

CELENT

Innovation in electronic channels

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Agenda

- **Cash Management – Innovation Required**
- **Web 2.0 Is Reinventing The Online Banking Experience**

Banks are starting to recognize that their online banking platforms are at a crossroads

- The Internet is in a state of perpetual transition
 - New technology
 - Shifting business models
 - Customer demands and requirements forcing banks to refocus their priorities
- Siloed business units, politics, and heavy compliance requirements
- Corporate and small business online banking platforms are mature

Two distinct camps have taken their places in the market for cash management solutions

Group	Philosophy
Innovators	<ul style="list-style-type: none">▪ View cash management solutions as mature, but believe there is room and opportunity for development and innovation▪ Invest in adding core and complementary features and functionalities▪ Believe in first-mover advantage and in promoting early adoption of new services▪ Invest in marketing and promoting cash management services
Laggards	<ul style="list-style-type: none">▪ View cash management solutions as mature, and believe there is little opportunity for development and innovation.▪ Focus on the maintenance of existing cash management offerings and inject little to no funds in solution development▪ Do not invest in marketing or promoting cash management services

It's all about customer experience and relationship management

- Shift from documentary-based trading (LC) to OA (payments; cash forecasting)
- Credit crisis pushes corporations to focus on payments and cash
- Cash management

↓
Stickiness

↓
Relationship management

Trade finance

↓
Short-term funding= low risk

↓
Based on transactions (movements of goods)

↓
Transaction banking= stable revenue source for banks

↓
Relationship= #1 reason for a corporation to buy TB products

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Consumer sites are setting expectations

amazon.com

facebook

Google™
Docs BETA

flickr®

twitter

urbanspoon

LinkedIn®

You Tube

digg

WIKIPEDIA

KAYAK™

skype™

YAHOO! MAIL


iPhone

craigslist

Blogger™


del.icio.us

Dashboard examples are popping up in the consumer space



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Technology

[Nokia to buy rest of Symbian, free its software](#)
The Associated Press - [all 217 related >](#)

[Google preps conflict of interest-tastic web analytics tool](#)
Register - [all 43 related >](#)

[International Space Updates, June 2008](#)
DailyTech - [all 405 related >](#)

[Gates' big send-off](#)
CNET News - [all 136 related >](#)


[Homecoming of Odysseus May Have Been in Eclipse](#)
New York Times - [all 143 related >](#)

Gmail

Loading...

[Inbox](#) | [Show preview](#) | [Compose Mail](#)

Google Map Search




Example Searches:

Weather


Montreal, QC
68°F
Mostly Cloudy
Wind: W at 9 mph
Humidity: 73%

Today




60° | 71°

Wed




60° | 78°

Thu




64° | 78°

Fri



62° | 71°

Date & Time



Tue
JUN 24


S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5
6	7	8	9	10	11	12

Google Calendar

June 2008						
Su	M	Tu	W	Th	F	Sa
25	26	27	28	29	30	31
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5
6	7	8	9	10	11	12

[Add Event](#)

Google Finance Market Summary



	11,753.12	-89.24	(-0.75%)
— Dow			
— Nasdaq	2,362.10	-23.64	(-0.99%)
— S&P 500	1,308.12	-9.88	(-0.75%)

* Data from 6/24/2008 10:20am EDT, and may be delayed.
[More Gadgets by Rob Kodev](#)

How to of the Day

- [How to Network](#)
- [How to Grow Banana Plants](#)

In financial services, non-banks are setting the standard for customer experience

