



3SI

Security Systems

How to Future-Proof Your Bank Leveraging Technology to Improve Financial Fundamentals

Today, the financial industry is a technology-first industry.

Traditional banks are embracing digitalization and investing more in tech. Costs of the top U.S. banks jumped more than \$6.6 billion in the most recent quarter¹, driven partly by investments in trading platforms and trade processing tech, but also by investments in automating internal office processes and securities to cut costs long-term.

At the same time, challenger banks—cashless, online-only offerings—have proliferated during the pandemic. And while they’re still a long way from replacing conventional banks (total deposit market share is still in the low single digits²) the fact that they’re becoming more popular confirms that technology is quickly becoming a defining trait of banking.

Conventional and established banks need to differentiate themselves and give customers a reason to stay. Branch transformation is a powerful way to remain relevant, whether it’s “universal bankers” who can service anything a customer needs all in one place, or co-locating branches with other services and retailers (such as a coffee house) to enhance the branch experience.

The viability of branch transformation and an improved branch experience depends on core tenets like cost effectiveness, efficiency, and security. Before heading down the rabbit hole of new initiatives to attract and keep customers, it’s vital to bolster these fundamentals with existing technology.

¹ US banks ramp up spending on pay and technology; [Financial Times](#)

² US Challenger Banks Have Enjoyed a Spike in Customers During Covid but How Far Can They Go?; [The Fintech Times](#)

Tomorrow's bank, today

Forrester predicts that banks of the future will be insights-driven, connected, invisible, and purposeful³. Here's what these concepts mean:



Insights-driven

Banks will use insights from customer data to better serve them and generate financial intimacy. For instance, banks will offer personalized financial advice and risk assessment to customers based on personal data, such as their customers' identity and spending patterns, in return for the customer's trust and consent over the use of that data.



Connected

Instead of becoming a standalone financial service provider, banks of the future will be more connected. They will engage in more partnerships and be present in the ecosystems and products their customers use.

For example, last year, Bank of America recognized the importance of digital payments and partnered with Zelle, a digital payment service provider. The partnership was a resounding success—in the first quarter of 2020 alone, Bank of America customers made over 102 million transactions worth \$27 billion through Zelle⁴.



Invisible

As the world becomes more technologically advanced and connected, banks will have fewer and fewer opportunities for direct interaction with customers.

What we perceive as transactional banking—the idea of using a card or phone to pay for things—will be replaced by seamless, automated payments made by smart devices. For instance, a customer can load a smart car with \$100 that automatically makes payment at a gas station or tollbooth⁵.

Banks of the future will provide this convenience to customers even at the expense of brand visibility.



Purposeful

Consumers will look for a bank that aligns with them on a deeper level, such as environmental or social values. Barclays, the British multinational universal bank, is one such example—they recently partnered with Flux to issue digital receipts and go paperless as part of their efforts to be more environmentally friendly⁶.

In a nutshell, to compete and stay relevant in the future, banks will leverage technology to connect more deeply with customers, make banking more accessible and user-friendly, and build a value-driven financial ecosystem. However, to make these changes, banks must first continue to nurture consumer trust and improve internal processes, goals best achieved by embracing technology.

³ The Future Of Banking Has Arrived; [Forrester](#)

⁴ 8 bank and fintech partnerships that are changing financial services; [Flybits](#)

⁵ The Rise of the Invisible Bank; [American Banker](#)

⁶ Barclays takes a minority stake in digital receipts startup Flux; [Insider](#)

Strengthen banking fundamentals with tech solutions

Though technology in banking is often discussed in terms of how things like machine-learning and APIs can better serve consumers⁷, it can also mean helping banks improve core fundamentals—cost, efficiency, and security—to cement their foothold in the future.



Cost

One of the biggest strengths of challenger banks is their low operational cost. Some estimates report that challenger banks have a cost base that is 60 to 70% lower than conventional banks⁸.

Traditional banks can bridge this cost-advantage gap and maintain profitability by using technology to automate and streamline processes, optimize staffing, and reduce operational costs.

According to studies, banks that use technology to reduce staffing, lower real-estate requirements, and optimize customer interaction saw a 60 to 70 percent improvement in branch effectiveness, as measured by cost savings and increased sales⁹.



Efficiency

The problem with legacy solutions is that they consist of multiple moving parts, each item being a potential cost-sink, or worse, a point of failure. Branch openings, for example, typically require multiple staff present to complete a set of safety protocols, which is risky and inefficient.

Technology can help streamline these legacy multi-step processes into a quick, simple, and efficient operation while still fully complying with existing regulations.



Security

Consumer trust is one of the most significant advantages brick-and-mortar banks have over challenger banks—a recent EPAM survey showed that 82% of people stated that they were happy with their traditional bank¹⁰.

Investing in the right technological solutions for security (beyond just cybersecurity) will help maintain this status. Many banks invest heavily in deterrents (security cameras, armed guards, etc.); however, by themselves, they aren't enough to ensure the safety of customers and protect bank assets like cash and ATMs from attacks.

Inadequate security increases the likelihood of a local branch being robbed with staff or customers getting injured. News of such incidents will negatively impact the bank's brand and customer perception.

