

Corporate Mobile Banking: Cash Management

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May 24, 2011

Together we'll go far



Corporate mobile banking

What has changed since we presented here two years ago?

- Apple gained significant share of what has now become a multiple-operating system mobile market that was dominated by BlackBerry
 - Android too
- Tablets have taken the market by storm and are likely to become a widely adopted future platform for business users
 - Just a rumor two years ago
- More banks are starting to offer corporate mobile banking
- From a bank perspective, it's gotten more complicated

What remains the same?

- Everybody is still **talking** about payments
- Security remains top of mind and is a deterrent for corporate users
- Mobile adoption is small now but growing

So let's get started!

Today's topics

- The mobile landscape
- Day in the life for corporate mobile banking
- Trends and best practices
- Questions anytime



But first: What is **your mobile profile?**

Mobile Landscape

The mobile industry today

- Consumer mobile banking nearly doubled from 2010 to 2011.¹
- Mobile is being driven by adoption of smartphones and an increasing use of the mobile web
 - Cheaper data plans and faster connections
 - The allure of apps
- In the last quarter of 2010, more smartphones were shipped globally than PCs, and the number of smartphones sold was up 87.2% over Q4 2009.²
- By 2015, Forrester predicts that one in five U.S. adults will be using mobile banking.³
- A survey by Aite Group and Fundtech found that 65% of treasurers are interested in adopting mobile banking.⁴

¹ FIS, "[Consumer Adoption and Satisfaction with Mobile Banking Surges in 2011](#)," April 5, 2011.

² Joseph Menn (referring to International Data Corp.), "[Smartphone Shipments Surpass PCs](#)," FT.com, February 8, 2011.

³ Alexander Hesse, "[Forrester's Vision on the Next Generation of Digital Financial Services](#)," eBusiness & Channel Strategy Professionals Blog, March 28, 2011.

⁴ Fundtech, "[Survey Shows High Demand for Corporate Mobile Banking Around the Globe](#)," October 25, 2010.

Why companies should care about mobile

They're already interested

- More than half of the businesses surveyed in 2010 support **personal** mobile devices.⁵
- About 2/3 of businesses surveyed in late 2010 said they were at least “somewhat likely” to use **basic** mobile corporate banking services in the next 12 months.⁶
- More than half were interested in more **advanced** services, such as wire transfers and payment initiation, and about half are also **willing to pay** for mobile cash management services.⁷

They're already implementing

- **Eighty-eight percent** of the Fortune 100 businesses are deploying or piloting the iPhone.⁸
- **Eighty percent** are deploying or testing the iPad.⁹
- Nearly one third of bankers surveyed in March 2011 believe mobile corporate banking will become a **competitive differentiator**; but more than 75% also believe there may be important security concerns.¹⁰

⁵ Alexander Hesse, Forrester, March 28, 2011.

⁶ Fundtech, October 25, 2010.

⁷ Ibid.

⁸ Apple, “[Notes from Apple's Q1 2011 Conference Call](#),” Apple Insider, January 18, 2011.

⁹ Ibid.

¹⁰ Fundtech, “[Most Bankers Rate Mobile Corporate Banking as a Priority](#),” March 30, 2011.

Quick primer on mobile



Texting
 1-Way Alerts
 Easiest
 2-Way Info
 2-Way
 Transactions

Browser
 Device agnostic
 Build once
 Less robust
 UI

Apps
 Heavier investment
 Choose which platforms
 More robust UI
 Camera/RDC

Tablets
 Evolving
 More like full laptop experience?
 Apps and browser
 Bigger real estate

Voice
 Voice authentication
 Voice-controlled browsers

All should be complimentary, especially with traditional online experience

All must be done **securely**

Compare and contrast – mobile behavior

Consumer and Business Users Similarities	Business User Differences	Small Business Additional Behavior
<ul style="list-style-type: none">▪ Similar devices▪ One device▪ Snack-size interaction▪ Open to texting	<ul style="list-style-type: none">▪ Security concerns▪ Company-issued device▪ Company-controlled device▪ High priority/timely items	<ul style="list-style-type: none">▪ Wearing many hats (no dual custody)▪ Less back-office support (more self-service)

Corporate Mobile Banking

Compare and contrast – banking needs

Consumer	Business	Small Business
<ul style="list-style-type: none">▪ ATM lookup▪ Balances and recent activity▪ Transfers▪ Bill pay▪ P2P▪ Alerts	<ul style="list-style-type: none">▪ Monitor account activity▪ Transaction approvals▪ Monitor for fraud▪ Initiate transactions	<ul style="list-style-type: none">▪ Everything to the left, plus:<ul style="list-style-type: none">– Remote deposit– Take payments

How mobile services benefit business users

Save time, stay up to date on business accounts

- Snack-size information on all of your accounts
- Just a few taps away from critical information

Manage cash flow quickly and easily

- Approve ACH payments or initiate wires from anywhere
- Check incoming payments
- Make transfers to fund accounts, support controlled disbursements

