

Vetter

Hunting Down Growth Through Digital Innovation

A decade after the Great Recession, [EY \(rebranded from Ernst & Young\)](#) is seeing financial institutions around the world turning their attention from regulatory and compliance matters that occupied their time to innovation. But where to begin?

A large majority of the banks EY surveyed expect revenues to increase, rising to 31% over the next three years, and digital leadership is a large part of how they plan to get there. The surveyed banks plan to increase technology investment by more than 10% as of this year and 62% of global banks expect to be 'digitally mature' by 2020.

Where does that leave community banks and credit unions? We may not be able to keep up with the global banking Joneses, but there are steps smaller institutions can take to mesh that community feel with fast followership digitally.

[Need to move from digital obscurity to maturity? Vetter can help. Contact us today!](#)

I've gathered from my travels and research that most financial institutions believe digital is the way of the future and will forever alter our competition. Most, however, are not prepared. According to an article in [The Financial Brand](#), 43% don't have a strategy in place to achieve digital maturity. Given that digital is such a high priority, it is what community banks and credit unions must put more focus on, but it's an admittedly daunting task. I see two paths emerge depending upon your institution's current standing: improve what you have or expand upon what you already know.

On the first, I'm referring to upgrading current systems, products and services with a modern digital flair. [The Financial Brand](#) provides four steps your bank or credit union's arrival to digital maturity:

1. **Reinvent the consumer journey** to make it simple and seamless, digital end-to-end. As I said, this means a lot of moving parts but start simply by identifying a couple of critical consumer journeys and scale from there.
2. **Leverage your data** to better understand consumers, target opportunities and strategically cut expenses.
3. **Redefine your operations.** As consumers want the best digital and human experiences. Boston Consulting Group reported that those consumers looking for an omnichannel experience increased to 43% from 37% in 2015.
4. **Build a digitally driven organization**, which goes beyond technology to include strategy, investment, appropriate talent and likely shifting organizational culture. [The Financial Brand](#)

article read that proper digitization can achieve a 20% increase in revenues and a 30% decrease in expenses, including high-cost infrastructure such as branches.

Vetter can assist your bank or credit union with digital growth, data, compliance and more! [Click here to learn more right now.](#)

If your institution is farther along the digital evolutionary chain, [McKinsey & Co.](#) suggests building out digital to create ecosystems that establish relevancy. What this means is categorizing what your bank or credit union already excels in to identify adjacent products that make sense for your organization. For example, if you're heavily entrenched in business lending, considering accounts-receivable management or cash-flow analysis services, as Ideabank or ING have begun, may fit well into your strategy.

Others have expanded beyond the traditional nonbanking ecosystems, such as partnering with health insurers to provide a consolidated billing platform, facilitating customer payments for medical expenses, according to McKinsey. Along the same lines, community banks or credit unions may consider offering a mix of internal products and services in addition to trusted third-party products to create an Amazon-like financial services experience for consumers.

That simple, right? It's not, but digital transformation is necessary for future growth. The writing is on the wall. Will your community financial institution make its mark?