruiting individuals with experience beyond financial services is not only a U.S. trend but also a global trend. For example, Toronto-based TD Bank recently announced plans to hire 1,000 technologists during 2017 with plans to recruit 65% from places other than a bank.[2] Another example is DBS Bank, headquartered in Singapore, which is using hackathons to help with its IT recruiting.[3]

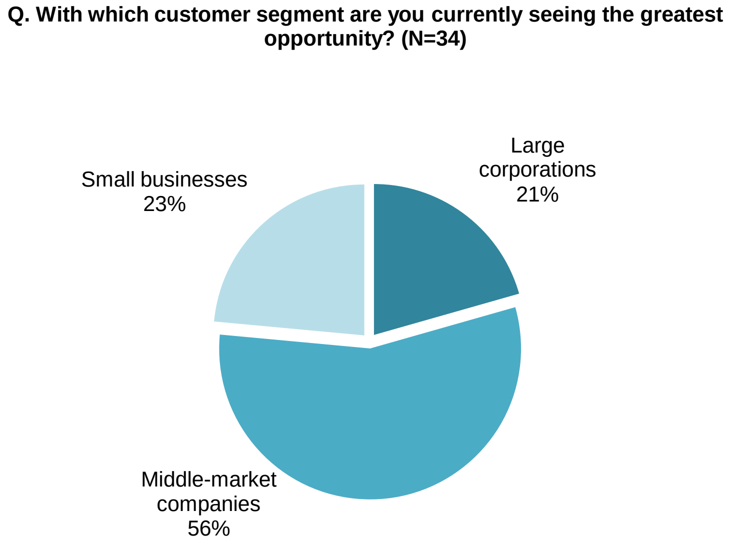
SEGMENT OPPORTUNITIES

Banks recognize that the customer needs and the ways in which customers interact with banks often differ by segment. As such, most have developed different user experience initiatives for each client segment. Segment strategies are often based on customers' product sophistication, complexity of needs, and preferred channels of interaction. Additionally, the degree to which banks are investing in each initiative varies based on the level of growth they expect from each customer segment. Although most bankers participating in our survey serve all sizes of businesses, most (56%) named middle-market companies as the group currently offering them the greatest growth opportunity (Figure 7).

2. Penny Crossman *"TD Bank's Tech Strategy for Becoming a Bank of the Future*," American Banker, July 27, 2017.

3. *"DBS Hack2Hire: Can Developers Really Be Hired Through a Hackathon*," May 2017.

Figure 7: Segment Opportunities



Source: Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

MIDDLE MARKET

Even though most cash management solutions were historically built with large corporations in mind, banks are quickly learning that those customers often have multiple bank relationships and are more interested in transferring data to their enterprise resource planning (ERP) systems and treasury workstations than spending time in their bank's portal. Therefore, it is unsurprising that the greatest focus for user experience at most banks is on middle-market customers. These customers are likely to use the bank's site and tools most often, thus creating many opportunities for banks to deepen relationships with them. These customers need a better experience and more tools. Contrary to many larger corporations that consolidate their data in treasury workstations, middle-market customers value consolidated information from their bank and a broader view of their relationship across the bank, as they are far more likely to have a single person with broad responsibility across product areas. Dashboards also appeal to them, given the amount of time they spend in their bank's portal.

SMALL BUSINESS

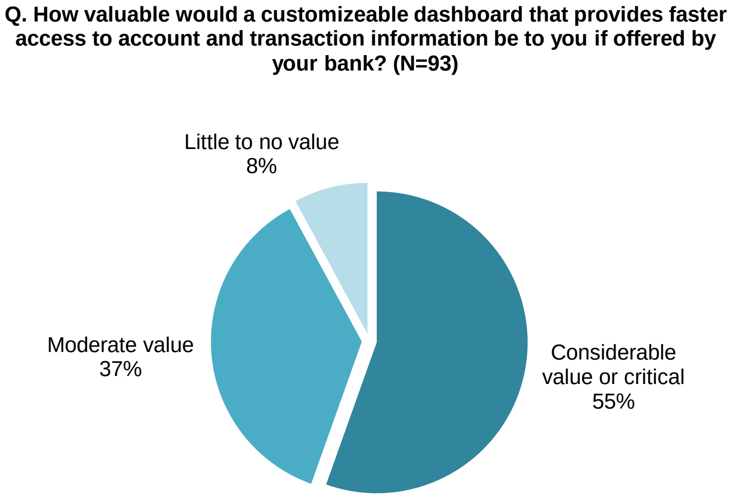
While most bankers state that middle market is their greatest segment growth area, 23% of bankers state that their greatest growth segment is small business. This group is viewed as underbanked and is thus offering great opportunities for those banks with the right product set and user experience. Most bankers now believe that at least the top 20% of the small-business segment (with many believing it goes beyond that) would be better served from a cash management/treasury solution than from a consumer solution. For this group of banks, having a single solution that scales to meet the needs of large corporations and small businesses is critical to their success. They now view the current practice of having a different online banking platform in place for each segment (consumer, small businesses, and corporate) as inefficient. In fact, several of the bankers interviewed mention plans in place or strategies in development to create a path for migration of small-business customers onto treasury platforms, as well as plans to get rid of inefficient third platforms. Not only is having multiple platforms inefficient, but it also creates unnecessary user experience, version, and maintenance challenges for the bank. Banks and their technology partners, as a result, are reworking workflows and simplifying treasury solutions so they are more intuitive and user-friendly for smaller businesses, thereby making a single platform strategy possible. Banks also recognize a need to move away from old ways of doing things that don't make sense for small businesses, especially regarding information delivery. For example, small businesses are less interested in the multitude of reports that banks offer, so it makes more sense to provide flexible views of the data within the system that they can easily sort and use the way they need to.

