

Winning big with fearless tech partnerships

How FIs and emerging tech companies can work together to unblock innovation and unlock growth

MANTL

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Introduction

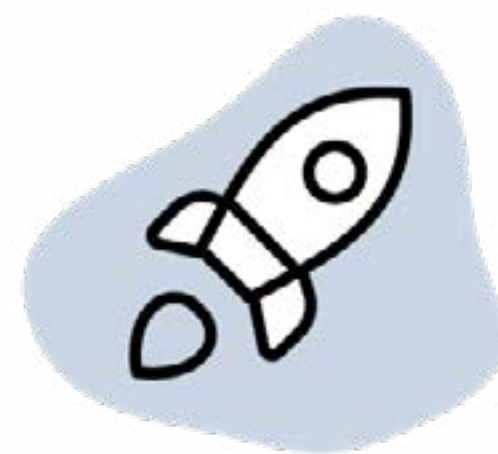
Every organization in every industry is talking about digital transformation. But if you want transformation to be more than a buzzphrase, you need a strategy based on a keen understanding of what your customers want – and trusted partners who can help you deliver what your customers demand.

That's exactly how Encore Bank became one of the fastest-growing privately held commercial banks in the United States.

Under the guidance of Chief Innovation Officer and CTO Allan Rayson, Encore achieved unprecedented growth in 2021 with 95% asset growth, 119% loan growth, 107% deposit growth, and 1,276 new loans worth approximately \$740 million.

With all those accomplishments in such a short period of time, is it any wonder that Rayson was recently named American Banker's 2022 Digital Banker of the Year?¹

In this white paper (based on a recent [BAI webinar](#)), we'll discuss Encore's remarkable story, Rayson's recommendations for vetting tech vendors, and the essential role of transformational tech partnerships in unlocking explosive growth.



Encore Bank's growth

95% asset growth

119% loan growth

107% deposit growth

1,276 new loans worth approx. \$740M

¹American Banker

It all starts with the strategy

What makes Encore so successful? According to Rayson, it all comes down to getting specific about desired goals and outcomes.

“Early on, Encore Bank identified three big rocks that we wanted to move: driving commercial loan volume, driving core deposits, and driving non-interest revenue,” he says. “Gaining clarity on our business outcomes helped us set a clear technology and innovation strategy. We were fortunate to connect with MANTL early in that process.”

MANTL’s highest-performing customers have one thing in common: they tend to be very clear about their goals and what success looks like. They define their objectives and identify tangible pain points to solve for. Then they select the right tools and tactics to help them reach those goals.

With upfront clarity on the desired outcome, the digital transformation conversation shifts from “we need tech” to something more substantial – not to mention measurable. For example: “We need the right technology to reduce our labor and marketing cost by X, increase our profit margins and new account openings by Y, and boost our operational efficiency by Z.”



Unlocking the efficiency ratio

As you identify the right metrics for measuring the success of your digital strategy, the efficiency ratio – that is, your operating costs divided by your total income – should always be top of mind.

While front-of-house staff tend to scale with revenue, operational staff are the main driver of the efficiency ratio. If you can empower operational staff to be more efficient on the backend, then your institution will be well-positioned for smart, sustainable growth.

“At Encore Bank, we’re trying to achieve an efficiency ratio well below the industry average. To do that, we have to determine how many full-time employees we’ll need to run the business at scale. **With technology like MANTL, we’re able to achieve our ambitious goals and maintain our efficiency ratio because it eliminates significant manual processes on the backend.** MANTL allows us to scale while remaining at our desired full-time employee levels.”



Allan Rayson

Chief Innovation Officer and CTO
Encore Bank



3 best practices for vetting tech vendors

With access to more technology than ever, many institutions face the challenge of identifying which fintech partners can deliver true value and scalable growth. As you navigate this complex ecosystem, consider these three tips:

1. *Legacy is not always better.*

[The Banking Impact Report](#) found that legacy banking infrastructure is the top reason why bank executives have not fully embraced digital banking. In fact, legacy infrastructure can be a competitive liability that may be keeping your institution at a critical disadvantage in a crowded marketplace.

2. *Steer clear of RFPs.*

Many FIs rely on RFPs to vet technology partners. While this process can be helpful in identifying tech requirements and business objectives, RFPs often demand a lengthy process and a drawn-out checklist that may fail to capture some of your most important considerations. Instead, make sure the fintech's long-term strategic vision aligns with your strategic vision, and that the partnership will serve your future banking needs.

