2018 Bank Study Project
Class of 2019

BANKING and IT
Kevin Streff

NOTES:

1. Please use 8 l/2" x 11" paper (or paper folded to that size).
2. Attach the **Junior Cover Sheet – Class of 2019** from http://www.gsblsu.org/students-4/ as the first page of your project.
3. Please staple your project or use a binder clip. **DO NOT** use paper clips. or any kind of folder or binder.

Complete and mail by <u>September 17, 2018</u>

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Banking and IT Bank Study Project

2018 Session

Dr. Kevin Streff

Purpose: Select a strategy and a series of projects to achieve the strategy.

Details:

1. Document some specifics about your bank (size, location, history, etc.).
2. Select a banking strategy (See LIST A).
3. Determine some specific goals from the strategy (you should make and document assumptions as this is a fictional situation).
4. Review the sample project list (See LIST B).
5. Research these projects and determine which projects to work on in 2018 to accomplish the strategy selected in Step 2. How do these align with the specific goals established in Step 3?
6. Document a 2018 project list to present to senior management at the next Board meeting in July 2018.
7. Build a corresponding budget for the projects documented in Step 6 to present to senior management at the next Board meeting in July 2018.

Notes:
- You should make many assumptions regarding the bank, the bank's strategy, the projects and the budgets. The point here is to understand the bank's strategy and select projects that achieve this strategy. Don't get too tied up on details (i.e., what exactly does an ITM cost?). Make assumptions and move forward.
- Your bank size will partially determine budget. Simply document assumptions and stick to these assumptions.
- You can identify and select projects which are not on the sample project list. The sample project list (LIST B) was merely provided as a starting point for you.
- Questions: Dr. Streff cell – 605.270.0790. Call or text ANYTIME.

LIST A

Sample Bank Strategies

- Profitability – focused on efficiency project.
- Growth – focused on generating new business and retaining existing business.
- Ready for Sale – focused on getting the bank ready for sale.

LIST B

Sample Project Listing

- Dodd Frank Stress Testing
- Deposit Platform Replacement with Front Counter Capture
- Voicemail to Email Integration
- Lending platform data imports into Data Warehouse
- Enterprise Workflow
- Branch of the Future
- Virtual reality
- ITM
- Video banking
- Dashboards
- Artificial intelligence/Machine learning
- Agile systems
- Gamification
- IoT
- Beacon marketing
- Business intelligence
- Robo-advisors
- OLED
- Single Sign On
- Real time interfaces for CRM
- Imaging System Database Performance Upgrades
- Automated Consumer Underwriting
- Online Account Opening
- Branch Router Replacements
- Data Loss Prevention
- Call Recording
- ATM EMV Upgrades
- ATM Anti-Skimming
- Improved customer experience projects
- Improved mobile banking projects
- Data analytics projects

- Establish self-service lobby in one location to test feasibility for expansion
- Branch Relocations
- Purchase a Fintech company
- Revised Banker Compensation Scorecards
- Comply with new security rules
- Mobile Technology for Commercial and Ag Bankers
- Mobile Device Management
- Enterprise Risk Management Program Development
- Implement advanced P2P model. For example, Alibaba has revealed a new payment service that lets virtual reality (VR) shoppers pay just by nodding their heads.
- Implement biometrics on all high risk systems. Biometrics are fast becoming the norm for identity verification in banking—but criminals are adapting to these authentication methods as quickly as consumers.
- Implement Elexa technology to conduct banking services. Voice is the "new platform" from consumer interaction, Harris added. Banks and other FIs increasingly recognize the potential impact of voice tech on customer experience: Santander, for example, added a voice-activated P2P payments feature to its app earlier this year. Others, like Capital One, test voice skills through Cortana and Alexa (check out our list of banking skills found on Alexa).
- Upgrade ATMs to Extreme ATMs
- Select and implement a project management tool for all new projects at the bank
- Outsourcing to hosted cloud server environments
    Benefits include lower maintenance costs, purchasing new servers and licensing, better business continuity and DR, don't need the server experts on-site, and better monitoring. Cons – moving to the cloud, perception of losing control of the systems, due diligence on the hosting company, is the hosting company going to be around as long as we need them?
- How do we get customers back into the Bank. In recent years, we have introduced projects and products that allows more automation with customers, but we are finding it more difficult to cross sell now that we have no contact with them and they are also more easily tempted away to other banks with promotions since they seem to have less loyalty.
    Customer appreciation get-togethers
    Install a coffee shop in the lobby
    Technology Bar where we can teach people how to use our new technology
- Mobile Payments. More and more options are popping up and those with smartphones are starting to use these products. How do we get into this market, stay on the front edge, and potentially make a portion of the profit these are making?
    Applepay, Samsungpay, AndroidPay, etc.
- Commercial Mobile Deposit – We have some customers that are a considerable distance away and do not want to mail in or drive in their checks for deposit. They don't have enough checks to justify having Merchant Capture implemented, but they do have very large checks that they are uncomfortable sending through the mail. We do not allow commercial accounts the mobile deposit feature that we give to consumer accounts, and the limits are too small for commercial customers. Adding this could help reduce the risk of those like the elevator in Town XYZ with a small number of very large checks per day.
- Threat intelligence and better monitoring of the logs and traffic on the network. How do we know what is normal on our network and what should be triggering an Incident Response Plan?

- Mergers and acquisitions – It seems now every bank is either growing or selling. If we are to continue our growth, can we do that through a merger or acquisition of another institution? We have a perception of being a non-local or "big bad" bank in some of the newer markets. We will need to work to ensure that our community banking philosophy is properly portrayed to these new markets.