Insights | Corporate Clients

Time to Go Mobile: Institutions Must Embrace Banking "Anytime, Anywhere" to Remain Competitive

Mobile banking, with its incremental security features, increases institutions' productivity and enhances users' convenience. Companies that delay the adoption are missing out on the convenience of mobile technologies and putting themselves at a competitive disadvantage.

Mobile devices are a crucial part of all of our lives. More than two-thirds of the world's 7.6 billion people have a mobile phone while over 4 billion use the internet, an increasing number via mobile[1]. We now rely on our mobile devices for the wealth of knowledge accessible in real time as well as social media, access to retail banking, shopping, navigation and more. Many of us find it hard to imagine how we would get by without our smartphones.

Mobile has also become increasingly important to institutions. Messaging services such as WhatsApp group chats play an important role in keeping a mobile workforce in contact, while mobile-enabled Internet of Things (IoT) is helping to transform supply chain management.

Companies are increasingly adopting mobile banking: the global B2B mobile money transfer industry is already valued at USD150 trillion and will be worth

USD218 trillion by 2022, according to Juniper Research[2]. Rapid growth of mobile banking and payments suggests there is growing comfort among institutions to adopt these most convenient of capabilities.

However, some companies have still not made mobile a strategic part of their treasury activities. Some cite employees' reluctance to use personal mobiles for company business or policies that limit their use. Others point out that some companies prohibit employees' use of mobile devices at their workstations. Still more suggest that mobiles compromise security. A handful of people candidly admit that they simply do not want to make the effort to adopt mobile.

These hesitations are no longer valid. If institutional policies prohibit the use of mobiles for business use, then the answer is to mobilize change to achieve efficiency benefits rather than hide behind an outdated policy.

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[1] https://wearesocial.com/us/blog/2018/01/global-digital-report-2018
[2] https://www.juniperresearch.com/press/press-releases/fintech-innovation-propels-b2b-money-transfer

One of the strongest arguments in favor of adopting mobile banking is therefore its ability to improve productivity and reduce end-to-end transaction execution time by enabling treasury and finance officials to perform their job on the move.

In particular, concerns about security have been soundly discredited in recent years. Thousands of employees regularly use their mobiles to manage their lifestyles including communications with colleagues, personal banking and paying for purchases. At an institutional level, banks (despite their risk aversion given their central role in the financial system) widely encourage their staff to use mobile extensively, including for confidential messaging and approving transactions. Many of the world's leading institutions have followed suit. Provided companies and device owners follow best practices such as using updated anti-malware tools, ensuring authentication details are kept secure and confidential for each user, and ensuring devices are running the latest operating systems – they can optimize the benefits of mobile technology while minimizing their risks.

Delaying the inevitable is no longer an option. Institutions that do not adopt mobile technology run the risk of being unable to compete effectively in an ever-more dynamic market environment.

Why Go Mobile?
Treasurers and finance officials are busy people. To keep them tied to their desks in order to authorize payments is a waste of their time and an inefficient use of company resources. One of the strongest arguments in favor of adopting mobile banking is therefore its ability to improve productivity and reduce end-to-end transaction execution time by enabling treasury and finance officials to perform their jobs on the move.

Take the example of a Fortune 500 firm making a bolt-on acquisition. The global treasurer has sole authority to authorize a large value payment required to complete the deal, but is on a business trip. At a business dinner the treasurer receives a message to approve the payment immediately and can securely review and approve within minutes using an app.

Mobile also enables executives to act on SMS and email notifications for payment and trade flows immediately. Business use of instant payments is gaining ground and real-time flexibility will become more important.

How Citi is Transforming Mobile
Citi is at the forefront of innovations in mobile banking including:

CitiDirect BE® Mobile App gives users the ability to authorize transactions, view account balances, manage users and more using an easy-to-use, convenient, secure and feature-rich app. Leverages the same security and access controls as CitiDirect BE®.

