

# DIGITAL BANKING

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## 4 winners and losers from the American Banker Digital Banking Conference

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**2 articles**

Attendance at this conference has grown significantly since I was here in 2016 reflecting the obvious interest levels in digital, yet the vibe remained largely the same as two years ago...hundreds of digital banking SVPs wandering through presentations and exhibit halls looking for answers to questions they still don't know to ask.

Everyone seemed to be looking for the next cool mobile banking app or use case yet had to settle for what must have been 37 references to varying forms of the new nirvana - "AI-driven, digital transformation"!

Perhaps the best illustration of their frustration was the audience awarding the best in show demo to an (underwhelming) employee digital education play by Horizn. Maybe the mindset amongst many bank digital execs is “we’re building all this great functionality... surely our crappy adoption must be because of our poorly trained front-line staff”.

This inward focus may be why so many community and regional banks and CUs still don’t provide some pretty basic digital services – mobile account opening with chat/text support and easy handoff to the call center, mobile wire initiation, voice/text/thumb payment authorization, text or chat customer service requests or something as simple as app-based change of address requests, etc.

But what’s concerning me more than the gulf between Big Banks’ and Community/Regional Banks’ digital adoption is the growing disconnect between bank strategy and digital strategy in community and regional banks. While commercial lending and treasury management remains the money maker for more than 75% of my clients, most of those clients have a retail-heavy, if any, digital strategy. Many buy Q2, NetTeller, ROB, DI, et al, check the box and go back to business as usual. Little commercial focus, no success metrics, no customer feedback loop and seemingly no way of knowing how far out of touch they are.

Ok, enough soapbox for a Friday afternoon. On to the winners and losers.

## **Winners**

1. If 2016’s conference was the “mobile” conference, 2018 was most definitely the “voice” conference. Lots of presentations on voice banking, Alexa, how we’ll bank when we’re all zipping around in self-driving cars, etc. As IBM’s David Zimmerman pointed out, “this will be the last generation that has to type”. Is voice banking even a blip on your digital roadmap?
2. Ironically, I thought the best presentation of the week was Umpqua’s Rilla Delorier. Yes, the most brick and mortar bank in the US is bringing digital to their high touch, relationship-based model. You might have snickered at the launch of their cringe-inducing brand “BFF”, but their digital concierge concept intended to democratize private banking through their “banker in every pocket” platform (basically secure chat soon to be launched through their Pivotus Ventures subsidiary) is going to be fun to watch. See you can align your business and digital strategy. And yes, you can humanize digital banking.

3. D3 enjoyed heavy booth traffic driven by their announcement this week of their new digital account opening solution and whispers of a soon to be announced win in a top 75 bank. I haven't seen any community or regional bank with a great online account opening experience, and the digital account opening vendor market is a mess. More competition is welcome. Just wish D3 could come down market a bit.

4. In a far too-retail focused conference, I thought the best demo was Avoka's commercial account opening solution. The UI was elegantly simple, customers can pre-fill info from QuickBooks and other accounting software, and there appears to be some workflow to address the new FINCEN beneficial ownership nightmares on commercial accounts.

## Losers

1. Every core vendor. Outside of their sponsor dollars and swag backpacks, the core guys were persona non grata here. It was sorta like college days when the alums would show up for fraternity parties. You really just wanted them to pay for the kegs and leave so the party could start. You could hear the outright hostility from the digital demonstrators who highlighted that they could work around any legacy core debt including core vendors' terrible APIs.
2. While it was very cool that JD Powers announced their mobile banking app customer satisfaction winners at this conference 30 minutes ahead of their press release, they spent all of 4 seconds talking about what the winners did well to differentiate themselves. Huge missed opportunity.
3. The hardest job in the world this week must have been the dude manning the Pitney Bowes booth at a digital banking conference. Get that poor guy a shot of chilled Tito's.
4. For those of you who keep trying to push PFM onto customers who don't want it, Payveris has finally found the winning use case! They actually demoed Nest thermostat alerts to their PFM to help customers adjust their utility budget. Even among tech and digital nerds, the groans were audible.

Loved having this conference 15 minutes from my house. Austin is home to Malauzai, Q2, 22 fintech startups and FinTech supporter Austin Capital Bank, so it's a great choice. But why on earth does Source Media have this conference here in the summer?! Hard to enjoy downtown Austin when you're wearing slacks and blazer in 100 degree heat and 80%humidity. Hope to see everyone back here in 2019 - April 2019 that is!

And I always welcome the opportunity to talk digital strategy and vendor dirt with bank and credit union execs - Brad