



Market Commentary

Harnessing data and an evolving ecosystem for agile customer-centricity

Financial institutions need to meet customer demands for more personalized banking services and solutions, and that means embracing digital transformation and data analytics.

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Ultimately, data analytics for us is about empowering the world to be financially strong and to better serve the customers and members that our financial institutions are serving.

Sue Dumbauld,
Vice-President, Partner Strategy, MX

Data, data, everywhere

Financial institutions today understand they have to transform their services to meet customer demand for more personalized solutions. But meeting this demand requires agility, a suite of evolving apps and solutions, and deep insights into customer behavior, wants and needs.

There's no lack of data, but harnessing the insights from that data is a different proposition. Basic analysis may tell financial institutions where their customers are, what kind of accounts they have with that institution and perhaps some demographic information. But much more is required to really offer customers what they need.

For example, knowing that an individual saves money every month provides the opportunity to offer automated savings tools or a savings account with a better interest rate. But most financial institutions can only access that insight if both the savings and checking account are held with them and if they make that exact query on the data. User-friendly visualizations of insights, which make intuitive leaps like this easy, are often far beyond the capabilities of many financial institutions.

Financial institutions have to go beyond basic data analysis to best serve their clients – they need data enhancement. To gain true insights into their customers, they require visual, interactive data that offers true differentiation in the market. They also require the agile apps and solutions that can respond to what people want.



Allan Brown

Vice President and General Manager of Digital Community Markets, Finastra

Allan Brown has served as Vice President and General Manager of Digital Banking since January 2019. In this role, Allan is accountable for driving Finastra's Digital Banking business in North America.

As a senior executive, Allan brings over 25 years of experience leading software businesses. Allan joined Finastra from Kodak Corporation where he served as Corporate Vice President and General Manager of Unified Workflow Solutions. During his tenure, he and his team rejuvenated the organizations innovation and sales engine delivering strong business results, disrupting the market with cloud services for print, operational excellence, and delivering delightful customer experiences.

What people want from their financial institution has already changed, and it continues to evolve

Meeting evolving demand

In the [World Fintech Report 2020](#), 50% of customers revealed that their financial services provider doesn't deliver a personalized experience and 48% of new-age consumers were frustrated by the narrow range of products and services that were on offer.

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Sue Dumbauld,
Vice-President, Partner Strategy, MX

Not only do today's customers want existing services and solutions to be more personalized and user-friendly, they also want new technology-enabled tools to manage their money.

For many traditional institutions, meeting these demands would be a major undertaking. But failure to meet them could mean their clients turn to challengers within the industry.

However, there is a solution. Collaboration with fintechs in the growing financial ecosystem offers institutions the ability to match their offerings and build partnerships that will keep delivering change fast.

Partnering up

Finastra is one of the largest fintech companies in the world and it's firmly embedded in this ecosystem, which is why fellow fintech MX was a natural partner for [Fusion Digital Banking](#). MX helps organizations deliver data-driven money experiences by turning raw, unstructured data into their most valuable asset. Together, MX and Finastra offer that ability to other financial institutions.

The system not only gathers data from accounts and services held with the main financial institution, but offers end-customers the option to add accounts held with external institutions as well. This allows for a full 360-degree view of each customer's financial life.

