



WHITE PAPER

# **DRIVE MAXIMUM VALUE WITH YOUR BANKING CORE**



The ability to support business requirements is now a common denominator across core banking systems. So, how can regional and community banks maximize the value of their banking core to drive innovation and differentiate from the competition?

## Innovation Beyond Capability

Core banking systems have reached a level of maturity – and as a result, the industry is experiencing a transformative shift where priorities are concerned.

While system functionality remains the cornerstone of any platform investment, the spotlight is now on capabilities that drive innovation. In other words, when selecting a new core system, banks need to seriously consider those non-functional attributes that have the potential to redefine a bank's trajectory.

The most sophisticated platforms don't just tick the boxes where functionality is concerned. Beyond this, they should offer an exceptional user experience for your customers and staff. They should also be purpose-built and customizable, with a flexible architecture that can adapt to your firm's changing needs and support your institution's resilience and future growth.

And that's not all: to differentiate itself, a core platform should also be supported by a strategic partner that deeply understands your unique business and can help you maximize the value of your investment.



## What to consider

What specific capabilities should you look for in a new core banking platform? Different banks have different priorities and needs – but there are also several attributes that are relevant across the board, such as an exceptional user experience, configurability and process automation.

Whether you're at the early stages of exploring a new core or already in the process of evaluating different core banking platforms, make sure you pay attention to the following differentiators:

### 1. Customer and banker experience

A core banking system should provide an exceptional experience for both customers and bankers.

Where customer experience is concerned, your chosen platform should provide a frictionless journey that meets the high expectations of today's customers. This should include offering self-service digital banking, account opening and financial wellness capabilities to both consumers and businesses, with a focus on insight-driven engagement. You'll also need to support your customers' growing appetite for instant payments and embedded financial services.

Turning to banker experience, a sophisticated core banking platform should provide a modern user experience, with easy access to information, intuitive search functions and the ability to customize information.

Users need to be able to access the system where and when they need it – and your core platform should also support consistent engagement between bankers and their customers. That means offering integrated and seamless account origination, servicing, CRM and teller capabilities. And, of course, your platform should be easy to use and intuitive enough that you can train new employees quickly and easily.

### 2. Scalability and flexibility

Your needs, goals and priorities will evolve. Your banking core doesn't only need to support you where you are today – it also needs to support your firm's ambitions for future growth, with enough flexibility to support new revenue streams and scale up as your business evolves.

When evaluating core banking platforms, consider whether the systems you're looking at will enable you to offer new products and services and service larger commercial clients in the future. Your core should also be able to address seasonal volumes when the need arises. If you see M&A activity in your firm's future, ask whether the proposed system will support you as you acquire or merge with other financial institutions.



### 3. Risk and compliance

In today's environment, keeping up with increasingly complex regulations is a fact of life. Regulatory guidance and government agency expectations have a massive impact on financial institutions. Your core banking system should make it easy for your firm to keep you on top of today's compliance requirements and be flexible enough to help you meet any changes that the future may bring. Naturally, it should include the tools you need to manage risks effectively for your firm, including real-time, data-driven insights to identify and mitigate known and emerging compliance risks.

### 4. Ease of integration

API-first architecture is replacing traditional core banking systems. As such, today's leading core banking systems are built on open architecture and event-based frameworks that allow you to access and execute all the functional capabilities you need.

Core platforms should provide comprehensive access to a library of APIs, a wider ecosystem of banking and payments solutions and the integration capabilities needed to incorporate third-party vendors. Look for a platform that reduces complexity and keeps you ahead of the curve.

### 5. Process automation

Automation is crucial when it comes to maximizing efficiency. Check whether the platforms under discussion use robotic process automation (RPA) to carry out frequent and repetitive tasks previously carried out by humans. By

harnessing process automation tools, you'll be able to improve efficiency, reduce operational costs and minimize the risk of human error.

### 6. Conversion experience

While choosing the right platform cannot be overstated, it's also important to establish accountability for the exercise and work with a vendor that will act as a partner. A technology partner should be ready to take ownership of the initiative, while remaining focused on your business model and goals throughout the project.

When evaluating core platforms, consider what your conversion experience will be like when it comes to switching over:

- Does your chosen vendor have a proven track record in change management, effective governance and leadership and a robust methodology to mitigate any risks?
- Does the vendor provide professional experts who are exclusively tasked with bringing clients onto the platform?
- Does the vendor invest extensively in training and product support?
- How will the conversion team help your firm embrace transformational change?



## 7. Vendor experience

Likewise, consider what your experience will be of working with a particular vendor on an ongoing basis.

To evaluate vendor experience, look at the vendor's current customer base, as well as its longevity in the market and ongoing investment in its products. It is also worth considering the backgrounds, experience and expertise of the staff supporting you. Remember that people who have previously worked in the banking industry will be better placed to understand your firm and your challenges.

Above all, your chosen vendor should have the deep conversion and industry consulting experience needed to help your firm grow, operate more efficiently and respond to market forces.

## 8. Security

Security is, of course, paramount, so look for a platform that offers multilayer security protocols and robust protection. Systems that embrace a 'Secure by Design' philosophy are more likely to include the comprehensive application, network and device security needed to ensure a secure experience at every touchpoint.

Consider as well whether the vendors under consideration have a track record of partnering with industry and governmental security and enforcement agencies to capture, analyze and assess threat intelligence. If so, they will be better placed to defend your firm against cyberattacks.

## 9. Data-driven insights

Data is important – but what matters more is your ability to gain insights from the data you have at your fingertips. For example, using data effectively can create new opportunities to increase customer loyalty and improve retention.

While your chosen platform should also give you easy access to both the breadth and granularity of your data, you should also ask questions about what the platform enables you to do with that data – such as customizing offers throughout the customer lifecycle. Opt for a core platform that includes modern business intelligence (BI) tools and advanced analytics, and can transform your historical data into actionable, data-driven insights.

## 10. Configurability

Every bank has its own requirements – so set your sights on a core that is configuration-driven, with a level of customization that fits the platform to your firm rather than the other way around. Configuration tools should allow you to easily make changes to the system without special programming or technical support from the platform vendor. Choose a parameter-driven platform with a comprehensive capability for defining product attributes and processing options in a way that makes sense for your firm.



## 11. Resilience

A core platform should be resilient enough to continue operating seamlessly, no matter what else is happening in the markets and the world. Your core platform must keep your system working securely around the clock, 24/7/365. Disaster recovery should be second nature for your chosen vendor, with a plan in place to ensure business continuity in every eventuality.

## 12. Strategic partnership

Your needs should come first – so opt for a vendor that is easy to work with and consistently delivers an excellent client experience in every interaction. Beyond this, look for a vendor that can also act as a strategic partner when it comes to planning, collaborating and implementing innovative solutions that align with your firm's priorities and help you grow in the future.

## In summary

Against heightened macroeconomic pressures, it's more important than ever for financial institutions to focus on smart, strategic growth.

In today's market, it's a given that core banking platforms will provide the functionality that regional and community banks need to do business. When selecting a new core, banks need to look beyond function and judge systems on the other attributes that can make a difference to their firms – from an excellent user experience to the scalability needed to support future growth.

FIS is here to answer your questions and help you identify a new core banking platform that fits your firm perfectly.

## About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.



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