It's Always About the People: 5 Rules for Digital Banking and Beyond

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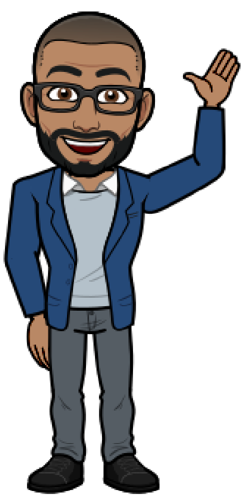
At Tyfone, we talk quite a bit about the extremely high value we place on relationships, i.e., the people side of our business. In fact, some might say we're obsessed with keeping our customers engaged in constant two-way communication. Sometimes obsession is a good thing.

We know full well that if we were to invent some amazing, new feature for our nFinia digital banking platform, our competitors would follow close behind in short order. In today's era of modern, readily accessible tools, it's virtually impossible for a digital banking provider to maintain any sort of significant lead over its competitors in terms of technology.



However, if a company decides today to implement a cultural shift that places a much higher emphasis than it had previously on human capital, it will never catch up with a passion-driven, people-focused company like Tyfone that's spent years to get to this point. By the time they get to where we are today, we'll be long gone down that road. That's not bragging, that's just how things work.

With that as a premise, I've identified a few people-centric rules that we apply here at Tyfone and that you can apply in your quest for better digital banking and beyond.

1. The collective is always better than a bunch of smart people.

In 1906, Sir Francis Galton gathered data from the West of England Fat Stock and Poultry Exhibition. At that event, 787 people were asked to guess the weight of a steer. The average of all guesses was 1,197 pounds; the actual weight of the steer was 1,198 pounds. No one person came that close, but the collective nailed it.

Community financial institutions are fortunate in that they're generally more willing to share information with each other than in some other industries. This means that the collective from which you can draw data is significant. When you're looking for a new digital banking platform – or, indeed, when you're faced with any major decision – poll as many people from your collective as you possibly can.

2. Don't defer to others on major decisions.

Does this seem like a contradiction? After all, I just discussed the importance of the collective. Actually, it's anything but a contradiction. The point of polling the collective is to collect data, not reach decisions.

You see, there's a big difference between seeking advice and allowing others to decide for you. Of course, a trusted peer who has recently been through a similar project can provide invaluable insight. Of course, a paid consultant who sees a dozen or more projects like yours every year can smooth the process. But nobody knows your business better than you, so nobody is in a better position to consider all of the collected data and make the best decision.

Far too often, I've seen financial institutions allow others to make their technology decisions for them. Decisions made this way will, of course, work out okay many times. However, the very best decisions are always borne from a careful analysis of all available data. And that data is unique for each institution.

3. Look for truly passionate people.

The reasons for seeking passionate employees are obvious. The important thing to keep in mind is that those same reasons apply when seeking new vendor relationships.

A passionate person will view their work as more than a 9-to-5, punch-the-timeclock proposition. They'll give their very best effort in good times and bad because they have a vested interest in making it all work properly. Don't expect any less from your tech vendors than you expect from your own employees. Every vendor should be an extension of your internal team.

4. Employee retention is key.

It's been my observation that community financial institutions do a much better job at employee retention than the big banks. Job-hopping, at least in IT, is much more common among the mega banks.

Vendors love this about community FIs. It gives vendors the opportunity to build strong, lasting business relationships with those FIs based on a foundation of strong personal relationships. But this cuts both ways.

If you hear a different voice every time you call your digital banking provider (for example), at best that relationship will never realize its full potential. At worst, the relationship will deteriorate over time until it may become unsalvageable.

5. Your vendor selections are a reflection of you.

Do your vendors care as much about your consumers as you do? Think long and hard about the answer to that question. Because if the answer is no, that will eventually translate to an inferior user experience at the consumer end.

Except the consumer won't think, gee, my financial institution's digital banking provider doesn't care about me. No, they'll think, gee, my financial institution doesn't care about me. Every vendor with which you do business will in some way, large or small, shape your public reputation. And it's worth repeating, reputation is everything.

Final thought

If I had to distill this all down to one simple rule, it's this: Look for good cultural matches. That's as true for hiring new vendors as it is for hiring new employees. When you have the right people aligned with each other, greatness is sure to follow.

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