

HOW TO PICK THE RIGHT FINTECH

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In a post-pandemic world, customer behavior has evolved, demanding more digital experiences from banks. For the most part, banks are fully aware of this and are doing their best to navigate the new technology landscape. Fintechs, meanwhile, are well positioned to partner with banks to lead them on their digital journey. However, truth be told, there are legitimate reasons banks continue to struggle to partner with Fintechs, including:

- Hesitancy to invest money without understanding the ROI and customer needs
- Overanalyzing and avoidance of the next shiny new toy versus overall technological advancement
- The struggle to marry technology with current customer needs and competition
- Expansion of third-party relationships that increases risk management challenges
- Too many Fintechs to choose from

So, in a sea of Fintechs, how does a bank go about choosing the right one to partner with because, well, choosing the wrong partner can be disastrous and costly. The road to picking the right Fintech is broken down into four steps:

- Discovery
- Journey
- Collaboration
- Prioritization

Discovery: Banks will directly benefit by forming an in-house working group of those under the age of 40 to define the needs and requirements of this demographic. Next, banks shouldn't be afraid to take initial meetings with Fintechs to learn about available solutions and capabilities. During these meetings, banks should ask Fintech if they offer end-to-end solutions or just point solutions. Banks should seek out industry advice and references. Then ask the references if the Fintech solution delivered as promised and met the needs of their banking customers.

Journey: Banks need to prioritize and identify their critical areas needing improvement along with a long-term strategic plan. Part of a Fintech partnership is understanding the level of support that you will receive. Level set expectations from the beginning to properly understand how much support you will receive from the Fintech.

Collaboration: Understanding requirements is key for a successful Fintech partnership. It's not enough to gather information; there needs to be an understanding of the requirements from both sides. A good Fintech should act as a consultant and not just a provider. They should help identify the overall strategic roadmap and implement point solutions as needed.



Prioritization: The number one priority for the bank should be a Fintech's digital and automated offerings. Full, end-to-end solutions should precede most point solutions.

Picking the right Fintech partner doesn't have to be a daunting task. Fintechs are on the leading edge of technology, and they want your business. The right Fintech will enhance your existing systems and positively impact your operations. Fintechs offer affordable and flexible solutions. At the end of the journey, banks should be picking a Fintech that understands their needs, their current technology, and their customers. It should be a collaboration of minds that work together, with the Fintech acting as a consultant and guiding the way forward to a full, end-to-end digital solution.

