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Bankers as Buyers 2010

A summary of the report detailing what technology, solutions and services bankers will buy in 2010 and the changing financial industry landscape

Contributors

**Bradway
Research**

Aite



CELENT



SAWYERS & JACOBS LLC



Featured Articles

"This year's edition is rife with practical realism and cautious optimism."
– *Scott Mills, president, William Mills Agency*

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-By Marc DeCastro and Karen Massy, IDC Financial Insights

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-By Quintin Sykes, Cornerstone Advisors

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-By Jimmy Sawyers, Sawyers and Jacobs, LLC

❖ *Mobile Banking and Payments: The One Who Enrolls is the One Who Controls*

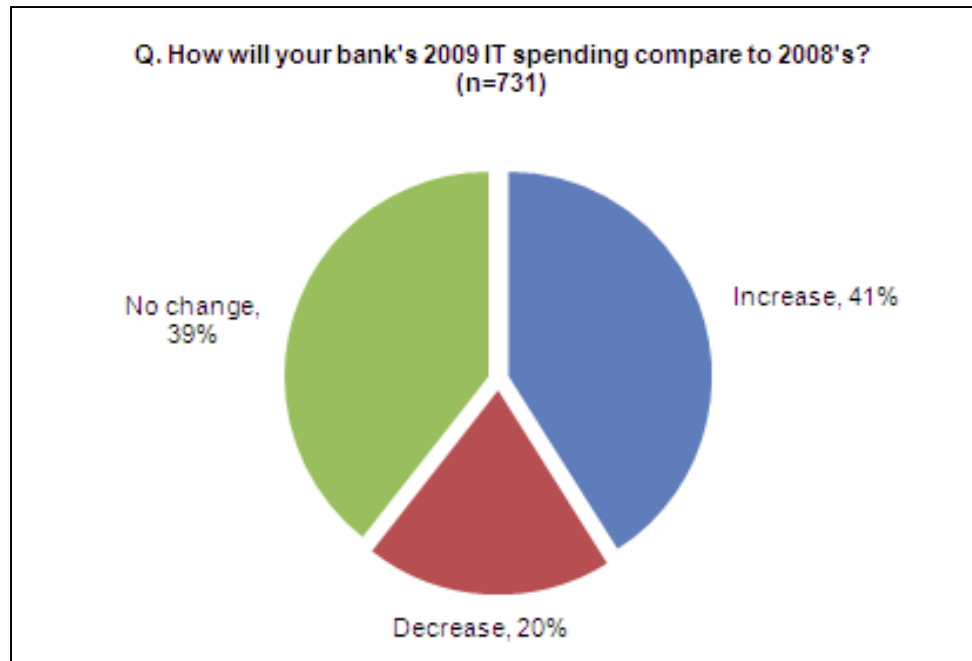
-By Richard K. Crone, Crone Consulting, LLC

❖ *The New Normal: Adapting to Change*

-By Chris Nelson, Zoot Enterprises

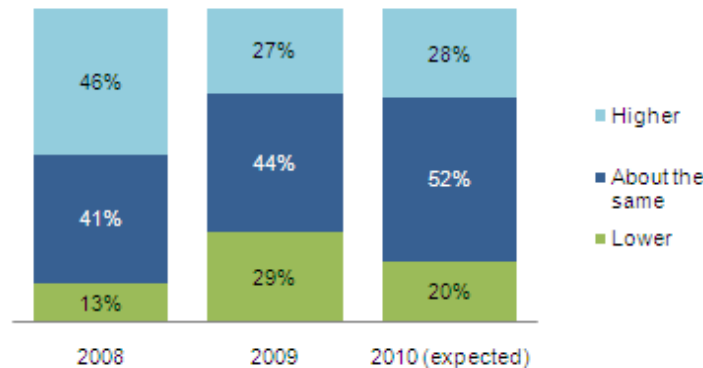
A Year in Review

In a February 2009 survey of community banks, Aite Group found that 41% expected to increase their technology spending from 2008.



Four months later, those figures had decreased, with only 23% of all banks surveyed expecting to increase technology spending in 2009.

Q: Please indicate how your firm's IT budget has changed/will likely change from the prior year.
(Among Total FIs, n = 80)



In the end, analysts saw a slight increase in technology spending in the second half of 2009, with banks investing in strategic technology such as mobile banking, risk management and online account opening efforts.

2010 Industry Landscape

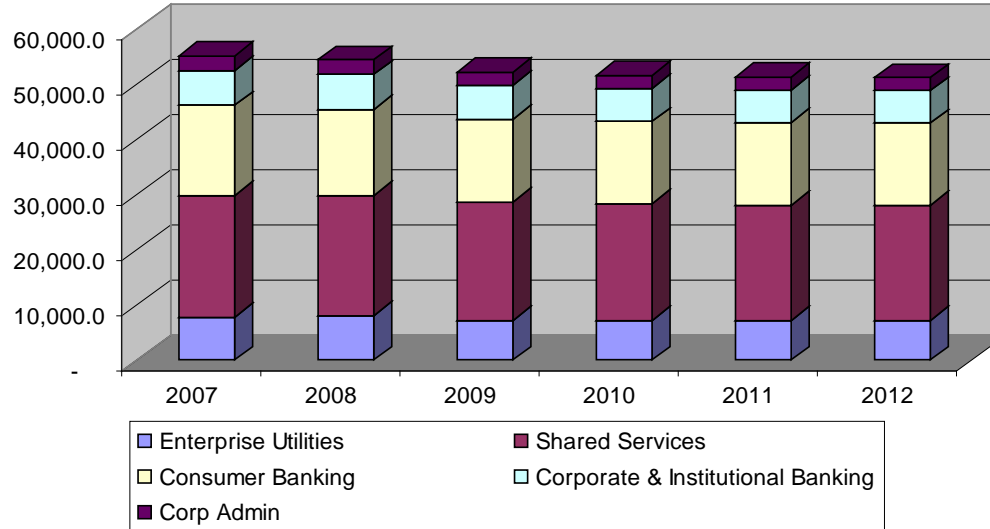
A survey by Aite Group of bank CIOs cites that 35% of institutions expect to be supporting growth by acquisition by mid-2011 as more banks fail and larger banks pick up the pieces.