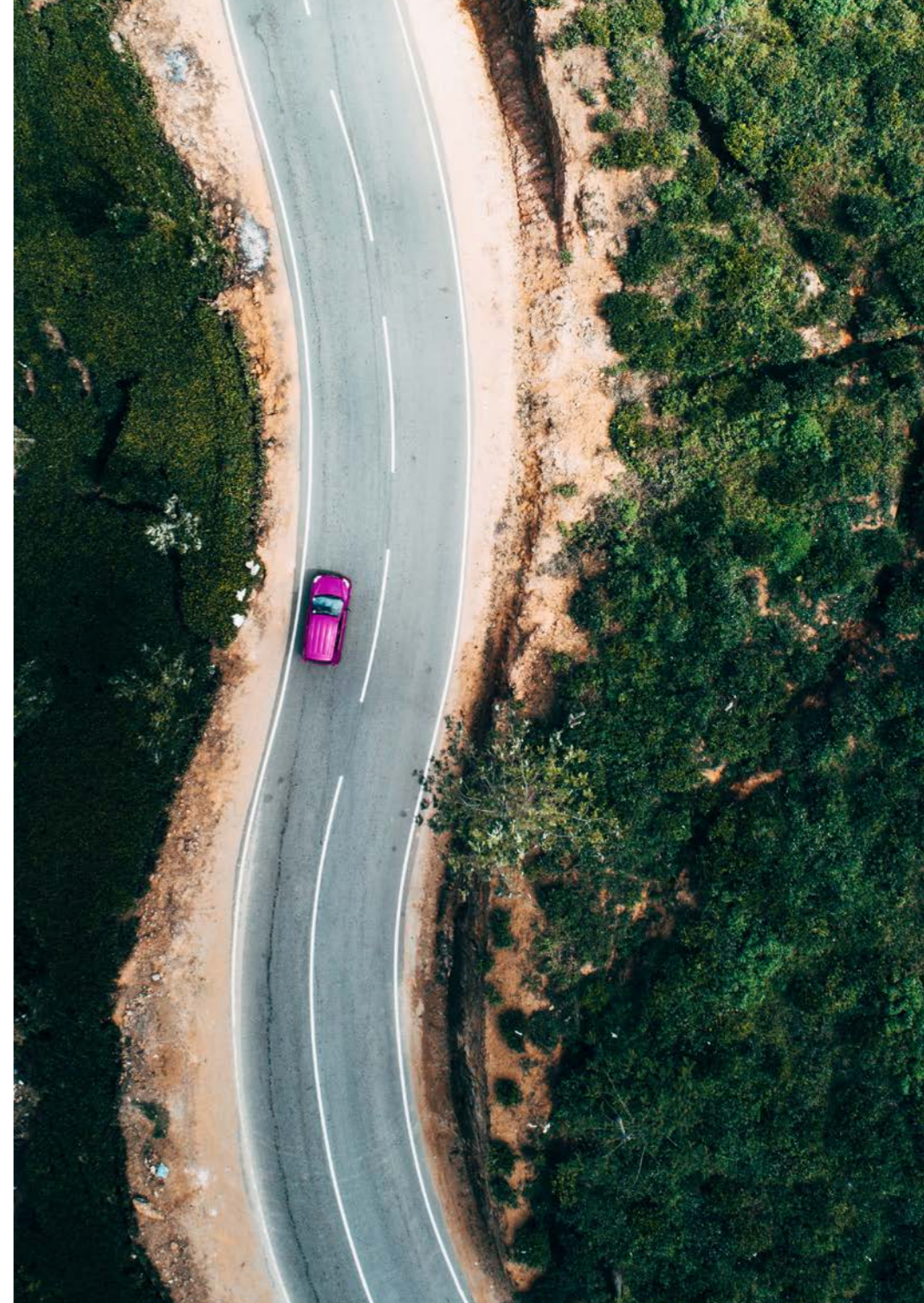
"It gives visibility into how folks are spending their money, who the top competitors are for the financial institution, and an overview of transactions and relationships," explains Sue Dumbauld, Vice-President, Partner Strategy, MX.

"It also allows the institution to proactively contact customers with services and solutions they may need."

New insights, new solutions

In one case, a financial institution gained an overview into the different solutions that their customers were using as they aggregated their accounts. The institution realized that a large portion of its customers had student loans, but it did not offer a student loan product of its own.

"They actually stood up a new line of business because of the insight that they got from that 360-degree view," says Dumbauld.



Horicon Bank Profile

Horicon Bank was founded in 1896 at the foot of the internationally famous Horicon Marsh. For 125 years, Horicon Bank has been building a foundation of beneficial relationships with families, businesses and communities.

