

How will technology impact bank assignment

[Finance](#), [Banks](#)



Technology has helped banking transform from bulk paper and waste to paperless communication and means of transferring funds. The technology evolved includes telephone banking (telephone technology), credit cards, debit cards (money transfer technology), electronic money, and automatic teller machines. (2) These technologies have created efficiency and time saving methods of conducting business for people. Some importantly, technology has led to tighter security and safer methods of conducting business for everyone.

Bank security or compliance officers use computers and technology to help ensure that banks understand, follow guidelines and control the risk of the complex and new world of financial services. Security has changed over many years through the advancement of technology, evolving from manual examining fraudulent activities to using advanced computers and programs that can identify fraudulent activities, checks, and even viruses (new age threat to banking). Technology advancement in banks has led to convenience, speed, time saving and cheaper methods of conducting banking.

Today, many people are slowly deleting traditional methods of utilizing financial services or money such as the change from checks to debit/credit cards and automatic payments. E-Banking Technology has created e-banking or electronic banking. E-Banking can be defined as the automated delivery of new and traditional banking services and products directly to customers through electronic, interactive communication channels. (6) Technology has affected and changed banking with the many benefits and convenience e-banking has created.

It includes the system that enables bank customers to access accounts, transact business or obtain information on financial products and services. Customers can now quickly complete transactions such as 5-10 minute deposits/withdrawals to 30-second ATM deposits/withdrawals, online checking accounts, online transfers and many e-banking transactions. The accessibility of e-banking has been possible due to the technological advancement in pots or personal computers, kiosk, Touch Tone phones, personal digital assistant (PDA) and automated teller machines (ATM).

According to industry analysts (BENT. Com), electronic banking provides a variety of attractive possibilities for remote account access, including: Availability of inquiry and transaction services around the clock; worldwide connectivity; Easy access to transaction data, both recent and historical; and “ Direct customer control of international movement of funds without intermediation of financial institutions in customer’s Jurisdiction. ” (4) Impact of Technology in Banks Technology has influenced all aspects of banking activities including storage, processing, and collection of information.

There are a few areas in banking that has been seriously influenced or impacted which includes; Tracking lending worthiness (Credit Scores): Technology has created or led to the creation of the credit bureau. The system mathematically tracks customer’s payment records to provide data which help banks make decisions on the amount and who they should borrow money to. The advance technology available has developed a scalable and resilient credit urea platform that enables banks to track customer’s necessary information.

Technology has enable software programs which has provided banks with input file preparation tools, validation tools and data entry tools. Collecting data allows banks to deliver credit reporting solutions in the form of credit reposts, customer credit activity monitoring, fraud prevention systems and debtor tracking services. Today, the technologies in credit bureau infrastructures have enabled banks to collect, load, validate, store and disseminate both the positive and negative data as well as supplementary data (e. G. Rout Judgments, legal issues etc).

The development and management of the information technology for the Credit Bureau has provided control over all processes involving the credit bureau as it relates to the banking industry. Some of the systems used in the credit bureau includes; C++, C Sharp and Java, Oracle & SQL. All these programs contribute significantly in the whole operation of the credit bureau. The typical cycle and function of the credit bureau as it relates to banks includes; storing information-credit histories, observing fraudulent behavior, previous enquires, validating data and many more. Appendix 1).

The Economy and Economy of Scale: Competition has forced banks to lower the cost or interest rates. Bank mortgages have recently Banks try to achieve economy of scale in banking procession instead of trying to be bigger banks (acquiring more assets, taking more risk etc). The current state of the economy has also lead banks to tighten their lending and restrict their lending guidelines. Banks seek to secure the best and most technologically advanced business structure and secure competitiveness of economy of

scales. Banks Conceivability: Technology is affecting the degree of conceivability in banks.

Due to the advancement of technology, banks superiority in information is deteriorated. New competitors have emerged and the many barriers provided by banks have been declining and security breach is more imminent today. Some financial products, services and commodities are becoming more transparent. Due to the lowered entry and deconstruction of some banks, conceivability in banking is rising Technology Influence the Economics of delivery: The advancement of technology has influenced the methods banks use to deliver financial products to its customers.

Technology has created alternative delivery mechanisms such as the internet, electronic transferred, Atoms, and many others which all reduce the dependence on the network as a core delivery mechanism. Now, financial systems are substantially over-supplied with delivery systems through a duplication of networks which allows or encourages the banks to change their delivery strategy, rationalize their branch network strategy and provide or develop a wide Variety of delivery options. (7) Internet Banking: An internet bank can be defined as a bank that provides account balances and some transaction capabilities to retail customers over the World Wide

Web. (4) Technology has created internet banking, also called online banking. The creation of the internet through technology has lead to many banking transactions or activity options via the internet. Some of these activities includes; paying bills, 24 hour view of accounts, transferring money and many others. Customers access their banking information from a

browser-software that runs the banking programs on the World Wide Web (www). Customers can personally and privately access their account information through the internet via a modem.

