

three words to live by: quick, actionable, intelligent



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data is the new competitive edge

Banks will lose out if they don't take control of the information that is right under their noses. Strategic decisions based on experience or scant data alone can cost time, money, and resources. Larger institutions know this, and more than half of those over \$1B in assets regularly use data for decision making¹. Other banks need to catch up to stay relevant.

Given the amount of information available today, there is no shortage of data to analyze. Newer data sources include website visits and activities, mobile app usage, and social media information. This is in addition to product usage, transactions, loans, relationship management data, demographics, local and regional economic trends, and more. Embedded in this treasure trove of information are key performance indicators and other valuable statistics.

Banks today *must* use analytics to make informed, data-driven decisions. One reason is that today's customers expect more personalized services. To deliver on that expectation, banks and credit unions must have good information about their customers, communities, and the overall marketplace. Only then can they pinpoint services and make reasonable forecasts.

Another reason is the competitive edge provided by fast, easy access to analytics in one central, interactive dashboard. The ability to analyze the numbers visually helps decision makers see the big picture on crucial subjects, such as customer needs and business trends.

Institutions are finding that they can't afford the disadvantage of working with incomplete data and providing subpar analytics to their key decision-makers. If the goal is to make confident, data-driven decisions, it's critically important to have a handle on the entirety of their data.

Here are two areas banks should consider when employing data analytics:

- Data access
- Staffing resources



More than half of banks and credit unions over \$1B in assets regularly use data analytics¹. Other institutions need to catch up or keep pace to stay relevant.

a major challenge: access to critical data

How quickly and easily can you gather all the information you need to get an overall view of your bank at a given point in time? You'll often find the loan data in one system, your CRM data in another, and your credit card information in an entirely different place.

It's a significant task just to intelligently group the different data stores, let alone create reports with dependable, structured data showing meaningful relationships between the groups. Both speed and accuracy are in doubt when you have to track down and separately analyze this information and make sense of it.



Big Data tools can aid in sifting through high volumes of data and respond to each of them adequately and swiftly.... Ultimately, banks that don't evolve and ride the big data wave will not only get left behind but also become obsolete.²

Consider the various types of information you'll want to compile:

- Credit management – annualized growth, weighted averages, segmentation group data (with daily, month-to-date, and year-to-date changes per group)
- Account metrics – charge-off, past due, and overdrafts
- Branch performance – growth analysis and trends
- Growth analysis by line of business and maturity reporting
- Transaction reporting – daily, month-to-date, year-to-date, and year-over-year figures, teller reports, ATM transaction reports, and fee comparisons from period to period

When you include information from third-party databases, such as student loans, loan origination, mortgages, and Synapsys® or other relationship management systems, the task feels overwhelming. This can keep banks from getting their data analysis quickly enough to act on what they've learned. Some may be so discouraged they don't even attempt to perform a thorough analysis, leaving them open to being blindsided by trends they weren't aware of.

how much time and staffing can it take to create a powerful report? (an awful lot)

Most banks are familiar with the laborious, cumbersome task of putting data together for reports. Digging through records, juggling multiple spreadsheets, and trying to combine them in a way that makes sense – it's not only a long, resource-intensive process, it's prone to error.

Multiple employees outside of IT are often pulled away from their usual task to hunt for needed information. Then, someone else has to combine clumps of data that are in different formats. An additional resource drain is the time and effort taken to report the findings in a clear and compelling way. Translating information into an understandable whole can be daunting and may not be within the skill set of your employees. It can also slow operations across your bank and frustrate executives who are eager to make informed decisions.



For financial executives, timely and precise data is critical to arriving at business decisions....Advanced analytics solutions are helping banks vastly improve decision making.³

lifting the burden

Imagine creating and sharing valuable analytics right when you need them. The good news is there are advanced data analytics tools now

available to overcome the difficulties. The best toolsets include a user-friendly data warehouse, analysis software, and reporting capabilities.

A **data warehouse** removes the manual aggregation burden from your staff. This is where you get a “single version of the truth.” Rather than numerous silos, you have one consistent and non-redundant storehouse. You avoid fragmentation, ensure consistency, and reduce the burden on the core processor. It can pull in data not only from the core processor, but from third-party systems as well. The extract, transform, and load (ETL) process should be automatic when moving from one data store to the main data warehouse.

The second feature needed is **analysis software** that takes raw data and creates both high-level and detailed information sorted by customer segment (with many segmentation choices) or by other categories that are of value to you. This is what provides the ability to freeze moments in time and show a situation from a given date in the past. It also makes month-over-month and year-over-year comparisons possible.

Lastly, you need flexible **reporting tools** that provide both pre-made reports for common requests and the ability to create your own. You’ll want to make visually appealing, easy-to-interpret reports appropriate for board members and departments heads. Reports should have the ability to dig down into granular detail if needed. You want reports that can be easily

mailed, printed, or placed into Excel®, with graphics and labels that call out and explain important details. Especially handy is the ability to have specific reports automatically emailed to people on a regular basis.

To sum up, a good data warehousing and analytics tool provides:

- Improved visibility and tracking of key business indicators
- Easier assemblage of strategically important information using minimal staff resources
- A consolidated view of enterprise-wide operations
- Expanded and more versatile reporting tools

The same tool that shrinks the long, slow data gathering process, is the one that gives you the clarity needed for forecasting and decisions based on reliable numbers.



You Need Fast, Easy Access to Information. You need easy access to actionable information for effective business intelligence - centrally located on a single, interactive dashboard.

unlock your potential

[Learn more](#) about our powerful data analytics solutions.

For more information about Jack Henry, visit jackhenry.com.

sources

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