

Banking on Automation

TECHNOLOGY DRIVES FINANCIAL INSTITUTIONS

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Banks and financial institutions in the Midlands are competing to keep up with the latest tech capabilities as demand grows for convenience.

"We now are doing about 30% more in electronic transactions as we are in-person transactions. That's for the entire organization, not just Omaha," said Doug Nodgaard, community bank president with Equitable Bank. "[Technology] is allowing us to be much more efficient."

Local banks and credit unions aren't alone in their advocacy of more

digital banking options. As Accenture.com reported in January, the top 10 banking trends for 2024 nationwide all have to do with technology, be it new consumer products, back-office automation, or the regulatory landscape governing such advancements.

With groundbreaking tools such as artificial intelligence emerging, the pace of change isn't likely to slow down anytime soon.

Institutions of all shapes and sizes are implementing new tools to offer more convenience to customers. As Nodgaard noted, Equitable Bank has rolled out new products designed to help customers manage finances no matter where they are, boosting reliability and security along the way.

"One of the newer products for us is called Auto Books," he said. "Let's say a customer owns a lawn service and they just got done fertilizing and mulching the customer's yard. They can email the invoice to the customer who clicks on review and pay, and they can pay that right out of their account at a very low cost."

At the same time, new technological offerings also mean a renewed focus on security. Thus back-office technology that helps keep clients' personal information and identities secure is another area where technology is being deployed.

"With new technology, there's always some increased risks through hacking and fraud," he said. "A lot of the fraud that's being attempted now is via online banking and so we're really watching for unusual activity. We have a very robust fraud detection, as most banks do, to help deal with that."

Other operational advancements are pulling double duty and saving institutions money while reducing the chance of identity theft.

"Sending a paper statement is one of the biggest expenses that we have and that most banks have," Nodgaard said. "In fact, most banks are now starting to charge anywhere from \$2 to \$5 a month to send out a paper statement because of the costs associated with that."

Careful selection

At the same time, there is an emphasis on finding a balance between high-tech and high-touch options.

Julie Strohfus, vice president of retail financial services with Centris Federal Credit Union, said the credit union doesn't deploy the newest gadget for the sake of doing so, but for how it will enhance the customer experience.

"From simplified online and mobile banking options to in-branch consultation, we want to meet our members where they are with their financial needs," she said. "As we continue to grow, our focus will be to ensure the

member experience is the best at each delivery channel."

Strohfus said the credit union created a cybersecurity center to help build awareness and educate customers on the types of fraud happening in the community. Additionally, it has steadily expanded in the marketplace throughout its 90-year history.

It recently expanded its footprint to include 15 branches across Cass, Dodge, Saunders, and Washington counties in Nebraska and Harrison and Mills counties in Iowa.

Pat Zach, senior vice president of commercial lending for Dundee Bank, said the range of technological operations offered is broader today in part because of user preference, but also because of increased competition. As more banks and credit unions crowd for market share, it becomes essential for those institutions to clearly define their core operating principles beyond the latest gadget or app.

"The Omaha market has seen some growth in the number of physical bank branch locations, both from existing banks and from new brands entering our market," he said.

"We see this as a positive sign for Omaha and our local economy. Customers continue to want and need technology to transact quickly and on their own time, however, they still enjoy being able to talk to someone locally to solve problems, in the moment."

Economic impact

Strohfus said the uncertainty of the economy is one of the biggest challenges for banks, credit unions, and the consumers they serve.

"We are in a market where interest rates on loans and deposits are fluctuating. As a credit union that is a not-for-profit organization, we can return lower loan interest rates and higher dividend rates for our members, but we are challenged with managing risk while maintaining sustainable growth."

Zach said that while staffing levels have held reasonably steady, prolonged high interest rates are putting a damper on growth.

"Having ongoing discussions with our customers regarding their businesses and the challenges that they are experiencing has been helpful for all parties involved," he said.

Adam Mroczek, also senior vice president of commercial lending with Dundee Bank, echoed the notion that balance represents the bank's most effective strategy for dealing with market challenges and opportunities, regardless of what gets thrown at it.

"We try to remember that we are a tool to assist our customers and not a hurdle standing in the path of their goals," he said.

"For that reason, we will continue to invest in technology, whether it be an improved online banking experience or our mobile application, and we also invest in the technology used internally to continue to improve the banking experience for our customers. Making processes and procedures smoother for employees rolls down to the customer experience."

Investing in its buildings, as well as the community, also continues to be emphasized.

Dundee Bank's investment in the local community comes in many forms, such as its First Friday Freebies program, which encourages customers to support a local business with a free offer.

"Giving back to the folks that have grown the bank is a big part of what we do and it seems that our customers enjoy this as well," Zach said.

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