Technology has allowed us to dial into the bank via the modem system which allows us to download data, and run programs that make us access a wide variety of banking information such as; account balances, number and types of banking transactions, bank statements, among others. On the downside, the internet has decreased operation and transaction at physical-brick and mortar banks as customer can basically conduct almost all the transaction possible in a real bank. Today, technology has helped create many banks which have no physical location or brick and mortar branches. Some of these online only banks includes; Banknote (I-I) and Telltale (VA).) Technology in Customer Relationship Management (CRM) at Wells Fargo Banks Because of the technology, banks are able to provide better quality service by utilizing the easier methods of conducting surveys and other methods of gathering customer's satisfaction. Some of these advancement includes; telephone surveys (before phone technology only written surveys were available), and internet surveys. In banking today, technology has helped customer relationships management system track and analyze every transaction made by 10 million retail customers at its branches, ATMs, and through TTS Web-based online banking systems.

Wells Fargo has become so good at predicting customer behavior through their technology tools, that it knows what customer need even before many of them realize they need it. Managers use the technology to their

advantage which plays a very imperative role in customer relationships management as they have to work hard in ensuring that customers are treated with the professionalism, class, respect and other great customer service qualities they deserve. Wells Farads CRM system collects every customer transaction and combines it with personal information provided by the customer.) The system is able to provided tailored offerings with help of the credit managers and supervision of the store managers to ensure optimum performance is provided for customers. As a result, Wells Fargo sells four more banking products or services per customer than the industry average of 2. 2. (5) Management of customer relationship is very imperative to Wells Fargo profitability and residual income as customers can refer other customers to bank with Wells Fargo.

When Wells Fargo executes a successful CRM-starting with credit managers and store managers, there is a higher possibility f positive outcome which results in more satisfied customers and evidently more product sales.

Security-Virus Protection One of most important aspect of technology as it relates to banking is Virus protection or Anita-virus protection. It is very imperative for banks to keep information secure but it's even more important to ensure that all data containing customers' information if not contaminated or lost. Today, banks invest in millions of dollars to ensure that their operating systems are secured and run efficiently.

Virus protection is very important for the health of the operating systems utilized by the banks which an help prevent million in lost if hackers or other threats could penetrate. In order to fully utilize the technology provided by

anti-virus software's programs, or anti-virus companies, banks would have to on a regular basis; update the software's, install the latest versions which would provide maximum security, scan emails, web pages, downloads etc among others. If technology has not created computers, which lead to the anti-virus protection, the banking industry would be in kayos.

Customer's information, account balances and much other valuable information could be lost. But today, proper security and the technology that comes with it has creates opportunities for banks to remain ahead of hackers, viruses and other negative elements which can have a detrimental affect on the banking systems. Reflection How will Technology affect my future? Technology affects my plan for the future in many different ways. I can see my future changing financially, because now I will have to spend more money to keep up with the technologies or technology advancements to maintain a great " CICS" or " Technology" knowledge in society.

I also might have to upgrade many items I own to ensure I blend in pretty well towards the advancement of technology. For example, in the next 2 years, there are some belonging I own that has to change towards the future. Cell Phone/PDA-I will have to upgrade my phone so that I have access to many futuristic options, like navigation (useful if I get lost and don't have a navigation system), Microsoft word (can complete assignments if I'm on the road), internet (easy access to the internet-don't need to log on to a laptop) and many other options the newer more advance cell phones will offer.

Internet–I might have to possibly upgrade y internet, model, and service for faster speed and more features to suit a more advance computer.

Computer–I will definitely stay on top with the most advance laptops–going for lighter weight, smaller size and more options and speed. Due to the fact that I use all these components in my daily life it is very imperative to stay on top of things and make as many changes in the future to keep up with the technology world.

Projections in advancement of tools How will the computer/cell phone/Internet/PDA world affect me in the near Future? The computer/cell phone/Lenten/PDA world will be looking more futuristic in the ear future. Technology will be so advanced that we will face difficulties operating some of the new computers, cell phones etc and will require more time reading manuals etc. For example, the 1st time the apple phone came out many people had no idea how to work it, few years later the phone is being test more and more everyday by its users who are getting use to all the technology.

Apple is constantly adding features and applications to the phone that would even make a fairly new customer face some serious challenges in using or utilizing the phone to full capabilities. Normally, in the past mainly Apple Computer users are the favorites to own an phone but everyone is trying. I have also noticed the size and weight reduction in computers, mainly laptops. In 2005, I purchased a new Dell 14" Laptop which felt like it was at least 5 lbs.

Now at the same price you can a cheaper brand laptop like Acre with 10" Screen and only BBS, which can burn DVD's, faster processor, built-in web cam and many other features that were either not available in some brands or extremely expensive to have because they were considered "super features". Today, these features are basic in the average laptop. That's a huge difference and technology advancement in only a few years. This can also be seen in the internet, 1st with wireless, and now-cell phone provides, a few years ago, have developed the "anywhere wireless" for laptops.

You simply pug in the USB wireless device and anywhere there's cell phone service-you can have internet. Pad's have also improved their technology in a last few years with access to almost every option there is on the real computer, starting from access to Microsoft word, excel etc to unloads and other programs. I can see 2 years after graduating being more amazing with new technology in cell phones, Pad's, internet etc. Conclusion Banks are basically surviving or in existence today due to technology.

Technology has created better tools for evaluation credit worthy customers (Credit check and credit bureau), storing customers information and secure all the valuable information which if placed in the wrong hands can cost us millions of dollars. This can also have a negative impact on the economy as banks would tighten their lending acquirement and charge higher interest rates to make up for the lost which would created due to lack of security, storage and other technological advancement.