

7 Best Practices For Aligning Fintech With Your Business Strategy

By Michael Berman

Fintech is one of the buzziest trends in financial services right now, and no financial institution wants to be left behind. But with seemingly boundless opportunities, how do you know which fintech partnerships make sense for your FI?

Here are seven tips for making sure your fintech activities align with your business strategy:

1. Start with a clearly defined business strategy.

Strategy, not technology, should drive your fintech decisions. Before considering any fintech partnerships, make sure you have a clearly defined and communicated business strategy that aligns with your FI's objectives. Don't get on board with a promising technology and then build a strategy around it.

2. Don't blindly jump into opportunities that fall in your lap—seek out partnerships that will support your goals.

Don't just sign on for a fintech partnership because it sounds cool. Only experiment with fintech if you have a goal and purpose in mind. Think about what you're trying to accomplish.

3. Don't spread your focus too thinly.

Not every new initiative needs to have ties to a fintech partnership.

4. Only experiment in areas that are important to your business.

Use your limited resources to explore fintech that can make a significant contribution to your FI. Experimenting with fintech partnerships that do nothing to drive bottom-line results may not be a good use of time and effort.

5. Make sure the business side and tech team work together.

A lot of times an FI will direct IT staff to develop fintech partnerships. While IT has a lot of insight to offer, they don't have all the information to drive the decision. Business and IT need to work together to find and deploy fintech partnerships that make sense. It shouldn't be a strictly business or tech initiative.

6. Have a plan to build user buy-in.

The people who ask for, research, and implement fintech will naturally be the most excited about it, but that enthusiasm isn't always contagious. Have a plan to help the people who didn't ask for the technology they actually use.

7. Plan ahead to ensure your third-party vendors can support your goals.

Don't be caught off guard by a vendor that thwarts your brilliant fintech partnership plans by telling you the technology isn't compatible with its own. Try to look ahead to where your institution wants to be in three to five years before signing vendor agreements so that you can determine if the vendor that serves you well now can also serve you in the not-too-distant future.

Don't let a fintech misstep distract your FI from its goals and objectives. Make sure you follow these best practices to find fintech partnerships that align with your business strategy.