

Welcome to the Invisible Bank and the Era of Frictionless Connectivity



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Technology is literally changing the way we do everything. Remember a decade ago when getting across town meant standing on a street corner and hailing a cab, or if you had the foresight, calling ahead and booking your ride? On top of that, you had to be sure you had enough cash on hand to pay the fare.

Of course, all of that changed in the blink of an eye with the advent of ride sharing. Now getting from point A to point B is as easy as opening an app on your smart phone. Not only is it simple to book the ride, but once your account is set up, payment is absolutely seamless. No longer do you have to search your wallet for cash. The app knows who you are and the entire transaction happens in the background, without further input on the part of the rider or the driver. Payment is embedded in the experience as part of the natural flow, so you don't have to think about it.

This is just one example of the changes happening in today's hyper-connected world. Artificial intelligence (AI), cloud computing and the Internet of Things (IoT) are promising to seamlessly integrate advanced functionality into our lifestyles, making everyday tasks incredibly convenient. Former Microsoft founder and CEO, Bill Gates, once said, "The advance of technology is based on making it fit in so that you don't really even notice it, so it's part of everyday life."

The connected future is here

The world is rapidly becoming far more connected. A recent study shows that more than four billion people around the world were using the internet as of 2018, which means over half of the global population is now connected.¹ And mobile technology continues to push connectivity to the farthest reaches of the planet. Studies predict that by 2025, more than 60 percent of the global population will be connected via the mobile internet.²

Hyper-connectivity is opening the door to a brave new world of treasury possibilities.

The digital transformation taking place across nearly every business sector is focused on improving the client experience. By harnessing the vast amounts of data available, technology promises to simplify everything we do by understanding our needs and preferences, and offering insightful recommendations or reducing mundane tasks.

Following in the footsteps of the consumer marketplace – where a frictionless, convenient, and seamless experience has come to be expected – the business world is now beginning to look for similar advancements.

Reducing friction between corporates and banks

Today we are seeing an evolution in financial services where banks and third-party providers are creating an embedded banking experience – one which seamlessly integrates banking functions and services into the daily duties of treasury professionals, delivering a nearly invisible connection between banks and corporates. The introduction of next generation technologies, such as Application Programming Interfaces (APIs), AI, robotics and chatbots,

is poised to deliver the "invisible bank," where treasury and banking functions meld together.

Banks, such as Citi, see this expansion of connectivity as an opportunity to dramatically improve the client experience. This means extending the reach of banking solutions beyond the bank's own channels and technologies, incorporating them into day-to-day treasury management functions. In this way, the friction between corporates and banks are reduced – making impossible to tell where the bank ends and treasury operations begin. Already today, APIs are used to retrieve account balances in real-time, fully automate payment status inquiries without any human intervention; and help institutions with larger initiatives such as faster settlement for insurance companies, real-time transactions for new economy workers and better working capital management using data visibility.

Innovations, such as APIs, are making it possible to conduct transactions instantaneously, improving liquidity decision-making and allowing treasury to better support overall business strategies and objectives. For example, the use of APIs is allowing clients to initiate payments directly from native enterprise resource planning (ERP) systems, eliminating the need to log into a banking portal. APIs are also enabling clients to access bank account information in real-time through their own systems, saving time and effort. In short, routine tasks will either become automated or made far easier to execute. As a result, the overall client experience will be greatly enhanced.

Putting data to work for clients

As the world becomes more hyper-connected, data is increasingly becoming a driving force behind the invisible bank. Next generation technology solutions are beginning to leverage data science to more thoroughly understand client behaviour in order to allow banks to make their systems smarter, so clients can work more efficiently.

Both bank and non-bank players are working to harness the power of data to extend the range of dynamic services being offered to corporates, while at the same time ensuring they are highly relevant to each corporate's specific needs.

By leveraging data and applying AI, financial services organizations are linking banking and treasury functions together in new ways and providing intelligent recommendations that can anticipate needs and simplify processes.

The continuous evolution of banking

It is clear that the digital banking universe is constantly evolving, which is why banks like Citi are meeting new challenges by working with clients to integrate solutions into their business processes – where they will make the biggest impact. Citi's mindset is to deliver best-in-class, real-time banking functions that literally become part of each client's DNA.

And what we are seeing today is only just the beginning for the invisible bank. Hyper-connectivity is opening the door to a brave new world of treasury possibilities. Emerging technologies, such as holographic and augmented reality interfaces, will eventually replace desktop, mobile and tablet banking functionality, making the experience even more intuitive and simple to use.

One thing is certain. The invisible bank offers an exciting future for corporate treasury – a future where the client experience reigns supreme. ■

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¹<https://wearesocial.com/blog/2018/01/global-digital-report-2018>

²<http://www.streamingmediaglobal.com/Articles/Editorial/Featured-Articles/MWC-2018-With-5G-World-Is-On-the-Cusp-of-Hyper-Connectivity-123431.aspx>