The evolution of technology has created a new potential small-business revenue stream for banks. A growing number of small businesses are showing interest in treasury products or products that used to just be in the middle-market domain. Treasury solutions are also more customizable and thus enable banks to create a different experience for their small-business and middle-market customers from a single platform. In this way, they offer their middle-market customers detailed cash positions while offering small businesses more of a running balance format (similar to a check register), which they often prefer, or the flexibility to receive information in the format they prefer. Payment wizards can also be made available to guide less payment-savvy individuals through the online payment process, while others who have more experience with different payment types can choose to bypass them. Unfortunately, not all banks have migrated to the most current cash management platforms; thus, their existing offerings are less intuitive and are not delivering the type of success they are hoping for with small businesses. Positive pay is mentioned by a few bankers as one product that has lower small-business adoption than they expect due in part to product complexity and customers not understanding what it is or the value it provides, making them less willing to pay for it. ACH origination is another capability most bankers admit is too complex in their current cash management offering for many small businesses.

LARGE CORPORATIONS

The largest multinational banks continue to see opportunities for growth among large corporations. User experience within bank portals is often less important to this customer segment than it is to smaller segments because of the little time they spend on the portals. These businesses often care more about how quickly they can get bank systems "talking to" their internal systems; thus, APIs will be a big part of the strategies banks take going forward to serve these businesses. Given the large number of banks they often have relationships with, large corporations are often far more interested in having all their information consolidated in a treasury workstation. They also often have larger treasury staffs with more siloed responsibilities, making consolidated information within a single bank's site less attractive to them. When they do go to a bank site, they want quick access to the information they need, so a dashboard is helpful to many of these customers as well as smaller ones (Figure 8).

Figure 8: Corporate Treasurer Interest in Dashboards



Source: Aite Group survey of U.S. corporate treasurers at companies generating greater than US$500 million in annual revenue, January to June 2016

CURRENT CUSTOMER FRUSTRATIONS WITH DIGITAL USER EXPERIENCE

Commercial banks have not been quick to adapt to the new way of doing things, and it is starting to catch up with them. Banks' are being forced to provide a more consumer-like look and feel and address some of their customers' most common frustrations.

The most common points of frustration mentioned by interviewed bankers are related to the inefficiency of the customer onboarding process, especially as it pertains to the amount of paper exchanged, the level of transparency, and the time it takes to get access to products. Other points of frustration cited include the following:

- Siloed data, multiple logins, and a different experience in each solution
- A transaction starting in one channel that is unable to complete in that channel
- Manual processes and too many clicks to complete a transaction—especially for payments
- Information that is not as real-time or consolidated as it should be
- The complexity associated with data translation
- Lack of standardization within a single bank from country to country
- Lack of similarity across banks in regard to codes and how data is sent, making it challenging for customers to receive data from different banks

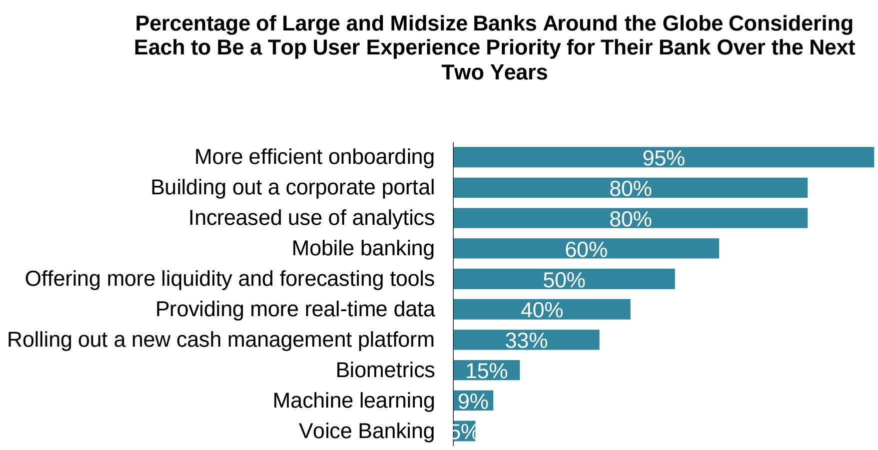
- No sense in the ways in which banks share data—i.e., does current and prior-day reporting still make sense at a time when everyone expects information to be real-time?

KEY USER EXPERIENCE INITIATIVES

Banks can no longer follow past practices of making incremental changes to their solutions. Larger overhauls to processes, data integration, and customer interaction are now required. Banks are also under pressure to demonstrate greater levels of innovation either by hiring their own internal innovation teams or by partnering with fintech providers. Further, as banks are shifting from transaction providers to advisors, building meaningful digital, omnichannel relationships with their customers is critical. Over the coming months and years, the end customer can expect to see significant improvements to the ways in which they interact with their banks and access data.

It is no secret what business and corporate customers want, so most large and midsize banks have similar items on their roadmaps as well as similar strategies. The differences will lie in how effectively they deliver it. This section highlights some of the most common user experience initiatives banks currently have underway or plan to implement over the next few years. Figure 9 shows Aite Group estimates regarding the percentage of large and midsize banks considering each roadmap item to be a high priority for their institution over the next two years.