MobilePASS™ soft tokens enable users to log in to CitiDirect BE® desktop or mobile, by securely generating dynamic passcodes from a smartphone, eliminating the need to carry physical tokens.

Login Biometrics offer users faster, simpler and more secure digital authentication by utilizing a user's unique physical traits, (such as a fingerprint or facial recognition). Physical trait data is not transferred to the bank.

Additional Security Measures include behavior profiling such as typing cadence or navigational preferences to identify genuine users; analytics to identity unusual login patterns (such as a new PC, location, time); a malware detection tool to identify malware on a user's browser when they log in; and Citi Payment Outlier Detection, which applies machine learning algorithms to analyze and identify unusual payments.

Employee Education Through Policy Change

Some employees might resent using their mobile devices for corporate apps. But business is rapidly moving to a 24/7 model and treasury cannot be an exception. Mobile actually delivers benefits for users in terms of convenience and efficiency that vastly outweigh concerns about having corporate apps on their personal phone. Therefore, institutions need to be more assertive about mandating its use, especially since modern apps are designed to consume minimal data and storage space on a mobile device.

For years, treasurers and other staff have complained about the need to carry multiple physical bank tokens, which are easy to lose. Now mobile apps can take advantage of the fact that everyone has their mobile with them. They can conveniently generate a dynamic passcode without the need for network connectivity – a seamless process that uses fingerprint or face recognition.

Institutions also need to address the lack of knowledge about mobile banking. Mobile banking apps are not a replication of a desktop experience. Instead, functionality and user interfaces are streamlined and simplified to be as intuitive as possible. Importantly, mobile apps can be tailored to different users so a CFO may see balances and authorize payments while other staff have access to alternative functionality that matches their role – further improving productivity.

For instance, imagine that a cash payments authorizer unexpectedly resigns and hastily leaves the office with their physical card that generates a dynamic passcode and personal phone that contains a soft token access solution. The institution's security managers (who manage all banking access entitlements) are traveling and unable to access a computer to log in to online banking. Using their mobile they can immediately revoke the former employee's access and prevent any potential fraudulent activity. It is equally easy for them to approve new users on their mobile when new employees are hired.

Mobile Offers Superior Security

One common worry among treasury professionals yet to adopt mobile technology is that authorizing large value payments on a mobile is less safe than using a desktop. But this is completely unjustified. Like desktop apps, mobile apps' cybersecurity capabilities are updated constantly to take account of emerging threats. Over the past two years, more than USD5 trillion has been approved on CitiDirect BE® Mobile demonstrating institutions' willingness to use mobile devices for high value transactions.

Mobile can actually offer superior security functionality. A mobile device belongs to a specific user, which significantly reduces the risk of unauthorized access as a result of shared physical tokens and common passwords. Mobile phone security, including swipe pattern or biometric login (such as fingerprint or face recognition), offers additional safeguards to reassure companies when compared to a physical token.

Some institutions are concerned about the ability of treasury and finance staff to access functionality outside the office or business hours once they have banking apps on their phone. However, it is straightforward to restrict access to specific accounts or specific times (such as regular business hours) via online banking.

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The Mobile Opportunity Awaits

Institutions that overlook mobile banking solutions are jeopardizing their efficiency and competitiveness. Mobile saves time, accelerates payment execution and streamlines treasury activity. Any firm that continues to procrastinate on mobile or to take advantage of these opportunities therefore puts itself at a disadvantage to its competitors and, in the long term, could damage the interests of stakeholders.

Banks have addressed many of the security concerns that once worried companies about mobile, as demonstrated by banks' own extensive use. The only barriers that now stand between institutions and the productivity, efficiency and security gains offered by mobile banking are cultural and procedural. Institutions must put aside their hesitations of the past and make mobile a central part of their strategic vision and operational policy.

With operations increasingly global and 24/7, mobile is the ideal solution to keep pace. It is necessary for institutions to take an open-minded, evidence-based approach to leverage the convenience of mobile to improve the effectiveness of treasury management: the time has come to embrace mobile.

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