

Commercial Digital Banking Buyer's Guide

FIVE STEPS TO BECOMING A COMPETITIVE
FORCE IN COMMERCIAL BANKING

A Competitive Force to Be Reckoned With

Competition among financial institutions is fierce. If your organization lacks critical functionality, efficiency, and security, then prospects – and even your current clients – will go elsewhere. Businesses (from SMBs to the largest corporations) demand an integrated solution to seamlessly manage their banking, payments, and cash management activities. They expect fast, simple, and personalized digital experiences in all their interactions.

At Bottomline, we have implemented commercial banking solutions for 500+ clients, helping them engage more deeply with customers, reduce the risk of fraud, and leverage data to accelerate their business. Based on our experience with these bank clients, on the following pages, we provide you with five steps to select the commercial digital banking platform that will make you a competitive force to be reckoned with. You will discover:



1. The key to managing the expectations and needs of a range of stakeholders



2. Four foundational questions that are essential to conducting a robust situation analysis



3. “Must-have” digital capabilities named repeatedly by top financial institutions we work with today



4. The specific areas to define in your business and technology requirements



5. Seven criteria to select a technology vendor who can become a strategic partner

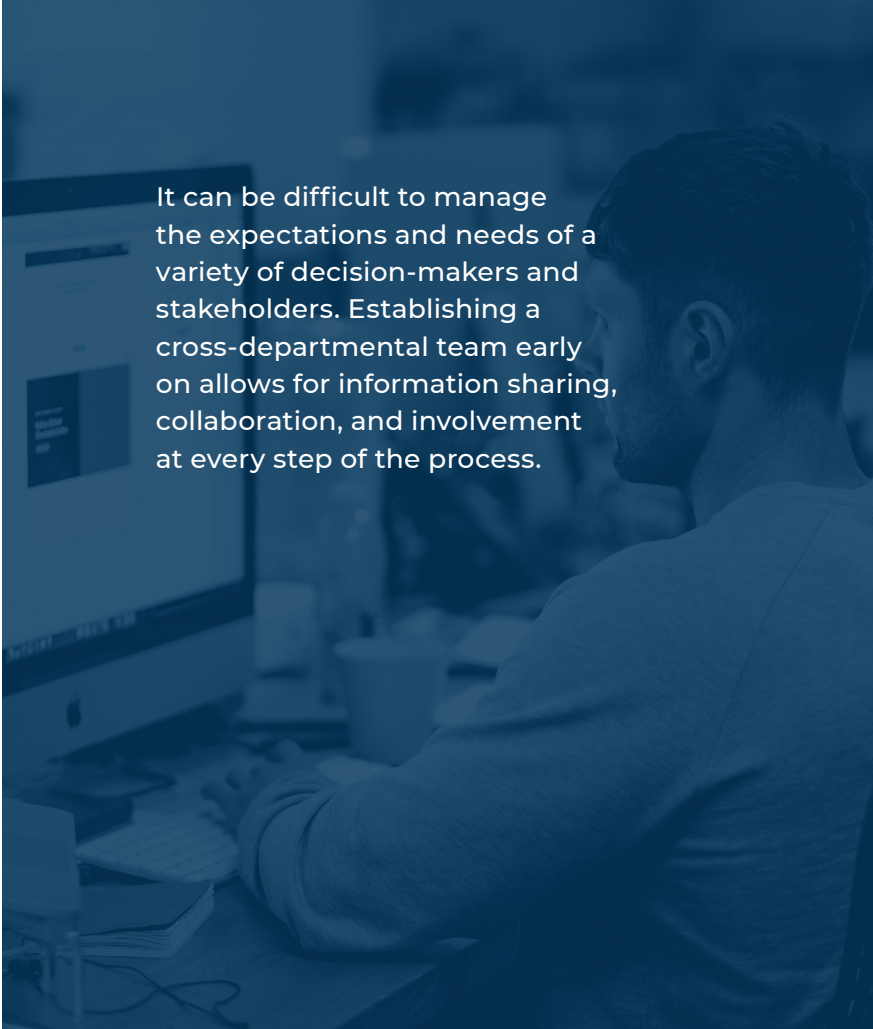


Step 1: Establish a Task Force

Many of the financial institutions we work with report that identifying and establishing a cross-functional task force is a critical first step toward successful digital transformation in general and the selection of a commercial digital banking platform in particular. Decisions related to this type of change frequently require buy-in from several departments, including IT, operations, product, digital, risk, and compliance.