Figure 9: Top Bank User Experience Priorities for the Next Two Years



Source: Aite Group estimates based on Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

ONBOARDING

Hands down, the biggest user experience initiative taking place within corporate banking today is onboarding. Improving onboarding efficiency for clients is a top priority for banks, with most having onboarding initiatives either already underway or close to being rolled out. Many of the initiatives are being completed in phases with multiple aspects. Banks are re-engineering their front, middle, and back offices, and are bringing in workflow tools that will lead to efficiency gains. Several customer-facing initiatives, such as e-signature, electronic document exchange and document storage, and greater visibility around tracking the status of onboarding tasks for both customers and bank employees, are the more common initiatives being tackled first, along with Know Your Customer (KYC), which remains a thorn in banks' sides. Some of the bankers interviewed mention they are considering collaborating with other banks to improve online account-opening efficiency through a KYC registry across the industry.[4]

Improving the user experience for onboarding also requires making sure the experience for sales people in the field can be better digitized. Today, that process is mostly manual. Banks want to arm their remote salesforces with more digital information to answer questions and give them the ability to digitally complete forms for customers.

PORTALS

The idea of a portal is not a new one, and for some of the largest multinational banks, even the idea of a next-generation portal is old news. However, for the majority of regional and super-regional banks, corporate portals remain a top initiative that is closely linked to customer experience. Some describe their portals as mostly single sign-on but know they need more. For others, even single sign-on continues to be a challenge. Portals are viewed as the window or entryway into a bank, and some have portals that are considered weak links. In such instances, customers continue to be forced to log in to multiple solutions and do not enjoy a similar experience across bank product areas and platforms. As part of their initiatives, several banks are striving to create a single set of entitlements across solutions, but for many, that seems like an unachievable goal. A couple of banks interviewed have been trying to achieve that for several years and feel they have little to show for their efforts. One banker mentions a strategy in which it will have shared entitlements at the dashboard level but will also have entitlements at the application level, because getting rid of the latter is far too difficult a task. At least 80% of large and midsize banks have some type of corporate portal initiative underway.

The largest banks have been more successful to date at building a customer experience in which the vast number of systems on the back end is less obvious. Regional banks struggle more with this and don't always have the IT resources to fully integrate a seamless experience across the many solutions their customers use. Many of these banks are disappointed by the willingness of many large vendors to open up their architectures to others, and they feel vendor API strategies are not far enough along.

One European multinational bank that is far along with its portal initiative offers a corporate portal with apps for its various products. It also has strong chat capabilities within the portal, enabling users to chat with their banker (e.g., about FX rates) and, in some cases, their peers. These capabilities vary by country based on what country regulations allow, but apps for products with single sign-on across all the solutions (thus enabling a single token across cash, trade, FX, securities, etc.) is an end goal many banks are hoping to achieve, as it makes engagement with the bank far easier.

Many large and midsize banks are building their own portals. While many have vendor-built solutions behind them, they choose to maintain control of the customer experience by owning the portal. Most banks with portal initiatives underway remain focused on continuing to pull

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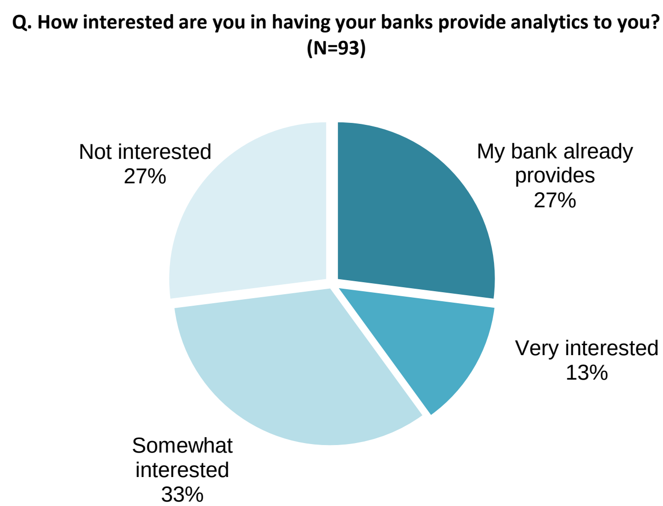
4. For more information on treasury onboarding technologies, see Aite Group report *Leaders of Treasury Management Onboarding: The Pursuit of Automation*, June 2017.

additional solutions into it. Portal initiatives are multi-year projects, and taking them on is no easy feat. One bank interviewed is already about four years into its initiative with very low levels of satisfaction and lots of challenges around integration.

ANALYTICS

Banks continue to underutilize analytics but recognize its importance and see it as a big part of their strategies over the next few years. Analytics will play an important role in helping banks to better understand customer activities, identify greater share-of-wallet opportunities, and interact with customers in the best way. It will also be used to monitor webpage activity to see how clients are navigating the site and identify tasks that are taking longer than they should. This knowledge will enable banks to proactively reach out to customers to suggest changes. A few bankers mention a desire to offer consolidated payables and receivables views to clients and, over the next few years, to incorporate analytics for more predictive capabilities for cash flow forecasting, payment optimization, and benchmarking. An early 2016 Aite Group survey of 93 corporate treasurers at companies generating greater than US$500 million in annual revenue found that only 27% of those businesses already receive some type of analytics from their banks, despite 73% being at least somewhat interested (Figure 10). The data dumps that most banks currently provide in their reports are not effectively meeting these businesses' needs.

Figure 10: Corporate Treasurer Interest in Analytics



Source: Aite Group survey of U.S. corporate treasurers at companies generating greater than US$500 million in annual revenue, January to June 2016

Banks also have opportunities to offer payment analytics information to their corporate customers. Some of the opportunities Aite Group sees in this area include trending reports covering such metrics as number of items requiring repairs, duplicate payments, accounts with no activity, and accounts that were the first to a new beneficiary as a way to help customers optimize the corporate payment operations and reduce fraud.

