



Thriving In A Digital-First World

Six Pillars of Success for Community
Banks and Credit Unions

Apiture migrated more than 400 bank and credit union customers from a proprietary data center to AWS in 2017. The benefits of this shift to the public cloud were immediate and have continued over time:

- **Uptime:** With five-nines availability, our solutions run with virtually no downtime.
- **Innovation:** Our investment dollars are focused on delivering new features rather than keeping servers up and running.
- **Speed:** We deliver new releases more quickly, giving our customers the advantage of new features and functionality.

Benefits to our bank and credit union customers were dramatic:

- 30+ percent increase in imaging performance
- 30+ percent increase in performance in terms of access to real-time balances
- 200-300 percent reduction in time needed to download batched banking statements
- 300+ percent increase in total batch time speed

Today's market is experiencing a distinct shift toward digital transformation as both consumers and businesses increasingly move online. Across industries, companies are digitizing the customer journey, enabling every customer interaction through a mobile phone in a way that is as frictionless as possible. Against this backdrop, banks and credit unions must consider their own digital presence and how it impacts the customer experience.

Six pillars have emerged that are essential for financial institutions to embrace as they transform to a digital-first organization. These pillars represent important strategic considerations as financial institutions optimize for today's digital world:

1. Cloud-based infrastructure
2. Unified consumer and business banking
3. Digital account opening and onboarding
4. Data-driven marketing
5. Optimized omni-channel experience
6. Third parties to close the innovation gap



Pillar 1: Cloud-Based Infrastructure

For financial institutions, the shift from on premise to cloud is a trend that's here to stay. Among the benefits of public cloud environments like Amazon Web Services (AWS) are:

- Lower cost of operation
- Increased scalability
- Improved speed to market
- Greater uptime

These benefits extend beyond an institution's core to systems that are fundamental to operations, such as email, accounting, ERP, and digital banking solutions. Community banks and credit unions should look for providers offering cloud-based solutions to take full advantage of these benefits.



Pillar 2: Unified Consumer And Business Banking

Another key element of a digital-first strategy is having a single platform that unifies consumer and small business banking. Advantages of this approach include the following:

- Customers using a given institution for both consumer and business banking have a consistent experience whether checking their personal accounts or conducting business.
- Employees can administer their entire customer base through a single console.
- Employees have access to all customer data in one system, providing opportunities for cross-sell of other banking and payment products, as discussed in Pillar 4.
- A more robust platform into which innovative solutions can integrate enables banks and credit unions to level the playing field with much larger institutions (more about this in Pillar 5).



Pillar 3: Digital Account Opening And Onboarding

The largest U.S. banks are encroaching on community bank and credit unions' geographic territory by offering seamless digital account opening solutions. They can find a potential customer in any town in the U.S. and can onboard those customers exclusively through online and mobile channels.

To compete, community banks and credit unions must offer the same capabilities. If a new customer can find an institution online but is asked to go offline or to a different channel to create the relationship, the customer may be lost. As a result, having a strong digital marketing and digital account opening program that allows potential customers to not only find a bank or credit union but also establish the relationship digitally is essential in today's market.



Pillar 4: Data-Driven Marketing

Financial institutions of all sizes have more information about their customers than almost any other business in the world—and this data is a precious resource. This is particularly true for digital banking, which captures a multitude of customer data, such as:

- ACH transactions
- Bill payment transactions
- Debit and credit card swipes
- DDA transactions
- Transaction spend
- Purchase data

Leveraging this information through data-driven marketing solutions is instrumental to a financial institution's growth in a digital-first era. For example, using bill payment transactions to identify accounts held with other institutions, such as credit card, mortgage or loan relationships, provides an opportunity to cross-sell those customers with in-house products and services.

With the right partner and tools, financial institutions can use data to help optimize customer acquisition, cross-sell, and overall loyalty and engagement.



Pillar 5: Optimized Omni-Channel Experience

Though some customers want to interact with their financial institution exclusively through online and mobile, many prefer to use digital channels only a portion of the time. This is particularly true for community financial institutions, which often differentiate through personalized service.

Banks and credit unions should consider how to seamlessly combine digital capabilities with existing relationship management and personalized service capabilities to create an even better experience for customers. A digital banking experience, for example, that takes customers seamlessly from a chat to a live customer service agent via video when warranted can be a strong differentiator.

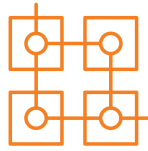
Having a partner with the technology that allows the financial institution to offer this type of seamless transition—and one who can easily enhance or upgrade the digital experience as customer needs evolve—is essential for financial institutions as they digitally transform.

Why API-first?

Third-party providers sometimes have a technical architecture that is incompatible with a financial institution's current architecture or that of its current digital banking solution. That's where APIs can have a profound impact.

A digital banking solution with an API-first approach can easily plug a third-party solution into the digital banking user experience. Rather than delivering a series of solutions, each with radically different look and feel, the right provider can create a user interface that seamlessly integrates third-party solutions to deliver an elegant user experience.

This gives financial institutions the flexibility to choose best-fit or best-of-breed solutions that best meet the needs of their unique customer base.



Pillar 6: Closing The Innovation Gap With Third Parties

The largest U.S. banks are investing in technologies that aren't yet on the radar of many institutions, according to Cornerstone Advisors. JPMorgan Chase recently announced it has increased its annual technology budget to \$12B, 26% more than it spent in 2020. In the absence of budgets of this scale, smaller institutions risk losing account holders to those with more advanced offerings.

However, a multitude of fintechs provide bank-relevant innovation, and they're looking for bank and credit union partners to take that innovation to market. Digital banking solution providers can play a valuable role integrating third-party solutions to help financial institutions deliver a holistic digital experience. FIs should look for a digital banking solution built to support today's modern, evolving market—one with an API-first and cloud-native design—to ensure that third-party integrations result in a seamless customer experience.

Summary

As consumers and businesses alike leverage online and mobile channels at an increasing rate, it's imperative for banks and credit unions to consider their digital-first strategy. Because technology and consumer expectations will continue to evolve, a digital-first transformation represents an ongoing journey. Selecting partners offering modern, flexible solutions that can evolve with the changing ecosystem is crucial for community banks and credit unions to not only survive but to thrive in today's competitive market.



About Apiture

Apiture delivers award-winning digital banking solutions to banks and credit unions throughout the United States. Our flexible, highly configurable solutions meet a wide range of financial institutions' needs, from leveling the playing field with larger banks to enabling unique, digital-only brands. Through our API-first strategy, our clients can maximize the capabilities of their platform while preserving a seamless user experience. Our exclusive focus on digital banking means we're dedicated to delivering innovative solutions that meet the unique needs of our clients while providing a level of support that's unmatched in the industry. Apiture is headquartered in Wilmington, North Carolina, with offices in Austin, Texas.

To learn more, visit www.apiture.com

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