The initial objective for your task force is to get a solid understanding of your current commercial banking operations and identify what areas can be improved. This includes outward-facing aspects of your business (such as customer service, the user interface, and what features and services you provide) and inward-facing aspects of your business (including data and analytics, ease of administration, and productivity).

The task force should consider not only your immediate needs, but also how you may want to build out your financial ecosystem in the future.



It can be difficult to manage the expectations and needs of a variety of decision-makers and stakeholders. Establishing a cross-departmental team early on allows for information sharing, collaboration, and involvement at every step of the process.

Step 2: Conduct a Situation Analysis

By asking the right questions, your task force will uncover important information about your institution's current challenges, as well as suggestions for what is needed in a new solution. These insights will serve as a reference point throughout the vendor-selection process.

Here are four key questions to ask as you conduct a situation analysis of your current operations.

1. What are the functionality gaps in the current system that preclude your financial institution from competing against peers?

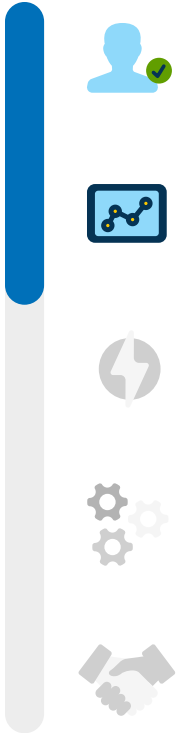
If you are losing on RFPs because your system is not as technically proficient as others in the marketplace, you want to identify the precise functionalities that prospects are looking for that you lack. Common examples include:

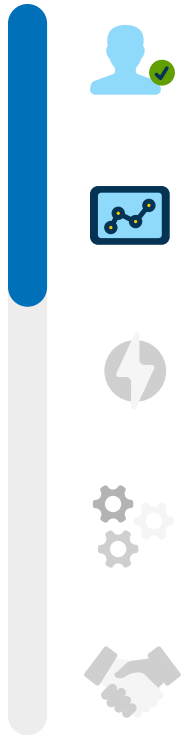
- Real-time payment enablement
- Real-time fraud monitoring
- Engagement-driving tools
- Automation capabilities
- Support for business billpay
- Personalized customer interactions
- Seamless sign-on
- Advanced analytics

2. How easily does the current system integrate with new technologies that allow for differentiation against the competition?

There is nothing static about the financial industry today. Customer wants, needs, and expectations are evolving rapidly, making it essential to be able to integrate readily with new technologies and services. Responding with agility is challenging if your system is:

- Monolithic, service-oriented, and highly complex in nature, in contrast to systems that are built on microservices and containers that simplify and speed up innovation and development
- Lacking in scalability and elasticity instead of being able to leverage a hyperscale cloud infrastructure on demand
- Dependent upon middleware to bolt on new services because of a lack of newer integration capabilities (e.g., APIs) and protocols, such as ISO 20022
- Reliant upon labor-intensive manual processes rather than utilizing automation, artificial intelligence, and machine learning to streamline processes and generate actionable insights





These four questions provide a solid foundation for a detailed situation analysis. You can build on that foundation by asking further clarifying questions as topics and issues arise, performing a SWOT analysis, getting direct feedback from your clients, and evaluating your competition.

3. Does the current system meet today's heightened payment fraud standards?

Fraud schemes are becoming more sophisticated by the day, demanding ever-tighter security measures. Your current clients and prospects demand compliance with heightened risk standards, including:

- Multi-factor authentication and soft-token technology to protect access to systems
- Encryption of data in transit and at rest to ensure security and privacy
- User behavior monitoring and analytics to hold users accountable and prevent fraud
- Cross-platform surveillance to enhance visibility and analyze data across disparate sources
- Real-time blocking of suspicious transactions to prevent payment fraud schemes
- Machine learning to find anomalies and reduce false positives
- Visualization capabilities to analyze relationships between entities under investigation

4. How well does the current system provide data and analytics that allow for a view into customer engagement?

Every action your clients and their customers take produces data. Banks today should be able to access that data and analyze it to squeeze every drop of value out of it. For example, look for a system that will allow you to:

- Deepen and grow existing and new customer relationships
- Proactively identify customer red-flags and clients who are "failing to thrive"
- Predict how customers are likely to behave in the future
- Understand how their most valuable customers are using digital banking solutions
- Identify upsell opportunities or areas to increase market/ product penetration

Step 3: Set Your Goals

By asking the right questions, your task force will uncover important information about your system. Once you have completed your situation analysis, you will have a solid understanding of the gaps in your current system. The next step is to set your goals for your new commercial digital banking platform so that you can evaluate your options. Below is a list of “must-have’s” voiced from hundreds of our clients that you can use to help frame your own goals.