The biggest challenge around analytics today is that much of the bank data is siloed, thus forcing banks to go to multiple systems to create a consolidated report. Banks need to find a way to more easily consolidate their information so it can be analyzed in a way that will be most helpful to customers and to serving them.

DATA

In addition to better leveraging analytics, bank are focused on improving even the most basic data they provide to their customers. Customers expect data to be more real-time, consolidated, and actionable, and banks have several plans in place to achieve those objectives. Intraday reports and updates three to five times per day used to be fine, but now with real-time payments, customers will expect everything in real time.

Enhancing the ways in which information is reported is also a focus area, as banks look to make their reports more customizable and flexible for customer usage.

MOBILE BANKING

Mobile banking availability to corporate treasurers is still somewhat limited, with several banks still not offering it. This is due in part to low demand among corporate treasurers. While mobile adoption by consumers and small businesses continues to rise, it seems to have plateaued among corporate treasurers at a level below 10%. Low adoption is not just a challenge U.S. banks are facing; it is a global one as well. The channel is extremely convenient to those individuals on the road or away from their desk for approving payment transactions and preventing work slowdowns, or for receiving alerts. But the reality is that most corporate treasurers have less need for mobile solutions—particularly payment clerks who may spend most of their time in the office or the employee creating a payment instruction or trade letter of credit who need to enter additional information from the relevant invoice/supporting documentation.

Nonetheless, the mobile channel is one banks must invest in. The degree to which banks are investing in mobile banking technology varies by whether or not they were early adopters. Those large banks that were early to roll out mobile capabilities to their corporate customers continue to invest in the channel but not to the degree they did about two years ago. Most of the mobile initiatives by those banks are in biometric security or, if it makes sense, making new capabilities that are also available via the mobile channel to be rolled out to online clients. Mobile capture is another common area of mobile investment for them.

Banks that are not yet live with mobile banking for corporate customers are now finding that they need to roll it out. Despite low expected customer adoption rates, mobile is now viewed as a “check the box item” required to attract new bank clients.

The greatest change in the mobile banking space is the shift to responsive design. While those banks that have already invested in apps are not yet ready to abandon them, most of their investments going forward are in responsive design. Some bankers mention redesigning their mobile offerings for responsive design. Among those not yet live with an app, many plan to forgo plans to do so. Additionally, a few banks mention challenges with having multiple apps because they have capabilities, such as cash management and mobile capture, that come from different vendors. These banks are interested in finding ways to wrap the multiple apps into one. One bank even mentions that it decided against offering mobile positive pay because it would have been yet another app.

One banker states that he believes it is up to the banks to do a better job of creating need, demand, and use cases around mobile banking. He cited the example of Apple creating a need for consumers around new devices and says banks need to do something similar for corporate mobile. Corporate treasurers don't understand the full potential of this channel.

TOOLS

As banks roll out initiatives to make the ways in which they deliver information and interact with their customers more efficient, they must also continue to monitor the products and services being offered to ensure they are addressing customer needs and challenges. One such challenge is money management and forecasting. As the role of the corporate treasurer continues to expand, new tools are needed to help these individuals more effectively do their jobs. In addition to needing consolidated information, which banks are addressing through their portal initiatives, today's corporate treasurers also need tools to better manage their liquidity and to more effectively forecast future cash flows. Whereas most treasurers at large multinational organizations are likely to have treasury workstations to help with these tasks, that is not the case for many treasurers at middle-market organizations that remain largely dependent on Microsoft Excel spreadsheets. Spreadsheets are prone to error due to manual entry. While a couple of banks state plans to follow in the footsteps of JPMorgan Chase, which offers customers the ability to launch Excel from within the bank's corporate portal with automatically updated spreadsheet cells from the bank's systems, far more plan to roll out new tools around liquidity management and cash flow forecasting. Offering such capabilities provides critical tools to clients and helps deepen relationships while also positioning the bank as more than simply a transaction provider. However, a few banks did also state that they have spoken with their clients about such tools and don't see a lot of interest, as either they don't feel they can offer more than what they are already getting from Excel or they feel that the value is diminished if it is based solely on information with a single institution if they have multiple relationships. At least 50% of the banks interviewed are looking into offering new liquidity management and forecasting capabilities or already offer these capabilities.

NEW CASH MANAGEMENT PLATFORMS

Approximately one-third of the banks interviewed are in the process of migrating or are planning to migrate off legacy cash management solutions and onto new ones. In doing so, several are switching vendors with the hope of greater system flexibility and openness. Newer platforms are more intuitive, better leverage customizable dashboard and widget/tile capabilities, and better scale to meet the needs of small to large businesses.

MORE FORWARD-LOOKING INITIATIVES

There were a few initiatives mentioned by bankers that were more forward-looking and thus while being discussed, are not yet roadmap items.

- Machine learning and artificial intelligence are certainly on the minds of most banks but are not yet immediate roadmap items. Banks are talking about them and discussing possible use cases, but most believe this technology will not play a big role in corporate banking for at least another three or four years. Given the newness of the technology, few use cases have been proven. However, one potential use case that came up a few times in bank discussions is deploying robotics for greater efficiency to route customers and information to the correct service manager or product specialist. Banks also see this as a way to better serve clients that go to the site every day and perform the same tasks. Only three of the bankers interviewed say they have already kicked off partnerships with fintech companies in the machine learning space.

- While a handful of banks have already rolled out biometric security for access to their mobile capabilities, most banks are not yet live with this technology. Vendors are talking a lot about it, but several bankers expressed the opinion that not much progress has been made. One banker forecasted that biometrics will eventually replace tokens but admitted that is still a few years out. Biometrics is proving that increased security no longer has to be at the expense of user experience.
- Leveraging voice recognition software in which clients can talk to their phone and say "find check number 42" or leverage Amazon Alexa is also something bankers are talking about but see as a future initiative.

