

Q2

Innovation at Scale

What financial institutions need today to create compelling digital banking experiences

SECTION 1

Meeting the digital banking moment with relentless innovation

No matter whether you are a small community credit union or a large commercial bank, the ability to develop and deploy innovative digital banking experiences is key to attracting and maintaining your client base, building your business, and launching new revenue opportunities. According to the Financial Brand, today's FIs need to make decisions faster, increase go-to-market speed, and adjust to market conditions with agility to innovate to meet the needs of their account holders.

Yet the financial services landscape has traditionally been one where you've heard "no" more than "yes" – or been told that the products and services you want to develop would require huge capital investments and months to years to implement. You might be tied down to specific technology platforms that limit your ability to innovate—or decades-old banking cores and their in-house solutions that your vendor virtually requires you use. Meanwhile, new fintechs are entering the competitive space every day with services and experiences designed to lure away your account holders. Finally, abundant regulatory and due diligence requirements can affect your ability to launch digital products.

This push for innovative digital banking services has only been exacerbated by the market forces of the last several years, including the ongoing stresses of the global pandemic. According to Deloitte, "COVID and the resulting acceleration of digital transformation has forced radical changes in customer behavior, moved significant portions of the economy online, and increased customers' comfort and willingness to engage digitally."



It's clear that the ground has shifted permanently: the traditional methods FIs have always used to deliver new technology simply can't deliver on today's needs.

How can you move fast, build innovative solutions, and even discover new revenue opportunities when you're tied down by your vendors, technology, and regulators?

Coupled with that challenge is the IT talent crunch: an industry-wide difficulty in finding and hiring top IT talent and taking on the costs to support full-time technical developers. The bottom line: no matter the size or scope of the organization, today's FIs must be able to meet the moment with innovative offerings that meet account holders' needs, provide outstanding digital experiences, and drive growth with new revenue streams. It's a charge that requires a commitment to relentless innovation: the skill of anticipating account holders' needs, realizing

opportunities for revenue growth in an environment rife with profit pressure, and heading off the threat of fintechs looking to siphon banking customers away from traditional financial institutions.

Imagine adopting a new mindset when it comes to innovation: a mindset of empowerment instead of limitation. Instead of feeling boxed in by the limits imposed by other entities, you're able to create exactly the digital solutions you envision for your end users. You can do this using your existing talent. Even more compelling, you can take advantage of the budding bank-fintech partnership ecosystem now emerging in the financial services world to offer revenue-generating fintech products and services directly to your account holders, within your digital solution, while strengthening your brand and earning your account holders' ongoing loyalty.

**That's a vision of *empowered innovation*.
How will you make it happen?**

In this eBook, you'll learn how your FI can adopt an empowered innovation mindset by evaluating your needs against the offerings of potential digital banking partners. You'll see how three key metrics applied to potential partners will uncover the potential for developing innovation with speed and agility. You'll learn the key questions to ask when considering whether potential digital banking partners can help you innovate with the speed, freedom and flexibility you need to meet the moment to provide truly innovative, future-proof digital experiences to your account holders while driving growth and brand loyalty.

SECTION 2

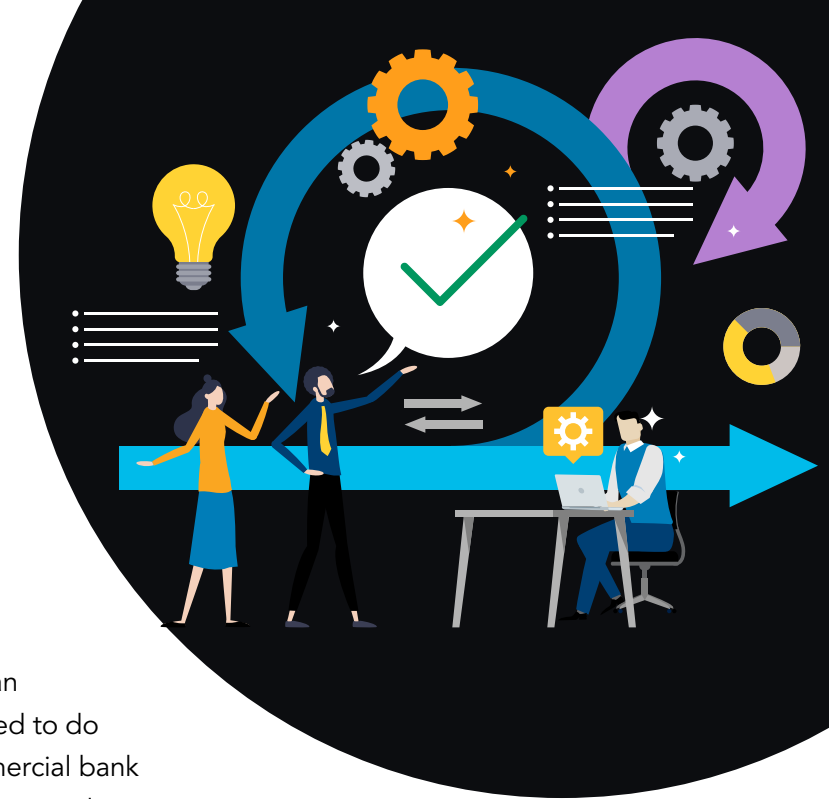
Engineered extensibility: The key to an innovative digital platform

