Independent Banker  
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Portfolio

[tag] Innovation Station

[hed] The powerful role of data in community bank innovation

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Data is king. Everyone—from Big Tech to retailers to systems providers—prioritizes data for its ability to deliver on revenue expectations. Looking to improve the customer experience? Data tells a story. Want to strengthen fraud prevention? Data provides protections. Striving to prioritize the projects on your to-do list? Data leads the way.

For these reasons and more, the overarching narrative for community banks in 2024 will center on all things data: how to uncover, understand, mine and activate the data you have for the benefit of the customers you serve.

From our experiences with the PPP, we’ve learned the importance of identifying a need and reporting on the outsized role community banks played in servicing small businesses in their hour of need. But now the charge is to make sure we’re retaining those valued customers, attracting new ones and expanding our services to meet their evolving needs.

The strategic approach to small business banking is predicated on better data analysis. Community banks have to ask, “Where are my small business customers moving money? Where am I losing deposits? What products and services are they getting from somebody else that I don’t have, or I do and they’re not using?” The answers to those questions come from existing data points, including payments. Community banks can investigate transactions, and the account they give may define product development next steps.

Yet this data quarrying doesn’t have to be a manual process. Fintechs can help banks automate the review, pull out the central narrative and prioritize actions around it. Finding the right partner can be as simple as checking out our current ThinkTECH Accelerator cohort, which is focused on small business needs and data analytics (see sidebar). We heard from bankers that these are two key areas where they need solutions, and the companies in this cohort directly reflect that input.

So, as the new year gets started and priorities abound, I come back to an oft-repeated phrase: It’s about working smarter, not harder. Data analytics offers a tool to do just that, helping community banks excel in new ways by identifying the right opportunities.

Data may be king, but ultimately, community banks will reign supreme if they can harness it to benefit their customers and communities.

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

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**Accelerator introduces small business and data-centric fintechs**

Join ICBA for our sixth ThinkTECH Accelerator, featuring fintechs that can help community banks with small business banking and data analytics. Banks are welcome to sign up for one-on-one or group sessions with the cohort. To schedule a time, visit <i>[*icba.org/thinktech*](https://www.icba.org/innovation/innovation/icba-thinktech-accelerator#contact)<i>

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