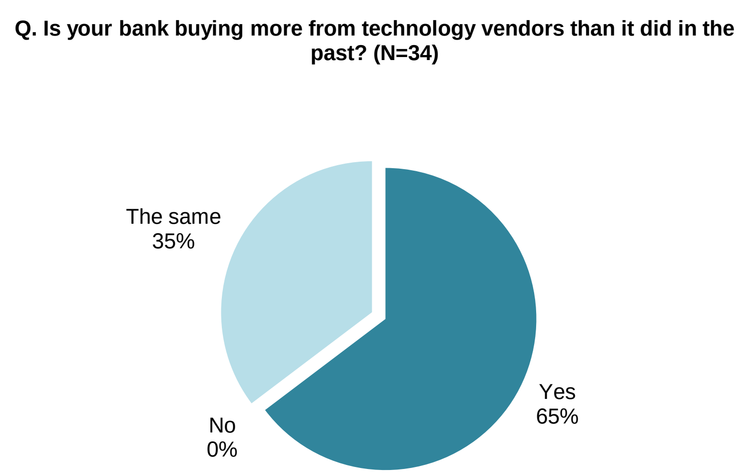
LEVERAGING TECHNOLOGY

Technology is a critical component to achieving most of the user experience goals banks have. There are several trends being observed regarding the ways in which banks are leveraging technology in order to meet their goals.

BUYING MORE

Of bankers interviewed, 65% state they are buying more technology from vendors than they have in the past (Figure 11). The largest banks have demonstrated the greatest change in attitude, as many of them historically built many of their solutions. Regional banks made the shift to vendor solutions several years ago. There are several factors driving this shift in buying behavior, including faster speed to market and the ability to build in areas in which there is competitive advantage while outsourcing the rest. Additionally, technology has improved over the last few years. As such, solutions are far more customizable without having to touch code, and available functionality has also widened. While several bankers felt as recently as three years ago that gaps existed in the offerings available from leading technology providers, they now feel that most of those gaps have since been filled and less customization is needed. One banker mentions an internal policy at his institution in which it strives to use 80% of any vendor solution it purchases and not customize more than 20%. Another factor driving banks, including the largest ones, to buy more technologies as opposed to building them is the broadening definition of transaction banking. While many of the largest banks still build many of their core capabilities, they are far more willing to use vendors for the nonessential nice-to-have capabilities that customers also want and that go beyond the more traditional cash management capabilities.

Figure 11: Buy Versus Build



Source: Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

While all banks seem to be more open to vendor-built solutions than in the past, the most dramatic change in attitude is taking place within European banks that traditionally showed a strong preference for building homegrown solutions. They too are also now looking at vendor solutions. A similar phenomenon is taking place in Africa, where most banks built everything 10 years ago and today are buying not only from large global vendors but also from local fintechs.

MAINTAINING CONTROL OF CUSTOMER EXPERIENCE

While banks are willing to lean on vendors more than they have in the past, they continue to want to maintain control of their customer's user experience, so many, including smaller regional banks, are continuing to build customer-facing capabilities. A common example of this is bank portals. As stated previously, while several vendor solutions may sit behind the portal, most banks are building their own front end. In addition to maintaining control of the customer experience, it is also essential to meeting another goal of providing a single look and feel for customers and a centralized location through which to interact with the bank. Without these portals, which are a big initiative at many banks, customers would continue to have the unintegrated experience that frustrates them as a result of banks running a multitude of disparate systems on the back end.

TRADITIONAL VERSUS EMERGING FINTECH VENDORS

While most of the banks interviewed are in agreement that they are buying more than they are building, they don't all agree on who to buy from. A growing number (44%) of large and midsize banks find themselves investing more in the offerings of fintech providers than more traditional ones that have historically led the market (Figure 12). The banks in this group mostly include the largest banks that historically built most of their technologies, institutions with large IT departments that can work with the fintech providers, and large non-U.S. banks. As stated previously, these institutions especially turn to these vendors for capabilities beyond traditional cash management that often happen before or after the payment. They find the expectations for cash management services expanding beyond the most common capabilities of initiating and receiving payments and find the fintech providers moving at a more rapid pace to address these new needs. Some of the capabilities bankers state they are considering fintech companies for include artificial intelligence, electronic signatures, biometrics, faster payments, forecasting, and blockchain. Even the few banks stating they still build a lot of technology admit to being more open to vendors than in the past and often, when leveraging a vendor, select a fintech.

Among the largest non-U.S. banks, several bankers state they use global vendors for larger projects and more local players when leveraging fintech solutions, because they believe the fintech firms can address issues specific to their market. They find it challenging to work with vendors that don't have feet on the ground.

