

## *Core Systems: The Foundation of Your Customer's Experience*

We are seeing more and more core system vendors re-architecting their platforms with the customer experience in mind. Community banks are extremely customer-focused and are demanding that their data processing systems and ancillary modules work together to help them better serve their customers. A key part of these ongoing changes is developing modular components that deliver integrated functionality with the installed core system as well as third party software packages. This type of "building block" strategy is absolutely critical to delivering better financial experiences for the consumer.

As Fintech firms grow in popularity and number, more banks will be looking to partner with them to offer leading edge, in-demand products and services. Millennials and younger generations are actively seeking out Fintech solutions and banks looking to attract these younger customers must adapt with the times and partner with some of these Fintech players. Even older demographics are interested in new financial services, especially for the mobile and online channels. The only way for this strategy to be feasible is if their core systems provide APIs and other integration tools.

On the other side of equation is the need for core system vendors to upgrade their user interfaces. Bank employees are used to working with modern software, not legacy interfaces that are all too often common on some core systems. We see vendors putting more development efforts into their front ends and making their systems more Microsoft Office-like. Bank employees want intuitive interfaces and are looking for software that delivers parity with newer applications. Ideally, core system vendors will deliver interfaces that are customizable – not only by each individual bank, but even down to the employee level at least to some degree. The goal is to give end users the functionality they need to be the most productive that they can be.

In a super competitive market, banks should look to vendors that give them the flexibility to customize the system to their particular needs. Banks must continue to think about how to best streamline and improve their operations. Whether it is a new Personal Financial Management (PFM) package, Person to Person (P2P) payments solution or credit scoring system, banks should demand flexibility and ease of integration from all of their vendors, large and small. It doesn't matter if the software comes from their incumbent core system provider or so called "best of breed" solutions or the latest and greatest Fintech developer, it needs to provide value to customers and be easily manageable and user friendly for bank employees.

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