

Are you Photo Album Financial?

Remember the photo album? Before the 21st Century, it was the de facto storage device used to chronicle events of a lifetime. Photos would be arranged in these albums and placed on the shelf in order of events—a child's birth, vacation travels, a wedding—just waiting for their story to be told. The best pictures would be reserved for a picture frame and placed on the wall.

Technology has relegated most albums to attics. Now you take pictures on a digital camera and transfer them to a digital picture frame. Depending on the size of your memory card, you can store and display an almost unlimited number of pictures instantly. Now you can return to your office from vacation with your vacation! No dropping film off and waiting for those snapshots.

So, how instant and integrated is your financial institution? Are reliable pictures of your customers banking balances only developed daily and only good for the period of time after the nightly update but before your institution opens?

More importantly, how do your customers really know their account balance, especially when banking systems remain a confused combination of memo-post and batch processing? And you wonder why your customers call your service number confused and worried. Think about it, your customer could have just used the internet bank, an ATM, and the tellers in your banking lobby to check their account balances and received three different numbers.

Yes, you have a perfectly good explanation regarding why the systems differ. But is your answer understandable to your customer? Most payment systems today are moving towards real time and some are already there, but these do little good when they are not integrated at the financial institution level. If real time transactions still have to wait until the nightly update for all systems to reflect the same balance, then what value are they to your customer? What level of confidence do your customers have in your institution?

The real question is: Does your institution have in place a strategy to eliminate this confusion that brings all of your customer systems (commercial and retail) into sync (providing the same balance information at the same time all through the day)? After all, your customer does not want to find out that after they have used their mobile banking application to verify their balance to make a purchase with their debit card that there no funds in the account and the transaction was denied at the point of sale! That will be a real time experience and one that they will not soon forget.

What kind of picture would that leave you with?

— Dan Fisher, The Wombat!

About the Author

Dan Fisher is president and CEO of The Copper River Group, a consulting firm headquartered in Fargo, N. D., that focuses on technology and payment systems research and consulting for community financial institutions. For nearly 30 years, Fisher has worked in the financial industry using technology to improve the bottom line. He was CIO of Community First Bankshares (now part of BancWest), has served as a director of the Federal Reserve Board of Minneapolis, the chairman of the American Bankers Association Payment Systems Committee, and was a member of the Independent Community Bankers of America Payments Committee. Fisher has written numerous articles on banking technology and the payments system. He has authored or co-authored six books and recently published a book titled, "Capturing Your Customer! The New Technology of Remote Deposit." You can contact Fisher at dan@copperwombat.com.

P.S. To understand Dan's nickname, check out "About the Wombat" on his website, www.copperwombat.com