Despite the growing popularity of emerging fintech providers, a large number (56%) of primarily regional bankers have stuck to the technology players that have a proven record in the market. While they felt a few years ago there were gaps between what banks needed and what vendors were able to offer, they believe the gaps have narrowed. These regional banks often go to a core group of vendors first to fulfill their needs, and if they are unable to do so, the banks go beyond

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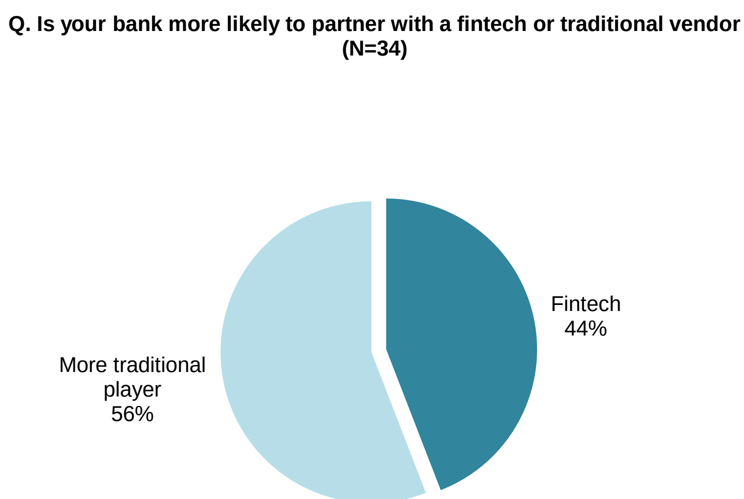
the group to others and fintech companies. They often don't have the resources to invest in the due diligence necessary to become comfortable with taking on the risk of a new fintech player, nor can they make financial investments in them, as some larger banks are doing. They prefer to stick with a group of vendors they know well and that are considered best of breed in their areas, though they too look at fintech firms for certain capabilities beyond traditional cash management. Many of those same bankers state that although they are unable to partner directly with or make investments in fintech companies, they hope their existing partners will do so. One banker went as far as describing such a partnership as a "perfect marriage." Bankers feel the traditional vendors need to do more to keep up with change but recognize many of those players face the same challenges banks do with legacy platforms.

Whether banks partner with them or not, few banks deny the impact fintech firms are having on the industry and admire their innovation and agility. They also appreciate the fact that fintech providers are pushing the more traditional players to make more changes and try to match their user experiences.

Figure 12: Fintech Vendors vs. Traditional Technology Vendors



Source: Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

CLOUD

Another big shift in the market is bank perceptions toward the cloud. In general, banks are showing a greater openness to the cloud than they did in the past. Several bankers state fintech firms are having an impact on this shift, as most of their offerings operate in the cloud. However, the cloud movement is slow. As one banker put it, "Today the bank isn't necessarily ready to throw everything into the cloud, but it is at least open to considering it. It is not a flat out 'no' like it was a few years ago, so that is progress!" Banks are also hesitant to put some of their customer-facing products or customer data in the cloud. Some of the products mentioned as being put in the cloud include internal human resources systems, sales tracking systems, and advanced analytics for processes such as anti-money laundering. While most banks are moving slowly in this area, others such as HSBC have publicly announced that they are investing heavily in moving part of their architecture into the cloud.[5] They are working with Google Cloud, Microsoft Azure, and Amazon Web Services to make sure the cloud is secure. Working in the cloud is viewed as faster and cheaper, and it is something banks will need to embrace going forward. Of course there is a big difference between private and public cloud, with most large and midsize banks favoring a private cloud. Despite the shift, lots of uncertainties surround the cloud, especially about putting customer data in it.

APIS

API usage represents a big part of banks' planned user experience strategies as well as their overall technology strategies. While banks recognize the important role APIs will play in delivering the type of experience their customers expect, most are still early on in their API strategies and are just scratching the surface in determining all the possible use cases. Survey participants whose banks have strategies underway state they have an enterprise-infrastructure and line-of-business treasury services strategy that are integrated with each other.

Most use cases fall into three main categories:

1. **Internal use:** The first and most commonly described potential use case for banks is leveraging APIs internally to integrate product capabilities and information across the bank for greater efficiency and a more seamless experience. Banks also view APIs as a way to better integrate with fintech solutions. In fact, several bankers mention that an open architecture is now a requirement for all new vendor relationships. Banks see it as a way to potentially overcome some of the integration issues they are facing but fear their underlying architectures may not be able to support it. Most vendors aren't ready, and several are not willing to open their architectures.

2. **Transmission of data between banks and client ERP treasury workstations:** This use case lets customers access data within their own internal systems.

3. **Use by customers:** The final use case and one that banks have made the least progress with to date is to make the APIs available to their corporate customers for a more customized experience. Many see this as a big part of their strategy for the largest corporations. Large customers want to be able to configure, manipulate, and ingest their data whenever, wherever, and however they want to when they need it. Banks need better tools to meet their needs, and APIs are viewed as a possible solution.

   Given the target market for this use case, it is primarily the largest multinational banks that have made any progress to date. Most of the regional bankers state that they plan to closely monitor the initiatives of the largest banks, hoping that first movers will drive early market learning so they can better understand what customers want, if they use APIs, and if it is something of interest to the middle market. However, far more prefer to

5. Caroline Donnelly *"HSBC Adopts Cloud-First Strategy to Solving Big Data Business Problems*," Computer Weekly, May 5, 2017.

focus more on building out their portals and dashboards given their focus on middle-market and small-business customers. While some of the early movers with APIs are building out their own APIs and strategies, most of the regional players will likely wait on advances by their primary vendors as opposed to developing their own. Unfortunately, most state that vendors, especially the cash management providers they work with, are not where they need to be with API development.

Bankers see lots of new products and services coming out of APIs once developers can access them, especially around shared payments and real-time connections to bank accounts. Some possible client-facing API use cases mentioned by bankers follow:

- Payment status updates and alerts on account balances, transactions, and cutoff deadlines
- Exchange of transaction/account balances
- A way to provide more secure self-service
- Potential use cases with remote deposit capture whereby customers don't have to use the mobile app from the bank, though they may already have an app for their workflow and want to use it to make a deposit to the bank via APIs
- Balance lookup within an ERP system
- Ability for customers to access a check image archive from within their own system rather than having to log into the bank
- Ability for customers to be on one platform yet access capabilities from another (e.g., a small business on a retail banking platform wanting access to commercial payment capabilities)

A couple of bankers described visions of having a treasury management cloud or an API library within their portal, along with other self-service tools. Some are already doing some of this on an ad hoc basis for some customers but want to make it more assessable to all clients. An API library will enable third parties to build additional capabilities across services they offer.

