

Community Banks Partner with Financial Service Technology Providers to Grow and Compete According to Jack Henry Survey

Jack Henry survey evaluates banks' technology roadmap and readiness for the future

Community banks face increased pressure to do more with less. As new competitors enter the space, channels proliferate, and security and compliance demands compound, the battle for market share and deposits has become more intense. These banks must strategically leverage technology to highlight their differentiators and compete while maintaining the ability to offer personal service to their customers.

Jack Henry & Associates, Inc.[®] (NASDAQ: [JKHY](#)), a leading provider of technology solutions and payment processing services primarily for the financial services industry, recently conducted their inaugural Technology Capabilities Roadmap Survey of over 100 financial services professionals to evaluate how they will partner with financial service technology providers to promote growth, solidify a competitive edge, and provide the exceptional service community financial institutions are known for.

Trends

- Consumer demands have caused banks to accelerate their digital strategies. **96% of respondents plan to be in a position to implement a digital only brand before 2022, and 92% plan to be in a position to implement online consumer loan origination before 2021.** Community institutions are also looking for ways to boost efficiencies in branch; **71% of respondents plan to deploy virtual tellers before 2022.** But digital doesn't have to – and shouldn't – mean full automation. These institutions are realizing the importance of humanizing the digital channels to leverage the proven value of personal connection and help customers at the limits of self service.
- Fintechs like Square and Venmo continue to introduce debit cards, deposit accounts and mobile wallets, all with the intention to infiltrate the financial services sector. Community institutions are responding by offering the payment methods consumers want. **95% of respondents have already deployed debit, 75% of respondents are developing or have developed mobile wallets and 70% have deployed or adopted P2P payments.**
- Artificial intelligence (AI) has many potential benefits that community banks are paying attention to. It can be used to reduce payment fraud, enhance the customer experience, better meet compliance, more intelligently interact with customers through bots and virtual assistants, and more. **58% of respondents are currently researching or planning for predictive analytics, and 87% of respondents plan to be in a position to implement machine learning before 2022.** To effectively organize, mine and leverage the extensive data needed for

AI to be successful, more banks will look to partner with financial service technology providers that enable seamless integration and data sharing, ultimately moving toward a more open approach to banking.

Stacey Zengel, vice president of Jack Henry & Associates and president of Jack Henry Banking, explained, “Community banks are responding to competitive pressures with smart investments in technology, a strong focus toward openness, and modern digital strategies that incorporate human elements at the limits of self service. These institutions are the backbone of our country, and Jack Henry has always been dedicated to working with them to overcome challenges, identify opportunities, and create strategies that allow them to grow and strengthen relationships.”

The first annual Jack Henry & Associates Technologies Capabilities Roadmap Assessment provides the information and analyses to help financial institutions develop their business strategies and technology roadmaps so they are more future-ready. The research survey of bank professionals focused on industry trends in five key strategic areas – Business Intelligence; Digital; Fraud, Risk and Compliance; Payments; and Service and Support.

About Jack Henry & Associates, Inc.

Jack Henry & Associates, Inc.[®] (NASDAQ: JKHY) is a leading provider of technology solutions and payment processing services primarily for the financial services industry. The S&P 500 company’s solutions serve more than 9,000 customers nationwide and are marketed and supported through three primary brands. **Jack Henry Banking**[®] supports banks ranging from community banks to multi-billion-dollar institutions with information processing solutions. **Symitar**[®] is a leading provider of information processing solutions for credit unions of all sizes. **ProfitStars**[®] provides highly specialized products and services that enable financial institutions of every asset size and charter, and diverse corporate entities to mitigate and control risks, optimize revenue and growth opportunities, and contain costs. Additional information is available at www.jackhenry.com.