

CES blog2—Mobility and the next level

If the attendance at International Consumer Electronics Show is any indication of consumer confidence and the economy, then get ready for a fantastic 2012.

• • • Estimates are that attendance this year approached 175,000. That is amazing, and huge by any yardstick. Judging from the numbers of people I encountered, the estimate is spot on.

I traveled to Las Vegas early to attend the Press events, which included attending exclusive Consumer Electronics Association briefings on the state of the domestic and global industry along with attending vendor press conferences.

It was a great way to get a start on what is hot and what is happening, and clearly mobility is where it is! The cell phone trend has grown into a tsunami of cell phone technology. Next up is the super-phone. Technology is "blurring." That is, the lines that separated the two in the past have blurred are merging, hence "blurring." It won't be long before you will have a difficult time buying anything in this space but a smartphone with a data plan or a tablet computer.

The next level

There are four elements that will take the smartphone and the tablet—which represent the new mobility equation—to the next level: 1. the power of the device in computing capability; 2. connectivity (meaning network accessibility); 3. application functionality, which has seen explosive growth over the last two years; and 4. the realization that many consumer products are now being designed and manufactured with the sole purpose of being managed from a smartphone or tablet (e.g. in-house entertainment systems, heating/a.c., etc.). This is a new perspective and thousands of product manufacturers want to get into this space. They clearly see the future on smartphones and tablets and do not want to be left behind.

The personal-devices-at-work issue

Even with all of this, personal-use mobile devices at work represent an additional paradox for financial institutions. Banks want control over the mobile device because of the risks associated with customer information and regulatory compliance. This is a real concern particularly when it comes to email and social media.

On the other hand, employees do not want two devices, a smartphone for the office and a smartphone for personal use. Too much stuff to carry and too many operating systems to learn. But now banks have options to deal with this impasse.

Based on my interviews at CES, two smartphone manufacturers (LG and Samsung) produce devices that offer encryption on the device, but also use VMware virtualization and offer virtual private network (VPN) connectivity, and I am sure there are more that offer similar capabilities. In other words, the operating system and data storage of these devices can be partitioned (compartmentalized) and locked for banking applications almost like a parallel universe peacefully coexisting on the same device.

Furthermore, a VPN client configuration enables the smartphone or tablet to exist in the financial institution network with all of the security and control the institution needs.

Recapping, products increasingly are being designed and manufactured with the objective of being accessed and operated by a smartphone or tablet. Question: how are you designing, planning, and implementing your products? Also, the latest smartphone and tablet product releases have, in essence, swept away the technical security and functionality impediments that have stood in the way of adoption by financial institutions.

The conclusion: There is no reason why you can't do what your digital natives want you to!

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@copperrivergroup.com.

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