While most banks are in the early stages of their API strategy development, European banks are slightly ahead as a result of the second Payment Services Directive (PSD2), which is creating a use case for APIs. It is changing who owns data and what is acceptable. Banks need to be able to let partners in, and the customers, not the banks, are now viewed as the ones who own the data. This is creating new opportunities and is also creating a need for new technology.

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COMMUNICATING AND SHARING DATA WITH CUSTOMERS

For corporate treasurers at large organizations, the primary method for communication with bankers is often via the phone. Most banks leverage a dedicated customer servicing team assigned to most relationships. Some information is exchanged via secure email and self-service online, but when customers have a question about complex products or processes, most prefer to pick up the phone. Most bankers don't see this changing over the next few years and are OK with that, as they view their institutions as relationship or high-touch banks that call and talk to their customers and meet with them in person from time to time. Only one bank participant had pretty strong views that human interaction will go away in most aspects of banking with the exception of advisory services. He sees much of the banking process being automated over the next few years.

However, a high-touch servicing model is neither efficient nor scalable to the large number of middle-market customers and the growing number of small businesses being migrated onto treasury platforms. As such, many of the digital initiatives described throughout this report are designed to make the digital experience as efficient as possible to encourage greater digital channel usage, especially for less complex tasks. Banks need to find more ways to drive traffic to their digital channels for customer servicing.

An improved user interface and digital experience will certainly lead to greater digital banking by customers; however, banks must also make sure they have the right tools in place to easily service customers if they have a question while in the digital channel. This requires finding the right balance between self-service and ensuring that there is still a human touch when needed. Additionally, some banks see their deep customer relationships as a differentiator and don't want to lose that or have technology replace it. They want technology to automate the routine transactions relationship managers are going through so they have more time to focus on building relationships. For example, one banker states they have learned that about 70% of payment inquiries are related to "where is my payment" questions. That bank will be leveraging technology to provide greater transparency to customers on the status of their payment so the client doesn't have to ask.

Bank relationship managers will continue to handle most of the complex needs and consultative product servicing over the phone or in person, but over the next few years, banks expect more of their smaller customers and less complex transactions and questions will be handled in other ways, such as the following:

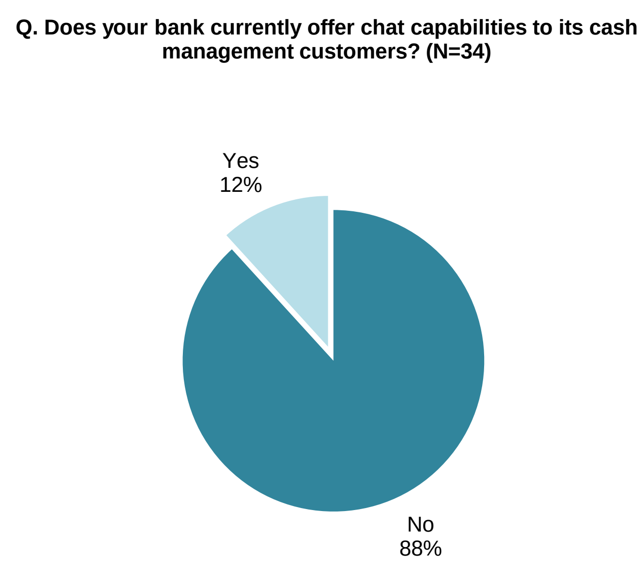
- **Partners**: Some banks partner with companies that offer sales support through their own sales force. Fintech firms can often sell their products better than the bank could, and as the bank expands its products into new areas that are less traditional bank products, it is too hard to train the bank's salesforce and servicing team. As a result, several bankers state that they look for Tier-1 and Tier-2 support from vendor partners and consider it in the vendor selection process. This gives them the ability to have more feet on the ground and to provide better service to customers without the additional cost of hiring and training new salespeople.

- **Improved alerts, email, and secure messaging capabilities:** A great deal of information between banks and their corporate customers continues to be exchanged via email. Banks are looking to offer more secure messaging capabilities within their portals. Additionally, while alerts are pretty common on the retail banking side, they aren't as common in commercial banking. Banks are looking to offer more sophisticated alerts for their customers to let them know when actions need to be taken or when balance thresholds have been hit. End users will have the ability to specify the types of alerts they will receive and the channel through which they will be delivered (e.g., mobile device, email).

- **Onsite education within the portal:** Many banks are in the process of building up online libraries of information for their customers to help them better understand how products are used as well as the benefits of using them. Some banks also have online demos and how-to tutorials to walk customers through the process of completing a transaction online. Another bank described a "walk me" capability that walks the customer through a video or explanation of how to perform a transaction. Banks see value in continuing to invest in building out their online content but seem a bit challenged to find ways to drive more traffic to them.

- **Chat:** As mentioned previously, email is a common form of communication between bankers and their clients. Many bankers believe a large portion of those email inquiries will instead be sent via chat once the capability is available. This capability is already available in many consumer offerings but is not yet common in commercial banking. Chat provides the immediate response that customers desire and that email doesn't deliver. About 90% of the banks surveyed believe chat will be critical to their digital success; however, only about 12% of large and midsize banks already offer it to their cash management customers (Figure 13).