- ❖ Consolidation in the industry through failures and mergers continues, with the pace quickening in the latter half of 2009
- ❖ There has been a more than 1.3% decline in the number of federal depository institutions since the 2009 *Bankers as Buyers* report
- ❖ The decline could increase in 2010 as regulators close more insolvent banks and the predicted wave of commercial real estate defaults hits

Spending Outlook

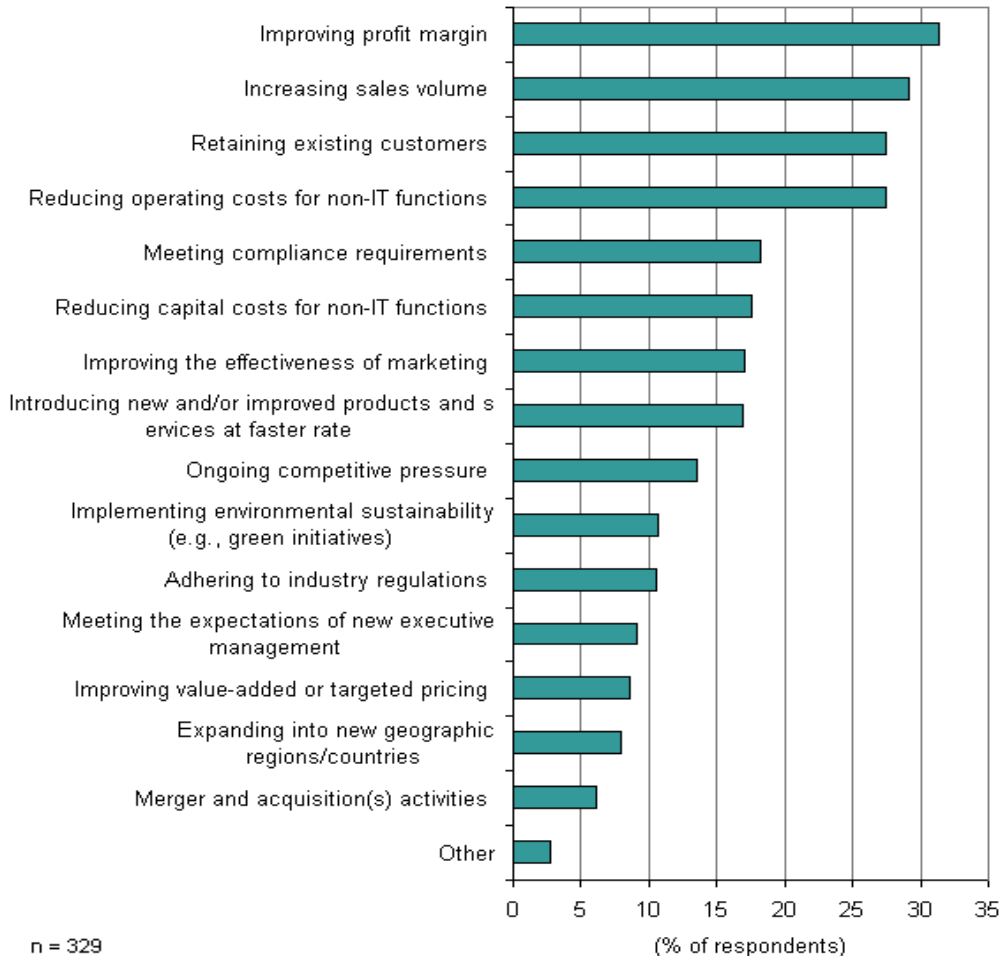
"A lot of things will reset to lower levels than they were before."
- *Jeanne Capachin, research vice president, global banking, IDC*
Financial Insights

North American Banking IT Spend



IT Investment Drivers

Q. Over the next 12 months, which of the following initiatives will be significant in driving IT investments at your U.S. organization?



n = 329

Source: IDC Financial Insights, 2009

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❖ According to IDC Financial Insights, over the next 12 months “improving profit margin” is the most important initiative driving IT investments.

❖ IDC Financial Insights predicts North American FIs to spend \$51 billion on IT in 2010 – more than 4% less than in 2009.

William Mills
AGENCY

Other Topics of Interest

Mobile Technology

"In the past, people wanted mobile banking to work just like Internet banking on their PCs. But now they want something that's quick loading and enabled to enter a PIN and password, so that you can check a balance, transfer funds or pay bills." -Jimmy Sawyers, Sawyers and Jacobs, LLC

Software as a Service

Compliance

"Compliance comes down to something people have to do." -Andy Greenawalt, CEO of Continuity Engine

Community Banks

"Community banks are seeing an increasing share of the deposits." -Jacob Jegher, senior analyst for Celent.

Cloud Computing

Social Media

"Social media helps build a sense of loyalty not just between the customers and the bank, but also between the bank and the community. It's a catalyst for business-to-business relationships." -Daniel Robbins, senior vice president, Atlantic Southern

Security



Bankers as Buyers 2010

To access the entire report, please visit the William Mills Agency on SlideShare at <http://www.slideshare.net/williammillsagency>

