



## Fast Data And Automation

by [Steve Brown](#) Topics: [technology](#), [AI](#), [automation](#)

**Summary:** Big Data promises a lot. But, it is important to structure the data you have, before you can maximize the customer experience. What you should know.

The fastest car in the world is reportedly the Bugatti Veyron Super Sport, which can go from 0 to 60 in 2.4 seconds and reach a speed of 267 mph. That is really fast, but still crazy when you consider a cheetah can go from 0 to 60 in only about 3.0 seconds.

Speaking of all things fast, consider the speed of the flow of data in the banking world. By 2020, each second will bring approximately 1.7mb of new data for every person on earth. Hook this data to apps and other artificially intelligent (AI) offerings, large and small banks alike are often told, and you'll thrill your customers and improve your return on investment (ROI).

Not so fast. Advanced technology is only as good as the data that is its foundation. No kind of AI or automation works well unless it's built on a properly considered foundation. At the start of the data process, you have to be sure the data you already have is clean and ready to go. Then you can go mining for more, or add virtual assistance for your customers, as you look to maximize their experience.

You'll probably need at least one professional data analyst to structure the mountain of loan, credit, and transaction data that your bank already has. Just as a house rests on its foundation, your data-driven AI sits on a foundation made of customer data. So, getting it right from the ground up is vital.

Once you have decent data, you can then start to leverage it. Average customer loan balances, savings rates, the percentage using more than one product, number of customers that have business relationships with competitors, and things like that can all be helpful as you refine marketing messages.

You can also begin to better tailor insights to individual customers. For example, take a customer who has a credit card with a competitor. You could offer them to switch to your card with a lower interest rate or more cash back. Maybe a user has extra money in a savings account. You might suggest a CD or a meeting with your wealth management team. You get the idea - the more customers see individually tailored experiences to fit them, the more they'll trust you to provide financial suggestions.

Last but not least, make the user experience seamless across multiple channels. Tellers and other bank staff should have access to the same data that your automated marketing uses. If a digital interaction gets too complex, the user should be able to connect immediately with an actual person. Likewise, a digital deposit should reach a checking account properly, just as reliably as a deposit made in person at a branch. When everyone has the right information, customers get precise, consistent, helpful guidance - no matter which channel they pick.

This all may seem like common sense but you would be surprised how many banks tell us the dots aren't always connected or can get disconnected. So, be sure to keep checking all of your digital and physical connections.

Stay in touch with your customers and as always, keep your relationship engines humming at top speed wherever and whenever possible.

# ECONOMY & RATES

Rates As Of: 04/06/2018 12:20PM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	1.71	0.01	0.33
6M	1.89	-0.02	0.36
1Y	2.05	-0.04	0.31
2Y	2.27	0.00	0.39
5Y	2.59	0.03	0.38
10Y	2.78	0.04	0.37
30Y	3.02	0.05	0.28
FF Market	FF Target	Fed Disc	
1.69	1.75	2.25	
Prime	Unemployment	Oil	
4.75	4.10	\$62	

[More Market Rates](#)

## BANK NEWS

### LIBOR Shift:

The NY Fed has begun publishing the [Secured Overnight Financing Rate](#) (SOFR) in its first step to help market participants' transition away from the LIBOR benchmark. SOFR is based on the overnight Treasury repurchase agreement market, which trades around \$800B in volume daily.

### CRE Appraisals

Bank regulators issued a final rule that increases the limit for required appraisals on commercial real estate (CRE) transactions from \$250k to \$500k. The final rule allows banks to use an evaluation rather than an appraisal for those transactions under \$500k.

### Schwab De Novo

The Fed has approved Charles Schwab's application to form a de novo bank and acquire Charles Schwab Trust Bank (NV), as it moves to consolidate its trust services and related activities into a single fiduciary-oriented bank.

### Fewer Audits

The Wall Street Journal reports the percentage of individuals receiving tax audits declined for the 6th straight year in 2017 to the lowest level since 2002. The IRS audited 4.37% of returns with income of \$1mm or more, 0.59% for those with income of less than \$200,000, 0.44% for businesses and 0.38% for partnerships.

### Bank Impact

CNBC reports bank stocks have been declining despite rising interest rates because investors are concerned about a number of issues including: tariffs and the potential for trade wars, long term growth and a flattening of the yield curve.

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