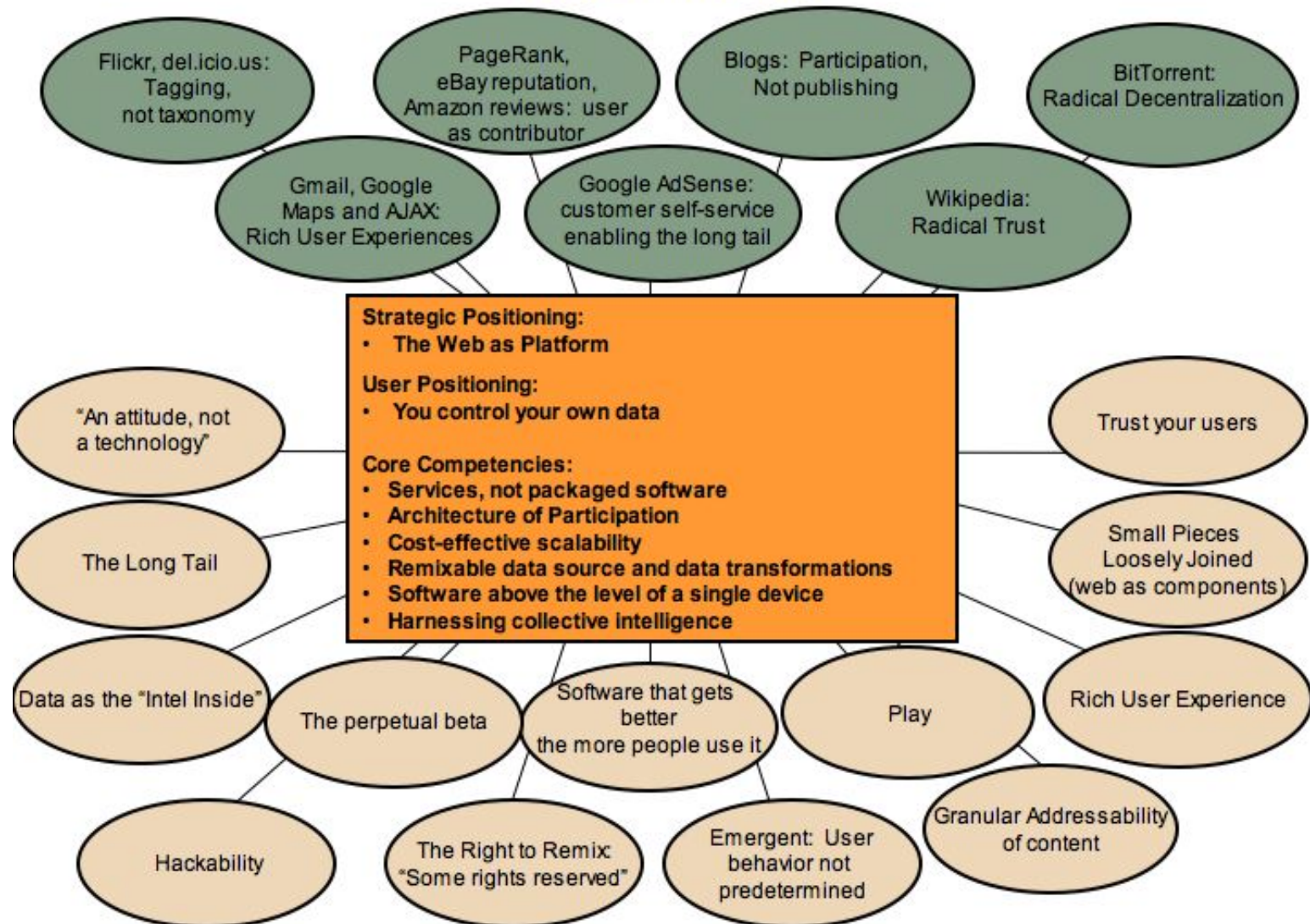
The screenshot displays the Mint.com interface with the following sections:

- YOUR ACCOUNTS:** Lists various accounts including Cash (\$4,997.18), Wells Fargo (\$4,546.19), Citibank Bank (\$450.99), Credit Cards (-\$466.01), Bank of America (-\$345.23), American Express (-\$120.78), Loans (-\$17,222.01), Toyota (-\$12,300.45), and Sallie Mae (-\$4,921.56).
- YOUR ALERTS:** Shows five alerts regarding spending on Food & Dining, Restaurants, Gas & Fuel, Entertainment, and a Citibank Bank fee.
- YOUR BUDGET:** A bar chart for May 2009 comparing actual spending to budgeted amounts across categories like Shopping, Credit Card Payment, Groceries, Student Loan, Restaurants, Entertainment, and Gas & Fuel.

Category	Actual Spending	Budgeted Amount	Status
Shopping	\$581	\$1,490	Under Budget
Credit Card Payment	\$0	\$250	Under Budget
Groceries	\$172	\$250	Under Budget
Student Loan	\$0	\$229	Under Budget
Restaurants	\$281	\$150	BUDGET OVER?
Entertainment	\$100	\$125	BUDGET OVER?
Gas & Fuel	\$23	\$75	BUDGET OVER?