To embrace innovation, you need the speed and agility to develop and deploy your digital offerings fast, in a secure cloud environment engineered for the specific needs of financial institutions. Being tied to a specific banking core is a nonstarter; having only a few options to personalize your offerings will tie you down to the limitations of the vendor—and their own development schedule for launching new features (whether you want them or not).

Different audiences require different solutions. For a community credit union, that might mean focusing your digital offering on the kinds of transactional tasks that your account holders used to do at a branch location: opening accounts, checking balances, applying for credit. A large commercial bank will have a very different set of needs, from instituting fraud protections to running payrolls to providing business loans. Most institutions will need a mix of both.

When evaluating potential partners, look for a comprehensive digital banking platform with engineered extensibility, one that empowers you to provide exactly the products and services your customer base requires, without locking you into a limited vision of what you want to achieve.

A truly innovative digital banking solution will offer the technology that empowers you to develop your ideas, extend as needed as your institution grows, and host your solution in an environment that allows you to deploy them quickly. Look for a solution that offers both a strong, well-designed set of baseline features, functions, and integrations that serve as the foundation of a well-engineered digital channel; and the extended features that make it easy to create unique offerings tailored to your customer base. Look for partners who offer a curated portfolio of built-in integrations and features. Whether you need digital support for end-to-end digital onboarding, financial wellness, commercial account support, lending and profitability, and data insights to strengthen engagement and allow for tailored marketing, your digital banking partner should offer these features as part of an integrated, extensible platform.



Look for a comprehensive digital banking platform with engineered extensibility.

SECTION 3

Look for built-in features, tool-free coding, and integrations ready to deploy today

No matter what suite of built-in features your digital banking partner provides, chances are that you'll eventually want to extend your offering by developing your own integrations. A platform that makes it easy to do just that, leapfrogging over the traditional months-to-years development timeline that has traditionally kept FIs from moving with speed and agility, will give you a competitive edge.

Imagine the power of an ecosystem of plug-and-play solutions that provides ultimate flexibility to innovate, including fintech integrations, a superior SDK, and full access to a range of development partners who can help you realize new ideas. This ecosystem should allow you to design and deploy exactly the digital offering that matches your customer needs, offer new products and services to your end users, and drive new revenue growth while keeping your audience focused on your brand.

It's a bold, wide vision for an innovative posture. To support your efforts, look for a platform that provides a **rich ecosystem of innovation options, pre-integrated and ready to use today**. Think ready-to-use, plug-and-play fintech offerings with everything from credit rating reviews to embedded bookkeeping tools. Consider the power of an open SDK for your IT team to develop on, and access to certified development partners with expertise in developing on the platform for your benefit.

According to The Financial Brand, "the fintech and big tech competitive landscape continues to expand, offering simple engagement and seamless experiences, causing customers to fragment existing relationships with their existing bank and credit union providers." The most innovative financial institutions today are embedding fintech solutions directly into their banking apps. It's a powerful way to offer valuable services to account holders, generate new revenue, and turn fintechs from competitors into partners: the ultimate win-win.

Ensure your digital banking platform offers a full range of solutions and tools, including:

- An open development platform and SDK with tool-free (low-code) development options
- Pre-integrated and easy-to-deploy fintech solutions to extend the platform
- The ability to create new non-interest income via fintech partnerships
- Certified development partners who can extend your vision.