IN THE AREA OF...	YOU MAY WANT A SOLUTION THAT ...
Usability	<ul style="list-style-type: none">• Offers a modern, intuitive user interface and navigation• Incorporates customer-driven dashboards and widgets• Allows for extensive customer configuration• Offers tight integration for seamless user experiences• Personalizes user interactions through embedded AI and ML• Native mobile capabilities and mobile-responsive design
Services	<ul style="list-style-type: none">• Offers intelligent, secure B2B and B2C payment solutions• Includes complete payment and cash management capabilities• Facilitates real-time payment enablement• Includes integrated payables, business billpay, and remote check deposit
Efficiency	<ul style="list-style-type: none">• Reduces or eliminates manual activities through automation• Improves back-office productivity• Streamlines processes through persona-based workflows• Automatic task creation based on customer activities• Offers seamless sign-on
Growth	<ul style="list-style-type: none">• Supplies an array of engagement-driving tools• Identifies most valuable and most vulnerable customers• Targets upsell and cross-sell opportunities



IN THE AREA OF...

YOU MAY WANT A SOLUTION THAT ...

Payments Security

- Embeds real-time fraud monitoring with no performance lags
- Enables multi-factor authentication
- Utilizes soft-token technology that generates a single-use login PIN
- Leverages AI and rules-based detection to create deep layers of security

Data

- Provides enhanced data transparency, exchange, and access
- Enables advanced analytics that leverage AI and ML
- Supplies robust and specialized reporting capabilities

Scalability

- Is instantly usable by businesses of all sizes
- Scales readily to accommodate business growth
- Enables clients to easily add new and innovative capabilities





Step 4: Define Your Requirements

With your goals set, you can turn to preparing a comprehensive list of business and technology requirements for your new commercial banking solution. This exercise will help you select a platform with the appropriate capabilities and features for your needs.

Most of the financial organizations we work with list their requirements as a series of capability questions and then indicate if each vendor a) currently has the feature available as part of their standard offering, b) will have the feature available by a specified date, or c) can make the feature available on a custom basis. Categories and areas to ask about include the following.

GENERAL CATEGORY	SPECIFIC AREAS OF INTEREST
Product Management, Capability, & Strategy	<ul style="list-style-type: none">• Development methodology• Testing methodology• Release methodology• Enhancement process• Performance testing
Product Capability	<ul style="list-style-type: none">• General• User experience• Payments• Alerts• Administration• Mobile• Digital marketing
Information Reporting	<ul style="list-style-type: none">• Custom• Cash flow• Formats• Configuration
Fraud Loss Mitigation	<ul style="list-style-type: none">• Workflow• Dashboards• Reporting



GENERAL CATEGORY

SPECIFIC AREAS OF INTEREST

Conversion

- Project
- Data conversion
- Testing
- Migration approach

Technology

- Architecture
- Hosting
- Security
- Disaster recovery

Customer Service & Quality

- Service management
- SLAs
- User groups
- Meeting cadence
- Relationship management
- Defect resolution
- Training





Step 5: Select the Right Technology Partner

All commercial digital banking platforms are not created equal – and neither are the technology vendors who provide them. The partner you select should do more than close the gaps that exist in your system today: they should be agile enough to grow with you as your organization expands and position your organization to keep pace with change and innovation. Here are key points to consider when selecting this important partner.

The right technology partner will:

Have a solid reputation

Carefully examine each vendor's experience, longevity, references, and financial stability. The company you choose should have a successful track record of implementing projects of similar breadth and scope to your own. Ask about the number of implementations they have completed, as well as what noteworthy clients are in their portfolio.

Guarantee delivery

A vendor with a large number of implementations under their belt will have a better understanding of the challenges you face and can draw upon a wealth of best practices. This significantly reduces your implementation risk. Ultimately, you should feel 100% confident that you will have a fully integrated, working solution at the end of the process.

Support your entire business ecosystem

The right partner will offer a combination of assets that create compelling value proposition for your bank to better serve its customers. From small- and medium-sized businesses to large corporates with multi-bank relationships, offerings such as improved monetization of low-value payments and increased cash visibility can position banks to win the battle for primary relationship ownership and accelerate growth.

