four reasons data integration is critical to your institution's financial success

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Planning the future path of your financial institution can be a challenging task. This responsibility is made even more difficult by the fact that it often takes multiple systems to help define what that plan should be. Once you have your path drawn out, the tools to implement important parts of the plan may be in yet another set of solutions. How do you make sense of it all?

Data integration will be a significant part of your go-forward strategy. The process of data management impacts every area of your institution, from operations to risk management, compliance, business development, profitability management, and more.

here are four reasons why your organization should deploy data integration:

1. To Assess Risk and Plan for the Future

A key aspect of successful short- and long-term forecasting is understanding the risk that resides within your current and projected balance sheets, then incorporating those measurements into the planning process. Understanding what pitfalls could lie ahead with shifting interest rates, a softening economy, or a runoff of deposits equips your institution to better manage risk. The goal isn't to mitigate risk to zero, but rather to better understand when and where to capitalize on it to maximize your institution's earning potential without sinking the ship.

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2. To Execute the Strategic Plan

Once you have your budget and strategic plan in place, how do you make sure it is executed? More critically, how do you make sure the plan put in place is fully understood so that it can be carried out by your employees?

A solid execution requires transparent communications from management. This is extremely challenging when information is coming from different solutions, with different databases that can provide slightly different answers to the same question. What if you could motivate staff by giving them access to the plan, as it relates to their function, and then setting their targets and compensation to achieve the growth defined during the planning stage?

When individual producers have access to the plan, everyone is on the same page and using the same assumptions to manage their portfolio. Everyone can now see how their part fits with all the others, creating a sense of shared responsibility to reach the organization's overall targets.

3. To Defend Your Turf by Protecting the Right Clients

Today, community and regional financial institutions must know the market and their customer/member base better than ever to

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succeed. The disparate systems that still exist in most institutions do a poor job of informing staff who their most profitable clients are, making it difficult to protect and nurture key relationships. Financial institutions often have all of the necessary data but have traditionally managed the data in silos. It is more important than ever to move toward managing data across platforms and use analytics to build insights. Remaining siloed leaves you vulnerable to the competition. Smarter systems help you to compete more effectively by allowing you to perform better market reconnaissance, offer more flexible pricing strategies, and make better decisions regarding risks. Simply put, you'll need data integration to create a smarter organization and have the ammunition to compete. And you need a 360-degree view of your client base.

4. To Keep Up with Regulators

Financial institutions are now in the process of developing CECL compliance strategies, and data integration is at the core of this initiative. Key information has resided in disparate databases ranging from your core system to your CRM, your commercial loan system, collateral management systems, underwriting systems, and even Excel® workbooks. An effective CECL strategy should do more than just offer compliance. Merging data from these disparate sources should help you better manage risk and measure the economic sensitivity of your loan portfolio.

Cloud-based platforms allow financial institutions to focus on making better use of their data to improve operating efficiency, more effectively manage and price risk, and get closer to their clients. The data required to do this exists – you just need to be able to use it, and this requires better integration, transparency, and analysis.

unlock your potential

Learn more about how you can make better use of your data.

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