Illustration of Web 2.0 Landscape

Web 2.0 Meme Map



Waiting to see a live example of a next-generation customized dashboard

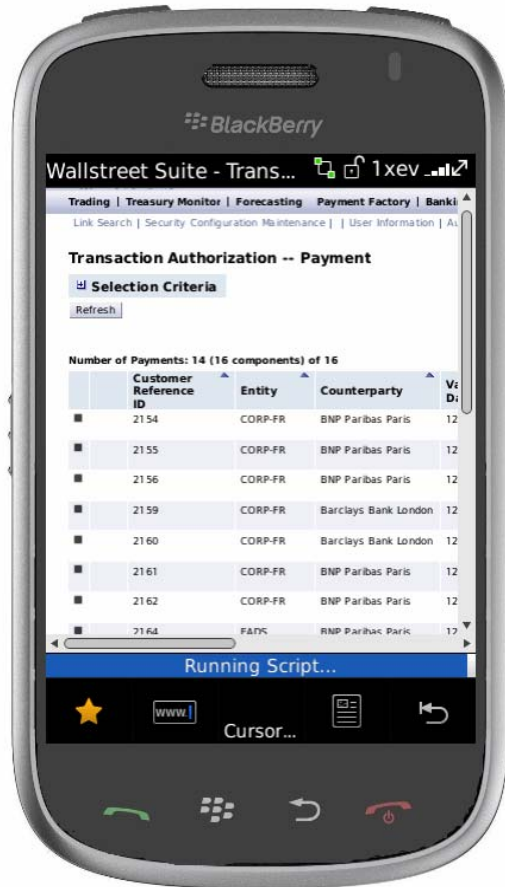
- Current “dashboards” are rather landing page
- A true dashboard provides:
 - Business intelligence
 - Customized key elements and information
 - Allows users to initiate tasks directly from the landing page
 - Graphical representations of relevant data (e.g., balances of different accounts).
- Rich Internet Applications (RIAs) at the dashboard

Web 2.0 RIAs extend beyond the dashboard

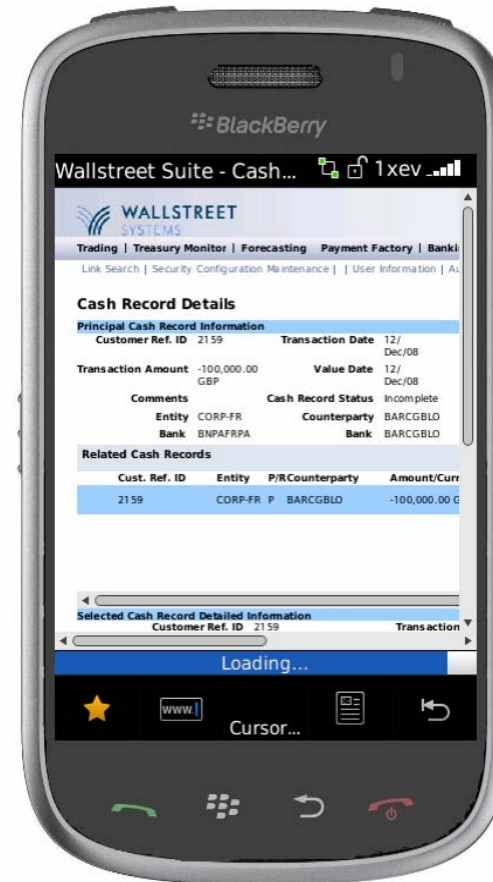
- Information Reporting
 - Formatting options
 - Deep dive into data
 - Interactivity (performing calculations within a report)
- Entitlements and Administration
- Payments
 - Popup panels
 - Accordions
 - Intelligent forms with auto-complete

Mobile Banking_ BlackBerry Access Examples

Payment Authorization Selection



Transaction Detail Drill-Down



Source: Wallstreet Systems

During the next two years, banks on the Web 2.0 adoption journey will face numerous hurdles

- Hurdles
 - Difficulty deciding on an AJAX framework
 - Security concerns
 - Tight IT budgets
 - Delayed releases from software vendors
- It will take a good 12–18 months before we begin to see cutting-edge business banking sites complete with Web 2.0 elements

Banks may look at these types of enhancements with skepticism

- The impact on the bottom line is difficult if not impossible to measure
- Banks need to consider whether they want to:
 - Lead the market or follow the competition
 - Anticipate customer requirements or be pressured into meeting them
 - Grow and nurture customer relationships or wait for other banks to step in
- Consider it more of a marketing initiative vs. sales tool



Thank You

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Customization Vs. Personalization

Personalization	Customization
Standardized at the company level (for all users)	Customized at the user level
Bank sets the order and/or titles of menus and pages	User sets the order and/or titles of menus and pages
Company decides what elements appear on the landing page	User decides what elements appear on the landing page and can control the order/position and level of detail
Frequently used features are bank-determined (if at all)	Frequently used features are user-determined and can be assigned a location on the dashboard
No task automation (e.g., bank provides a list of static reports to choose from)	User can automate tasks (e.g., run a report at a certain time and set delivery options)
Users can choose from a list of preset standardized alerts	Users can choose from a list of preset alerts and can also custom configure their own alerts