

Why You Need Fresh Insights: Don't Rely on Stale Data to Make Important Decisions

Too many mid-sized financial services institutions rely on reporting modules from their banking cores to try and understand business performance and make strategic decisions. However, there are two problems with this approach.


First, core reporting only shows what has happened in the past. It does not provide predictive insights for acting now or in the future. As we know, market conditions can rapidly change. Looking back on what worked for your institution three months ago may inform you of past performance, but it has limited value when deciding what to do next. Your analysis is restricted to a view of the past, and then guesswork for what to do today. This is a business review, not data analytics.

Second, by the time that most financial institutions receive their core reports, it is months later. This means that if you are basing decision-making on analysis of the core reports, you are making decisions based upon stale data when market conditions can rapidly change. If you look back three to six months, you may likely see strong mortgage lending performance. But as we know, with climbing interest rates and inflation, mortgages are not the hot product that they were six months ago. If you decided to double-down on marketing and sales campaigns for achieving new mortgage loans, you would not achieve the same return on investment that you might have had six months ago. The core report data is old and does not reflect important market changes.

Analytics Provides New Opportunities

For these reasons, it is critical now more than ever to take action based on fresh data so you can be nimbler and pivot your strategy as the market shifts course. Analytics solutions built for credit unions and mid-market banks offer this granular level of insights-as-a-service at speed to inform banking strategies. The change in mortgage lending business is

an obvious one, given changes by the Fed in interest rates. But what about subtle changes in the market? What about life circumstances and behaviors that change with individual members or customers? Having information on what was relevant to a customer three months ago does little to inform your actions today.



WORKCO	DIRDEP	12/30/22	\$2150.00
WORKCO	DIRDEP	01/15/22	\$2150.00
WORKCO	DIRDEP	01/30/22	\$2150.00
ACMEINC	DIRDEP	2/25/22	\$2510.35
ACMEINC	DIRDEP	3/10/22	\$2510.35

For example, when a member changes jobs you have a window of opportunity to market an IRA product before the member is likely to settle into a new 401(k). If you market the IRA to the member three months later, she has probably already rolled-over into the new 401(k) and an opportunity is missed. Yet if you had a data analytics solution that provided daily insights, such as a change in the income stream pattern by amount or timing of payroll deposits, this could alert you to a change in employment status as it is happening. This gives you the opportunity to sell an investment product when the opportunity is ripe.

Prevent Crypto Fraud

Highly popular cryptocurrency is another area where daily insights are extremely valuable because of security implications. Easy entry into the industry enables bad actors to get in front of consumers due to lack of government regulation. Crypto puts banking institutions at greater risk than ever before at a time when cyberattacks are reaching new levels of sophistication, and monitoring and remediation resources are scarce.

Using data analytics, you can regularly mine your transactional data to determine which customers have money leaving or entering your bank from a cryptocurrency company. This will give you an actionable list of customer accounts that the security team can flag for cyber attackers so they can take immediate action when needed. In addition, you can conduct longer term proactive outreach and education with those customers about the security risks associated with crypto.

Using data analytics, you can regularly mine your transactional data to determine which customers have money leaving or entering your bank to or from competitors.

Win Back Customer Business

Up-to-the-minute intelligence about how your customers are interacting with competitors enables you to take measures to win their business. Predictive insights reveal money that is leaving a bank customer's account, and going to a competitive financial institution. Outside investment accounts, mortgages, auto loans, checking accounts, and other banking products can be identified, and transferred funds can be analyzed by competitor, product type, customer, payment amount, and duration. Based on this data, you can target selected customers with offers that are more attractive than those of the competition. These insights are gleaned daily from mining transactional data across all customers.

Conclusion

Only predictive data analytics can deliver daily insights at scale for all of your customers or members. By detecting trends and patterns revealing growth drivers through predictive analytics, your team can be nimble and positioned for informed decision-making. This leads to doing more of what is working and less of what is not effective in growing operating income and customer loyalty.



About Aunalytics

Aunalytics is a leading data management and analytics company delivering Insights-as-a-Service for mid-sized businesses and enterprises. Selected for the prestigious Inc. 5000 list for two consecutive years as one of the nation's fastest growing companies, Aunalytics offers managed IT services and managed analytics services, private cloud services, and a [private cloud-native data platform](#) for data management and analytics. The platform is built for universal data access, advanced analytics and AI—unifying distributed data silos into a single source of truth for highly accurate, actionable business information. Its [Daybreak™](#) industry intelligent data mart

combined with the power of the Aunalytics data platform provides industry-specific data models with built-in queries and AI for accurate mission-critical insights. To solve the talent gap that so many mid-sized businesses and enterprises located in secondary markets face, Aunalytics' side-by-side digital transformation model provides the technical talent needed for data management and analytics success in addition to its innovative technologies and tools. To learn more contact us at +1 855-799-DATA or visit Aunalytics at <https://www.aunalytics.com> or on [Twitter](#) and [LinkedIn](#).