



Untethered Banking

The virtual side of business banking

By Zaher Karp

Nationally, business financial institutions have placed greater emphasis on the virtual side of banking. However, for many local organizations, the question is more one of synergy. Every bank aims to provide, at the most basic level, convenient and comprehensive information to their customers. The rush to reach the bank before closing has been overcome, but when answering concerns in regards to distribution, direct interaction is vital.

For **Park Bank**, "electronic banking solutions offer a complementary, rather than an exclusive banking option to [their] clients." Business banking is not yet a world that involves only a screen, but clients are still presented with the resources to bank when and

where they want. Having a wide network of ATMs and an accessible Internet banking system are two steps toward untethered banking.

New levels

One step toward this new level of convenience is marked by the success of **First Business Bank's** remote deposit, an innovation encouraged by developments in processing.

"After 9/11, a federal law entitled Check Clearing for the 21st Century (Check 21) was passed," says **Beth Korth**, senior



Beth Korth
First Business Bank

vice president of treasury management, First Business Bank. "This law was designed to foster innovation in the check-payment system and enable banks to process and clear checks electronically. It was intended to make check processing faster and more efficient. Soon after the law became effective, First Business Bank began offering remote deposit, a system that allows customers to scan and deposit electronic images of checks without leaving their office."

This system is fueled by couriers, per **Tony Larson**, senior vice president, who route them to clients to pick up deposits.

"Remote deposit has allowed us to expand our market area beyond our traditional greater Madison. We have clients in areas such as Middleton and Reedsburg who never have to leave the office for their daily banking needs. [Though] businesses do and are encouraged to meet with their business banker several times a year."

Larson encourages e-banking as a "tool or a resource, but by no means a substitute for a relationship. Regarding loan decisions, it is critical for us to meet personally with the client."

Scott Ducke, senior vice president of retail banking at **Park Bank**, says that electronic banking is not meant to attract anonymous clients, but rather serve as a tool "for those who select Park Bank for other reasons. We have adopted a series of technological innovations that provide our clients with the freedom to bank where they want, when they want. These include a vast network of ATMs, telephone banking, online banking, electronic bill pay, e-statements, e-mail account alerts and online loan applications."



Tony Larson
First Business Bank



Scott Ducke
Park Bank

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Bye-bye, brick and mortar?

Rick Cushman, president, Madison market, **Wisconsin Community Bank (WCB)**, has found that many banks have quit building brick and mortar buildings in favor of cheaper Internet-based alternatives. However, over time Cushman acknowledges that, "customers don't want a bank that's *just* on the Internet — they want the convenience of having the accessible bank down the street, even if they don't go in." Cushman notes that Community Business Bank's business model is 75 percent commercial and 25 percent retail.



Rick Cushman
Wisconsin Community
Bank

"We utilize direct mail and some Internet advertising, but primarily rely on our service level."

In order to foster electronic account usage, WCB promotes a rewards checking account that pays interest in exchange for a minimum debit usage as well as following the electronic route and going paperless.

Convenience up, fraud up

With an increase in accessibility of information also comes an increase in fraudulent check and Automated Clearing House activity, which First Business Bank protects against with the ACH Block and Filter. Korth explains that this allows for a total block of unauthorized debits.

"This online fraud filter lets companies review a questionable payment, identify the originator and make a pay/no-pay decision," says Korth.

Financial decisions and issues require available support, which Park Bank answered with the availability of a "dedicated and local client services department, [who] are ready to answer questions our clients have relating to products they have or desire," says Duce.

With local banks, Internet banking is an added service, which complements the primary customer service goal. Maintaining a strong bond with the customer and allowing that relationship the flexibility of Internet banking means less calls to the bank and immediately available information. A local bank relies upon its connection to a community, which is most often brick-and-mortar, but the convenience of e-banking is something that cannot be ignored with continuing technological developments. ■

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