Through high performance financial products and timely service, Horicon Bank provides customers with a one-of-a-kind banking experience tailored to their needs. By building caring relationships with customers and communities, Horicon Bank makes lives better.

Location: **Horicon, WI**

Assets: **\$1.1 Billion**

210 employees

20 locations

“That’s just one example of how to leverage that data, seeing that you don’t have a competitive product or a competitive rate, and that insight is drawn from the analytics and seeing those trends.”

Enhanced, insightful analysis

Good business starts with a clear view of customers and access to account holder relationships, behaviors, propensities and performance. Optimizing all this data and presenting it in a user-friendly, interactive visualization offers institutions the opportunity to turn that data into action.

Christine Oelke is Assistant Vice-President at Horicon Bank. Horicon has been a customer of Finastra for many years, which was why the institution didn’t hesitate to become an early adopter of Fusion Analytics.

Horicon’s previous analytics tool had offered insights, but it was clunky and unintuitive to use. Queries had to be exact and parameters were rigid.

“The legacy product we were using felt like you were trying to solve a math problem,” explains Oelke. “But Fusion Analytics is real-speak. It’s visual and interactive; you can make a query and then change the parameters of that query as you’re viewing the result.”

One example of how Horicon has harnessed this tool is for branch expansion. The institution is growing in new markets and already had some customers in these areas. But Oelke wanted to understand more about what those customers looked like, what solutions and services they were using and what Horicon’s new branches should focus on.

“We wanted to understand what prospective customers could look like. So we examined the customers we already had in those counties, how many households and how many accounts each household held. What types of products did they have, where were they in relation to where the new branches might be,” says Oelke.

“We also accessed deeper demographic data on those customers. What kind of households are they? Are they more tech-savvy? Are they younger, older or in midlife? Using Fusion Analytics, we can bring all these components together and watch for trends, first prior to the branches opening and then ongoing as we continue to grow.”

For financial institutions like Horicon, enhanced data analysis is a key element to help it meet customer needs. But the other parts of the puzzle are the right solutions and services. Financial institutions need next-generation apps and tools that are relevant to what account holders expect.

Horicon, for example, recently acquired the technology and talent of fintech Monotto, a partnership that came about with the help of Finastra. Finastra offers Monotto’s Robosave, an app that helps account holders to save regularly. The solution analyzes the account holder’s transaction history to create a personalized safety net for each user. RoboSave then determines how much money they can save every couple of days, and automatically transfers that money out of the user’s checking account and into their savings.

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Assistant Vice-President, Horicon Bank

"Finastra's open finance strategy and developer platform, [FusionFabric.cloud](#), allows us to work with other fintechs to offer the best product solutions to our customers," said Horicon Bank's Chief Information Officer, Mark Nelson, at the time of the acquisition in February 2021.

"By bringing Monotto's software development capabilities in house, we hope to be able to offer those same solutions to other financial institutions in a step forward to modernize the world of banking."

MX and Fusion Analytics are tied into the open platform of FusionFabric.cloud, which also gives access to the FusionStore. Our earlier example of a customer who is regularly making payments from their checking account to a savings account could be offered an automated savings tool like the Monotto app, available on the FusionStore.

And in addition to the MX data and analytics offering for banks and credit unions, an FI could also offer their Personal Financial Management (PFM) tool to consumers, helping account holders on their paths to financial wellness.

This is how an ecosystem should work. Connecting data to insight, insight to solution and solution to action.

As financial relationships go digital, institutions need to offer consistent, seamless experiences. They need apps that close gaps in their offerings and personalized solutions based on keen insights into individual wants and needs.

Partnering with the fintech ecosystem and robust solutions like MX offers institutions the opportunity to go beyond analysis and access data enhancement. With the right partners, financial institutions become part of the digital revolution that customers are demanding.

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at [finastra.com](#)

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