SECTION 4

Evaluate partners for ease of use and a future-first mindset

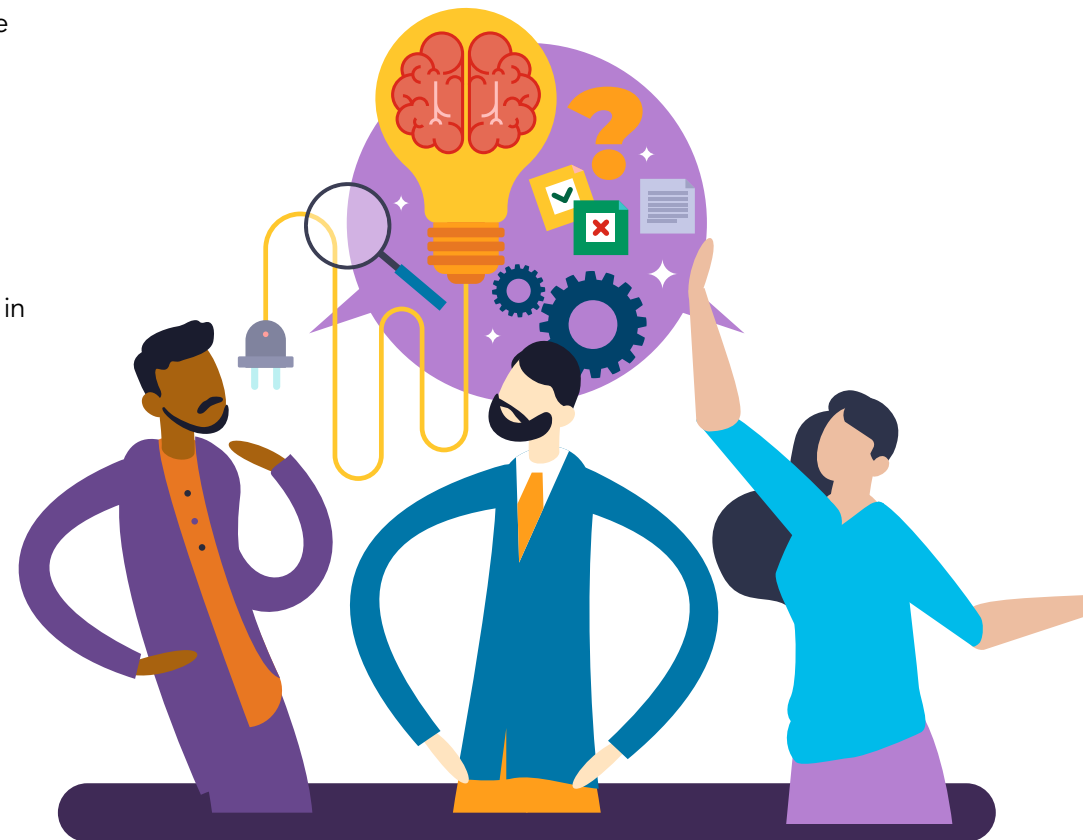
The last step on your journey to empowered innovation is ensuring your digital banking partner has a future-proof mindset with an ironclad commitment to easy, achievable innovation, now and in the future.

You're looking for a partner offering a host of options that allow you to simplify your innovation journey. Your partner will offer a single platform architecture that allows you to write solutions once, then run them everywhere your account holders meet you, whether on your app, website, tablet, or even in your branch. You're looking for an engineering team that focuses specifically on the issues relevant to your institution, with elegant solutions that demonstrate a deep understanding of your industry. Your back-end upgrades should be seamless, with a flawless customer service experience.

Look for a partner that offers the full range of services that make your innovation journey easy and achievable, including:

- Deep, long-term financial services expertise and experience
- Expertise in developing and deploying industry-leading innovations in data, hosting, UX, and security
- A future-proof mindset with continuous, ongoing, industry-leading innovations
- A commitment to enabling banking in everyday experiences, reimagining the role of financial institutions in the lives of account holders and meeting them where they are with innovative solutions.

An ironclad commitment to easy, achievable innovation, now and in the future.



SECTION 5

The Q2 digital banking platform: A single solution empowering today's financial institutions with unlimited innovation

Q2 offers a partnership with financial institutions built on an ironclad commitment to relentless innovation. Our digital banking platform is the result of decades of engineering and financial services expertise, best practices in data science and digital security, and a commitment to meeting the needs of today's financial institutions with digital solutions that stand the test of time.

Our platform is engineered for **easy, achievable innovation; built-in extensibility** to realize your vision; and a **rich ecosystem of fintech integrations** that you can deploy out of the box, no code required. We make it easy and fun for you to develop and deploy digital banking solutions that build out new revenue streams, drive growth, and keep your account holders focused on your brand.

[Learn how Q2's commitment to innovation can help your institution.](#)

[Schedule a consultation with our innovation experts today.](#)



About Q2

Q2 is a financial experience company dedicated to providing digital banking and lending solutions to banks, credit unions, alternative finance, and fintech companies in the U.S. and internationally. With comprehensive end-to-end solution sets, Q2 enables its partners to provide cohesive, secure, data-driven experiences to every account holder – from consumer to small business and corporate. Headquartered in Austin, Texas, Q2 has offices throughout the world and is publicly traded on the NYSE under the stock symbol QTWO. To learn more, please visit [Q2.com](https://www.q2.com).

Sources

¹ The Financial Brand, "3 Ways Any Financial Institution Can Move with Fintech Speed."

² Deloitte, "Digital banking redefined in 2021."

³ The Financial Brand, "6 Digital Banking Transformation Trends for 2022."