

4 takeaways from

# ACQUIRE OR BE ACQUIRED

We spent 4 days in the desert discussing growth strategies with some of the industry's most transformative leaders. These are the top insights we gathered for 2023 and beyond.

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# 1 2023 is the year of omnichannel banking.

It is clear that one banking trend is now table stakes for financial institutions of all sizes: omnichannel account origination.

Not to be confused with siloed multichannel customer journeys, omnichannel account origination meets consumer and commercial customers where they want to be met - in-branch, online or in-the-field - and delivers the same seamless experience across all banking channels. In fact, 50% of financial institutions plan to offer omnichannel account origination in the next 12 months.

“As an industry, banking has done a poor job of understanding our clients,” said Frank Sorrentino III, CEO of ConnectOne Bank, a nearly \$10B institution. “We seem to be comfortable with incredibly complex methodologies for bringing a client on board. Our clients live their lives interacting with technology - Netflix, social media, Amazon, etc - but then are thrown into an analog experience as soon as they walk into most banks and we wanted to change that.”

This is why ConnectOne Bank is adopting an omnichannel account origination strategy that provides an end-to-end solution for both online and in-branch experiences. Even digital-only institutions with multiple digital channels are turning to omnichannel account origination.

“Alliant is 100% digital, and omnichannel remains critically important to us,” said Dennis Devine, CEO of Alliant Credit Union, a \$19B dollar institution. Outside of driving new member growth, improving member experience and increasing operational efficiency, Devine said omnichannel account origination is the “number one lever to enhance our marketing spend effectiveness.”





## 2 The deposit wars are on.

The deposit wars are a hot topic of discussion amid the current macroeconomic environment and increased rate hikes. Adding fuel to the fire, nearly \$1 trillion of COVID PPP deposits quietly left the industry, making competition for deposits much more dier.

Banks and credit unions must embrace digital onboarding technologies for a competitive advantage. Thomas Michaud, President and CEO of KBW, noted that 3% of banks house 83% of deposits today. And community banks that offer online account opening originate only 5 - 10% of accounts online, while Bank of America originates over 50% of new accounts online, according to Cornerstone Advisors.

Financial institutions should originate *at least* 20% of their deposits online. If your institution is not doing that, now is a good time to reevaluate your current technology solution.

“Go look at what your funnel looks like across any channel, and you’ll find areas to improve,” said Dennis Devine, CEO of Alliant Credit Union.

The right omnichannel account origination technology can not only lower the cost of deposits but empower growth at scale.

## 3 Embedded finance, artificial intelligence and business banking pass the hype test.

Emerging technology trends often monopolize the news cycle and financial institutions must determine what technologies are actually worth the hype. Embedded finance, artificial intelligence and business banking technologies all passed the hype test at this year's conference as something banks should do more of in the upcoming year.

"I do not know how you do *less* embedded finance in 2023," said Nathaniel Harley, co-founder and CEO of MANTL. Noting embedded finance can be a strategic way to fuel growth in today's uncertain economic climate, Harley said "Embedded finance is a distribution channel at the end of the day. You have to be deliberate with what channels you are turning on and strategic about what growth avenues you pursue. Having APIs that partners can connect to is table stakes."

While ChatGPT gathered quite a bit of attention at the conference, financial institutions should invest in artificial intelligence that aligns with an institution's digital roadmap and helps automate manual tasks, reduce fraud and improve operational efficiencies. "Do not do AI just for AI's sake," cautioned David Foss, Board Chair & CEO, Jack Henry & Associates.

Financial institutions are increasingly targeting the SMB audience for a competitive advantage in 2023, and must invest in technologies that deliver better digital experiences to their business clients. "Many financial institutions self-identify as commercially focused, yet they are not investing in commercial banking experiences," said Harley. "This is especially problematic when you consider that business owners are also consumers and expect the same digital convenience across banking channels."





## 4 All eyes are on technology to increase operational efficiency.

Al Dominick, Bank Director Board Member and Managing Director at Cornerstone Advisors, discussed how the December 2022 Southwest Airlines meltdown must serve as an important reminder of how technology can positively - or negatively - impact an organization.

“It’s only when you don’t have what you need that you appreciate how challenging things can become,” said Dominick.

It also highlighted the importance of leveraging technology to improve operational efficiencies, which is a critical priority for financial institutions in 2023. Currently, 10% of bank budgets are tied to technology and 50% are tied to people, said Steve Williams, Cornerstone Advisors. According to Alloy’s Annual State of Fraud Benchmark Report, two-thirds of respondents reported over half of their workforce is working on fraud-related activities.

Institutions must invest in technology that elevates the employee experience and empowers them to do their jobs better and faster. “Providing your employees with a best-in-class digital experience and treating them as a first-rate users on the platform is how you grow efficiently,” said Nathaniel Harley, co-founder and CEO of MANTL.



MANTL is a financial technology firm offering omnichannel account origination software for banks and credit unions. Consumer Deposit Origination by MANTL is among the fastest and most performant solutions on the market, empowering net-new prospects to open accounts in under three minutes, enabling existing account holders to open additional accounts with just one click, and reducing fraud by as much as 67%. Commercial Deposit Origination by MANTL is a first-of-its-kind solution that reimagines account opening for businesses of all sizes by automating up to 97% of application decisions. MANTL's customers have raised billions in core deposits to date. Founded in 2016, MANTL is a privately held company headquartered in New York with the backing of prominent venture capital investors. For more information, visit [mantl.com](https://mantl.com).

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