

Electronic banking: green light/red light?

How many of you become frustrated when you drive down a long street with unsynchronized stops lights? Go… stop! Go, make two lights and stop! What you may not realize is that to a large degree this scenario also represents electronic banking technology today, behind the screen. The catch is the batch!

Your customers can experience the same go… stop feeling when they encounter the limitations of your banking technology. Think about the scenario when customers scan a check they have received for deposit, make an account-to-account transfer using the website or transfer money to your institution using ACH. From their point of view, once they press the enter key, it is real time! They expect the transaction to be complete and the money available. They become confused and frustrated when it is not. “What do you mean you’re online, but not real time?” they ask when speaking to your customer service department, “But… It’s on the internet!” they proclaim.

The green light is the enter key and the red light is your processing solution. The customer’s transaction made it through one light, but ends having to wait. Then the file is downloaded … green light and then stopped again! The explanation is simple; part of the process is immediate and real time; and other parts are batch based.

The reality today is that real time is more of a perception than a reality. It appears to be real, but every now and then the customer is adversely impacted and does not like it. Why? The explanation is simple end-to-end processing. In the context of banking systems today most financial institutions are still dependant on batch processes that impede or even a halt the progress of a transaction. The batch is the catch!

Hmm… Perhaps we need to rethink our next technology purchase and develop a REALTIME plan?

—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, 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