Bank technologists meet American Idol

All that was missing from the recent Finovate Fall 2012 financial technology convention in Manhattan were the snarky judges and the over-the-top would-be pop singers.

Everything else reminiscent of TV reality talent shows was there. Glitzy stages. Multiple screens the size of delivery vans. Pounding music. Tight stage production (except for the iffy wifi and internet connections, which many of the presenters depended on and for which the chief of the Jacob K. Javits Convention Center personally apologized from the stage).

Most important were the contestants, who called themselves presenters, each of which desperately wanting the 1,050 of us in the audience to vote for them as "best in show." Many of them substituted the loopy two-finger-to-the-ear signal to call or text our votes with an outright plea: "Vote for us."

Sixty-four teams each stood up for no more than seven minutes to explain to us what their latest financial technology innovation is, what it does, and why it is going to change the financial services industry forever.

Unlike American Idol, however, there were none of the so-bad-it's-campy-good type of acts. Truthfully, every one of the presenting teams offered at least a fresh look at how to solve one type of problem or another, how to boost revenue, how to make things easier for customers, and how to generally improve a person's or company's finances. (Disclosure: ABA was one of the nine partners that contributed to Finovate Fall 2012.)

Of course there are always critics. Helaine Olen, a blogger for Forbes, says "But how much any of this is helping anyone is open for debate. Most of these services either openly or subliminally promote the thesis that the vast majority of our financial problems are caused by our cognitive inability to master our finances. But toss in a little internet innovation and, well, voila! Problem solved."

Then there was this, from Willy Staley, staff writer for MyBankTracker.com: "Could it be that there aren't that many new technologies left-short of some sort of money-fabricating machine-that can actually help the average American have a better experience with her bank? Isn't it possible that all this innovation only really serves banks? That's who Finovate is for, anyway: banks and the companies who have something to sell them. I mean, we ate filet mignon for lunch both days of the event-which, thanks!"

I agree with that last part. Thanks for the lunch.

He is sort of right in other ways. This show is for banks and the companies that sell to them, but there's nothing wrong with that. I don't agree there isn't anything new, at least in the sense that there can't be new things that do old things better, especially in an economy where squeezing an extra bit of productivity out of any activity can make a lot of difference.

First though, who says there wasn't anything there for the average person? The applause and the enthusiastic voting for eToro as best in show refutes that. You could argue that this service has very little to do with banks and everything to do with anybody who signs on to Facebook. eToro bills itself as the world's largest investment network with more than 2.5 million users in 140 countries. It invented the concept of "social investing" which, simply put, allows you to connect via Facebook with other investors, see what they are doing in various markets, see what their results (returns, that is, in real money) are, and then decide whether to invest your own money the way whichever investment guru you choose does.

Of the 64 presenters, products that promote investment and personal financial management predominated. Of the other seven best-in-show companies, three were for PFM:

· Credit Sesame-a financial dashboard with "financial fitness indicators" with which customers can analyze and adjust their financial situation.

· LearnVest-enhancements to the company's Money Center, where members can track their spending, paired with customer financial plans from the company's team of certified financial planners.

· MoneyDesktop-a seamless personal financial management solution for the online banking and mobile channels.

Along with these were: Personal Capital, with its free 401(k) fee calculator; IND Group, with a way to match customers' "stories" with financial goals; ImpulseSave, with an app to redirect money normally used for impulse buying into savings accounts; Ohpen, with a cloud platform for mutual funds investing and savings accounts; Thomson Reuters with an app store to help with investment decisions; and aSpark, with a panoramic view of one's investment portfolio.

If you include investment tools as part of PFM, there were these: C.K Mack, with an investment platform for rental real estate; North American Ideon, which will beta test an investment solution personalized by customers at the point of sale;

and Stokr, another social investment tool that reports and analyzes the latest news that moves markets.

So that's 12 out of the 64. Other trends were apparent as well. By my count, nine of the presenters addressed security issues; eight had products or services aimed directly at small businesses; and eight addressed payments in one form or another. A handful of demos concentrated on analytics; and another handful targeted financial education in one form or another.

Of course, underlying almost every presentation, the concept of mobility in some form or other lurked not too far under the surface.

Back to the claim that Finovate is only for banks. It's true most of the presenters had no qualms asking the banker representatives to talk to them back at their booths. The basic idea is, put this or that app on your banking website and see how your customers take to it. Maybe one or two of these new ideas actually will enable the average Joe or Jane to manage finances better, or save more, or invest more wisely. And that's not bad.

That is what I got out of Finovate Fall 2012.

For all things Finovate, go to http://finovate.com/ Videos of the Fall 2012 presenters should be available on the site within a week or two according to the organizers.

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