⁷ 2021 Consumer Banking Technology Trends; [J.P.Morgan](#)

⁸ Can Traditional Banks Keep Pace With Fintech Challengers?; [The Financial Brand](#)

⁹ A bank branch for the digital age; [McKinsey & Company](#)

¹⁰ COVID Has Given Traditional Banks the Upper Hand: Are They Blowing It?; [The Financial Brand](#)

Rethinking security: How to enhance effectiveness and efficiency

Security technology is often associated with cybersecurity and data protection, but that's only one aspect of it. It's important to consider how technology can service all aspects of a conventional bank's security.

For brick-and-mortar branches, effective and holistic security relies on these core competencies:

Secure and effective communications



In an emergency, an internal, specialized, employee-only tool (such as a security app) ensures that all communication is instantly routed to authorized parties, such as to security teams and monitoring centers.

Aside from two-way communication, these apps can also communicate location data and other critical information to law enforcement for a quicker response. After a security incident, these apps provide accurate data logging that, in the event of a security or regulatory audit, is fully compliant with required standards.

24-7 reliability



Banks may have operating hours, but criminals don't. Effective security technology means having a fail-safe that works around-the-clock, without needing full-time employee supervision or activation. Better still, certain automated security solutions allow law enforcement to immediately respond to the crime, maximizing the chances for recovery and criminal apprehension.

For example, consider GPS tracking technology that is covertly placed with valuable assets such as cash in bank vaults, teller drawers, or ATMs. Once it detects a crime, the tracker automatically activates, relaying location information directly to the authorities in real time.

Layered security



The concept of layered security refers to using multiple kinds of technology (or approaches) to mitigate the most threats. For instance, security cameras, armed guards, and alarms are deterrents, meant to discourage a criminal from committing a crime and are effective to a certain degree. However, adding another layer—such as GPS tracking technology—provides a contingency for when criminals manage to breach these defenses and reach the cash inside.

Advanced security solutions such as GPS tracking technology help law enforcement with investigation and recovery efforts after a robbery, burglary, or larceny (in the case of ATM attacks) has occurred. GPS tracking helps ensure that there's always another fail-safe in place, even if a criminal initially manages to avoid capture.

Technologies banks can leverage for efficiency and security

While the list of possible technological upgrades is nearly endless, banks' resources aren't. They must carefully weigh the cost-to-rewards ratio and choose options that give the highest ROI.

In such cases, focusing on solutions that improve on the fundamentals—cost savings, increased efficiency, and improved security—can ensure that conventional banks remain viable in the future.

Two security technologies—GPS tracking technology and safety system apps—have helped financial institutions improve these fundamentals.



GPS Tracking Tech

- **Real-time tracking**

Covert trackers are stored with high-value assets (cash, valuables, ATMs) which automatically detect a crime and relay that information to law enforcement in real time.

- **Discreet activation**

GPS trackers automatically and silently detect the crime and begin tracking without any employee involvement. This reduces the likelihood of violent confrontation, protecting your customers and employees.

- **Data retention**

GPS trackers keep an accurate history log which is important for a security audit. The device also automatically stores location data if cellular signal is lost, which can then be used forensically after a crime to help law enforcement secure a conviction.

Additionally, after a crime, law enforcement can use the detailed tracking data to retrace the steps of a fleeing criminal, sometimes leading to the discovery of additional information to corroborate other evidence or testimony.



Safety System Apps

- **Single employee openings and closings**

Automated opening and closing processes can be initiated with just a few taps on a security app by a single employee. Staff can also quickly contact security teams or authorities via the app during an emergency.

- **Uniform processes**

Following a digital checklist for security protocols minimizes human error. You don't need additional manpower to ensure proper procedures and compliance.

- **Electronic notifications of openings and closings**

Once the facility is securely opened, a message can be sent from the app to each staff member notifying them that it's safe to enter.

- **Panic alarm for employees**

If an emergency arises, employees can initiate a panic mode, signaling security teams. The app automatically transmits caller identity, location, and real-time audio and video. All data is securely recorded and can be used for legal proceedings after the event.

Stepping into the future with 3SI



Nationwide network of over 9,000 law enforcement agencies



GPS Tracking for ATMs, cash, vaults, etc.



24/7/365 Tracking Support Center



Advanced security apps for banks



50 years of experience protecting more than 250,000 locations worldwide



Equipping your bank for the future

Banks that don't embrace technology face difficulties—whether it's competing against digital upstarts like challenger banks or adapting to an economy that has become used to digital payments and social distancing. But with adversity comes opportunity, and it's possible to deal with these challenges while simultaneously becoming a financial institution of the future.

The answer lies with technology.

The branch of the future embeds technology at every level of its internal operations to ensure that processes and systems are simplified, accelerated, and profoundly more efficient. This helps ensure safety and security, leading to continued consumer trust and preserved brand reputation.

The benefits aren't just cost savings—they ensure continued growth and relevance in a rapidly changing landscape. Technology guarantees a future for banks, and 3SI can help you get there.



About 3SI

Since 1971, 3SI Security Systems has been a leading provider of asset protection and security solutions for ATMs, Financial institutions, Law Enforcement, Retail, Pharmacies, Transport, and more. Our solutions protect over 250,000 locations worldwide and have resulted in the arrests of 15,300 criminals and over \$136M in stolen cash and assets recovered. 3SI's mission is to help create a Safer World with innovative solutions and superior services that keep businesses and their employees safe from crime.

Contact one of our Security Experts to find out more.

info@3si.com | www.3si.com