Have a product roadmap

Continuous improvement of your commercial banking platform is critical to maintain your competitive edge. Make certain that the vendor you choose has a well-thought-out and forward-thinking product roadmap that addresses expected market needs and aligns with the bank's strategy. You will want to have regular upgrades that enhance customer value at a frequency that keeps the solution relevant in the digital cash management space.

Benchmark performance

You will benefit greatly from a strategic partner who can aggregate data points from a variety of financial institutions – particularly those like your own – to enable you to benchmark your performance against peers. These actionable insights will offer you a competitive advantage and help you win more primary customer relationships. What is more, providers maintaining a robust client set will come to the table with the market knowledge necessary to provide strategic recommendations and identify areas of improvement.

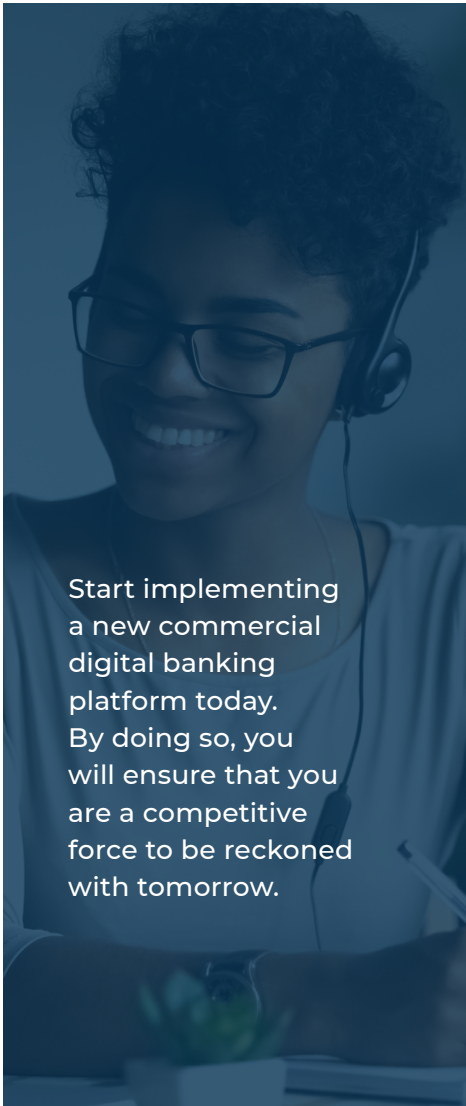
Provide layered protection

Financial institutions have traditionally relied on single-point security solutions. Unfortunately, such solutions leave the digital channel exposed to risk and unnecessarily exclude good prospects. Look for a strategic partner who can deliver a number of best-in-class risk and fraud solutions for a robust, layered approach to security. Ideally, these solutions will be pre-integrated directly into the platform and permit you to customize a strategy that fits your organization's unique needs.

Look to the future

A great strategic partner will not only have the technology and features you need to be competitive today, but will also have the vision to ensure that you are advantaged three, five, or ten years from now. Ask questions to determine if a vendor understands the digital landscape, the competitive landscape, and the regulatory landscape. They should also have a well-grounded perspective as to what financial institutions need to compete now and in the future.





Start implementing a new commercial digital banking platform today. By doing so, you will ensure that you are a competitive force to be reckoned with tomorrow.

Go Forward with Confidence

A robust commercial banking solution will make you attractive to prospects and enable you to meet your customers' present and future needs. To gain clarity and confidence to choose the digital platform that is right for you, follow the five steps provided in this guide

1. **Establish a cross-functional task force to encourage input and dialogue**
2. **Conduct a situation analysis to ascertain the gaps in your current operations**
3. **Set specific goals you want to see realized in your new platform**
4. **Define your business and technology requirements with a high degree of detail**
5. **Select an experience, successful vendor who can become your strategic partner**



About Bottomline

Bottomline® makes complex business payments simple, smart and secure. Corporations and banks rely on Bottomline for domestic and international payments, efficient cash management, automated workflows for payment processing and bill review, and state of the art fraud detection, behavioral analytics and regulatory compliance solutions. Thousands of corporations around the world benefit from Bottomline solutions. Headquartered in Portsmouth, NH, Bottomline delights customers through offices across the U.S., Europe, and Asia-Pacific.

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