Independent Banker
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Portfolio

[tag] Innovation Station

**[hed] How core providers are becoming core to innovation**

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On February 5, the ICBA Innovation team conducted our first core day with our AP5 Accelerator cohort. CSI, DCI, FIS, Fiserv, Jack Henry and Q2 all came to Atlanta to join us for what we dubbed a “reverse pitch” to explain how to best partner with them to serve the needs of community banks and their customers.

These respected and well-established companies generously shared their innovation strategies and objectives in pursuit of enhanced collaboration between community banks and their preferred fintechs and third-party providers.

That day will go down as a major inflection point for community banks and your relationships with both fintechs and core providers.

I have to commend every one of the cores for their candor and ongoing efforts to create an environment conducive to advancing community bank innovation. They are seeking to provide the solutions you need to be successful and have demonstrated a willingness to engage in new ways. The work ICBA and its member banks have done over the past several years has helped foster this environment, and every core openly gave their time to provide a level of insight not typically available in support of our mutual goal.

Yet, the onus is not simply on the core providers and fintechs to make these relationships work: Community banks have a responsibility to drive the dynamics. We’re entering uncharted territory. It’s not easy for any large company to shift historical processes and look to become more cutting-edge. As the evolution occurs, you must stay diligent in communicating your needs and expectations.

Take charge of this conversation and confirm they know how you as the banker—the client—want this to work. Be the inquisitive child who keeps asking why until you’ve gotten the answers you need. Lean into resources like ICBA, our preferred service providers, corporate associate members, ThinkTECH alumni and other partners in this space to identify best practices.

And never forget, you’re stronger together. Just like any business relationship, unified voices speak louder and that’s important to embrace to advance your innovation agendas. Leverage peers who share the same core provider or fintech and work together to push for important technology offerings. Let your collective voice drive your partners’ priorities.

Outside of labor costs, the biggest expense a bank has comes in their technology stack, so these are critically important relationships, and they have to be top of mind when evaluating your strategy. With so much potential for new forms of innovation emerging through this new fintech/core paradigm, it may be simpler than ever before. So, let’s take them at their word and go execute.

**Charles E. Potts** is ICBA’s executive vice president and chief innovation officer.

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