3. *One code base > custom code.*

Custom code is risky. It's time-intensive and difficult to update. It won't scale or innovate at the speed that you might require. And it leaves little room for adapting as you go. Modern SaaS platforms like MANTL are built on a single code base. We don't do custom coding, so we can update our product over 40 times per year. And we can apply learnings from all of our customers directly onto the platform, so every customer benefits from economies of scale. This is a major competitive differentiator that will help your FI keep up with the speed of innovation.

Building technology is expensive, time-consuming, and risky. **With MANTL, we achieved instant ROI without having to build anything or increase our staffing.** The product was engineered the right way to start driving deposits on day one while creating efficiencies on the backend.



Allan Rayson

Chief Innovation Officer and CTO
Encore Bank

Is technology a cost center or a profit center?

Many financial institutions view technology as a cost versus an investment – and a high-risk cost at that. But the advantages of strategic tech partnerships are far-reaching, and the right partner can deliver an enormous return on investment.

“I have zero developers on staff at Encore. Even so, we’ve grown to \$2.5 billion and will be \$3 billion by the end of the year without one. That shouldn’t be possible, but it is with the right tech partners. **We probably rely on our fintech partners more than most banks – and I see that as a strength.**”



Allan Rayson

Chief Innovation Officer and CTO
Encore Bank



To shift your bank's mindset around technology, consider these four strategic advantages that come with strategic fintech partnerships:

1. Grow cost-effectively.

The right fintech partnership will not only drive high-powered growth but do so cost-effectively. When [Midwest BankCentre](#) launched a digital brand, Rising Bank, the bank raised \$75M in just 10 weeks. In fact, the launch of Rising Bank has resulted in the same deposit growth as building 10 new branches.

2. Reduce tech debt.

Many technology partners can address your painpoints today, but can they scale with you for the future? "We look for fintech partners that are agile and have the ability to grow with us," Rayson says. "When we partner with companies like MANTL, we can deliver an instant ROI and scale our business. These partnerships are what has enabled Encore to be one of the fastest-growing banks in America."

3. Expedite Innovation.

Modern technology makes it easy to stand up new products and services so you can scale on demand. A digital brand, for example, can help you test new technology with minimal risk.

4. Engage employees.

Attracting and retaining talent is a major challenge for 70% of banking leaders. A surefire way to keep your best people is to arm them with superior tools. In fact, the right technology not only helps retain employees – it can be used as a recruitment tool as well.



7 questions to ask when selecting a fintech partner

1. Can you provide commercially deployed examples – with metrics – for banks that have similar business objectives?
2. What is the average time it takes a bank with my tech stack and core to implement your technology?
3. Can you connect me with a current customer?
4. How many times a year do you update your product?
5. Can you assist us in building an ROI model for our use case?
6. Can you share your detailed product roadmap?
7. How do you leverage technology to automate compliance and mitigate fraud?

Establishing a true partnership

So what does partnership look like in practice? We put together this quick checklist to determine if your vendor is a true partner.

1. Long-term business plans and vision alignment.

Does the vendor's product roadmap serve the direction your company is heading in? Great fintech partners are constantly innovating to not only meet today's needs, but also to adapt as the industry evolves.

2. Quarterly business reviews.

Do your vendors dedicate time to meet on a regular basis to discuss the partnership, dig into the metrics, and ensure that your team is getting the ROI out of the product that was promised? At MANTL, we run quarterly business reviews (QBRs) with all of our clients to discuss their business objectives. This is extremely important to make sure that your institution is getting meaningful value out of their investment, and helps ensure alignment on your institution's future initiatives.

3. Product council programs.

By participating in a product council program, you can take part in discovery sessions, provide feedback on workflows and designs, and actively test new and existing functionality. Participants work closely with members of the fintech's product development team – including product managers, designers, and engineers – to validate in-market products and build net-new products.



CONCLUSION

Enabling growth in an age of uncertainty

In the battle for new business, the future belongs to the agile.

You've listened to your customers. You've prioritized your digital offerings. And you've created a roadmap for digital transformation. Now it's just a matter of choosing the right partner. By finding vendors that will work with you as you explore the best path forward, you can clear a path to resilience and embrace the future with confidence.

Just ask Rayson. "We're an organization that's only three years old and we've grown from \$120 million in assets to almost \$3 billion during that short time," he says. "I think we all feel incredibly proud of that – and want to use this moment of recognition to keep that momentum."



About MANTL

MANTL is a finance technology firm offering omnichannel account origination software for banks and credit unions. Our customers have raised billions in core deposits to date.

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.

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.

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