

What's New With Core Business Applications?

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Core vendors, like Fiserv, Fidelity, and Jack Henry, do business in a highly competitive market. The good news for financial institutions is that, while engaging in heated battle for your business, core vendors are continually focusing on producing new and exciting features that can help to differentiate your institution from your competition. The new versions of banking software on the market today are rich with features and functionality; customer-facing technologies, like online banking and ATMs, are continually being enhanced; and institutions are being offered better tools for analyzing profitability and customer relationship management. This article will review some of the more interesting developments.

Online Banking Initiatives

Many of the core providers now offer consumer features that also provide a cross-selling opportunity for the institution (for example, an online application process). Jack Henry, for one, has partnered with MeridianLink to provide Opening Act, a web-based origination system. www.jackhenrybanking.com – search for Complementary Solutions and Opening Act.

A customer can submit an online application for services and then receive approval online. Once a credit report has been gathered, the institution can recommend possible cross-selling opportunities. The institution can then offer a pre-approved interest rate on a home equity loan, for instance.

Q2 software (<http://www.q2software.com/>

[default.aspx?v=b72e649f-b9e1-46de-bdd5-e02c7a0a40de](http://www.q2software.com/default.aspx?v=b72e649f-b9e1-46de-bdd5-e02c7a0a40de)) has combined online banking with their Voice Banking solution. Scenario: A customer with an associated student account requests additional funds to be transferred to the student account. The Voice Telebanking service notifies the primary on the account of a request for a sweep of an additional \$100 to the student account. The primary account holder is then able to enter a pin code gaining immediate access to a bank teller who assists with the sweep of funds.

New improvements to Bill Pay functionality are also available today. Core providers like Fidelity and Metavante have partnered with Digital Insight (<http://www.digitalinsight.com/home/solutions.consumer.ib.payments#Bill>) to provide a bill payment site that will attract highly profitable online users. Digital Insight has developed a website that allows a customer to stay on your institution's website while viewing credit card statements and balances from other institutions. The customer can pay bills directly without ever leaving your site.

Many institutions are now using Bill Pay to gain a better understanding of the full financial profile for their customers. By reviewing the spending habits of their top 20 most profitable clients, institutions are able to focus cross-selling opportunities. For example, if a customer uses Bill Pay to make payments on a home loan held with another institution, your institution will be able to recognize the opportunity and offer a competitive home equity loan.

Profitability and Customer Relationship Management Initiatives

Better solutions showing profitability by product, customer, branch, and loan officer are now available. Fiserv purchased IPS-Sendero to provide their client base with one of the best profitability solutions available in the industry. (<http://www.ips-sendero.com/products/profitability.asp>). Each of the core solution sets now includes profitability modules as well as customer relationship management modules. The new modules are fully integrated into the core and provide

complete profile views for top customers. Traditional reports on branch profitability are now being augmented by interactive views that link to critical information on a customer account. Most profitability views now allow for a drill-down methodology providing visibility to important details on an account.

Profitability is now linked to the customer relationship management (CRM) and marketing modules. Employees of an institution are now able to view critical CRM components. Tellers are presented with tickler alerts from loan officers requesting that the customer visit the loan office to sign final paperwork. Tellers are now also being offered incentives to discuss cross-selling opportunities with customers that qualify for new marketing initiatives. Institutions are leveraging core applications to create marketing programs and track incentive compensation. New Accounts personnel are able to build profiles during the creation of new accounts noting additional products a customer might find of interest during the account opening process.

Compushare is currently researching a company, 3VR (<http://www.3vr.com/Solutions/Financial%20Institutions/>), that provides security systems with face recognition. How might this help with CRM? Image having the ability to immediately identify a top 20 client as soon as the customer walks into the building. Through email alerting or other real-time notification, a bank executive can greet the high profile client by name, improving customer satisfaction and service levels.

ATM Initiatives

Diebold markets a fully automated check imaging solution, ImageWay, that can process crumpled or creased checks. These ATMs can provide for double check detection and can sense photocopies of checks. The ATMs separate checks according to business processes and can even provide the first steps of character recognition and pass the images to the check image servers.

Diebold has also introduced a RemoteTeller solution that allows a remote ATM device to



provide the customer with a two-way audio/video teller connection when assistance is requested. (http://www6.diebold.com/dnpssec/financial/transactionsystems/remote_teller.htm) This device can also push custom marketing information the ATM user while the transaction is being processed.

Summary

Core vendors are fervently working to offer valuable features that will help financial institutions to find advantages amongst competitors. It's always the right time to evaluate the benefits that your core provider can offer in support of your business application needs and objectives.