Figure 13: Chat Capabilities



Source: Aite Group survey of 34 large and midsize banks around the globe, June to July 2017

One bank that already offers basic chat capabilities to its corporate customers with call center reps on the other end has seen success with it. The bank uses analytics to monitor the types of questions being asked via chat so call center reps can be better prepared for those types of questions and can respond more efficiently. That same bank will eventually be doing virtual chat using a bot instead of a person. The bank is already looking into it and should be rolling it out in the next 12 months.

However, while most banks are optimistic about the benefits of chat, a few have concerns. One participant whose bank is already offering chat finds that adoption has been low and that most of its customers have continued to pick up the phone. A few other bankers mention concerns about the amount of additional staffing that would be required to properly implement chat capabilities. They fear chat may make it too easy to ask a question and may prevent customers from first trying to find the answer on their own within the portal, leading to a decline in self-service and a rise in inquiries to the call center. Chatbots represent one possible way of addressing a potentially higher inquiry volume and may be used as a first line of response to the most frequently asked questions. This will reduce the number of calls to the call center. One bank that isn't interested in rolling out regular chat due to concerns about staffing requirements is considering chatbots. It sees chatbots as a way to be more proactive about addressing customers' inquiries before customers call in. Keeping the call center fully staffed can be challenging because call center staff must be fully trained, so the more questions chatbots can effectively answer, the better. Another banker expressed concerns that the complexity of corporate transactions could lead to chats going on forever, making it better suited for the less complex ones.

Machine learning and artificial intelligence will also play a big role in improving communication and experience for customers. For example, if a company is doing business with another company overseas each month and the AI sees that its purchase and use of FX is inefficient, it will recommend more efficient ways to perform the same transaction.

Of course, banks will always have to offer human interaction, but the goal for many of them is to minimize the need for it or to reserve it for more advisory services and strategic and consultative sales. Additionally, they can't push customers to a channel. For many, the plan is to offer more tools to make it more desirable and easy to use digital channels, and they believe customers will naturally gravitate in that direction.

CUSTOMER INVOLVEMENT AND FEEDBACK

Involving customers in the design phase of any bank offering is very important. It is also another example of a way in which banks are increasingly straying from past practices in an effort to provide a better experience for their customers. Many of the bank participants interviewed admit that in the past much of their bank's development was based on assumptions about customer needs. While they asked customers for feedback, those customers were not as entrenched in the design process as they are today. Banks are increasingly shadowing customers to identify sources of friction they encounter during their day as well as to pilot initially with only baseline functionality so they can get more feedback from customers before continuing development. Such steps are becoming much more common practices for banks as they move forward with their user experience initiatives; this is a natural progression as banks migrate from waterfall to agile development processes. It now makes a lot more sense for banks to focus more on user experience as they increasingly take ownership of the building and customization of customer-facing portals. Many feel this type of input is less effective when vendor solutions are in place.

The voice of the customer also comes up a great deal in Aite Group's conversations with bankers. Today's banks want their customers to be more involved in determining the type of experience they are provided than they were in the past. Banks are capturing data from customers regarding the ways they interact with the bank and are leveraging it to redefine the customer journey and to determine a plan for where they need to go. Bank processes are iterative with regular feedback from customers and customer usage to validate roadmap items. Banks are also more actively leveraging customer advisory groups to give them a more consistent set of customers with whom to speak and are going beyond the customer surveys of the past. Many bankers believe that the more feedback customers provide, the more ownership they will take in the offerings, which will lead to greater product adoption.

Most banks are not yet as iterative as they want to be and are not fully agile, but the industry is moving in the right direction, and banks are listening to customers more than ever before. The only challenge is whether clients are willing or have the time to provide the frequent feedback banks are looking for.

CONCLUSION

Banks:

- Business customers of all sizes have new expectations around the ways in which their bank partners should be interacting with them and sharing data. Banks must evolve their strategies and offerings to better align with those expectations.
- Banks of all sizes should be more open to vendor offerings, especially to areas in which they do not have a competitive advantage and areas in which vendors have a proven track record. Fintech firms should no longer be viewed as competitors and instead should be considered as potential partners to leverage their strengths and innovation as the definition of cash management expands.
- As more customers gravitate toward digital channels, banks must ensure the right balance between self-service and human touch. Leveraging partners, more secure messaging, online education, and chat capabilities will prove critical in helping banks continue to effectively serve customers and manage scale.
- Banks should continue to bring voice of the customer and iterative feedback into their development processes to ensure customer needs are better met and technologies are best aligned with customer operations and workflows.

Technology providers:

- Most vendors, especially the traditional players, must continue to enhance the flexibility of their offerings to better meet new bank needs, or they will risk looking dated and losing business to other competitors and emerging fintech providers.
- Vendors must be ready to open their platforms and become more “APIable” to better serve new bank strategies.
- Banks are more open than ever before to leveraging vendor solutions and cloud capabilities, but vendors can’t take their business for granted. Banks have a lot of options, and emerging fintech vendors are happily filling market gaps. Vendors must focus not only on offering the right functional capability but also on the experience they provide to bank customers. User experience is now considered in every bank buying decision.

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AUTHOR INFORMATION

Christine Barry
+1.617.429.7727
cbarry@aitegroup.com

CONTACT

For more information on research and consulting services, please contact:

Aite Group Sales
+1.617.338.6050
sales@aitegroup.com

For all press and conference inquiries, please contact:

Aite Group PR
+1.617.398.5048
pr@aitegroup.com

For all other inquiries, please contact:

info@aitegroup.com

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US 1169 / 1018

North American Headquarters
120 Bremner Boulevard
30th Floor
Toronto, Ontario M5J 0A8
Canada
T: +1 888 850 6656

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