Enhanced fraud monitoring

- Receive alerts on a smartphone or mobile device to act more quickly
- Managers and approvers with mobile phones are never out of reach

Stay in touch in an emergency

- Perform basic cash management functions using only your phone
- Adds another layer to business contingency plan

A day in the life of a corporate mobile user

Frequent traveler

Uses mobile to:

- Check cash positions
- View calendar of upcoming scheduled payments, and initiate wire payments to:
 - Get an early pay discount, or
 - Avoid late fees
- Accept a check from a distributor and make a remote deposit
- Enter out of pocket expenses for her expense report



Uses her smartphone so she's never "financially out-of-touch" while visiting suppliers

A day in the life of a corporate mobile user

Decision maker

Uses mobile to:

- Receive alerts that indicate potential fraud
 - View exception items and take action
- Receive email notification of an important high value wire payment awaiting his approval
 - He can review the amount, beneficiary, account, value date, other details
 - Approve the payment
- Check on projected USD and foreign currency cash positions



Uses mobile to receive critical alerts while he's at the office but away from his desk

A day in the life of a corporate mobile user

Geographically dispersed

Uses mobile to:

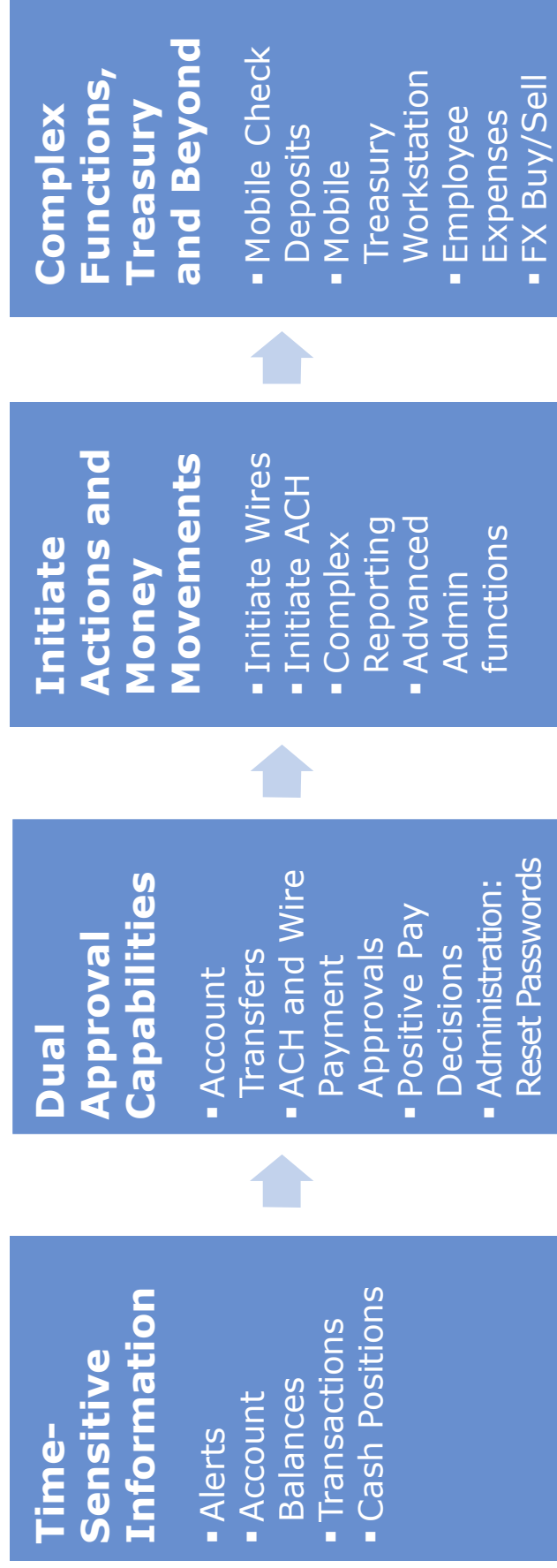
- View end-of-day balances and sweep amounts
- Approve a temporary wire limit approval increase for one of his assistant controllers
- Get confirmation of month-end close
- Review and release payroll ACH batch
- View and fund controlled disbursement accounts:
 - Transfer funds to cover checks
 - Eliminate overdrafts and idle balances



Uses his smartphone to stay in touch while he's at one of the production facilities

How banks are approaching mobile functionality

Banks are planning their product offerings as mobile adoption has increased and new customer needs have been identified



Trends and Best Practices

Essential Features

Banks need to address these essential features as they develop and implement mobile services for their customers.

- Access on multiple devices
- Extension of online – need consistent information
- No fee or low cost
- Fast access over the air with efficient data
- Robust security and fraud detection
- Consistent security and login credentials

- Snack-size functionality
 - Two minutes before the airplane door closes
- Streamlined, efficient flow
 - But with enough information
- Clean and simple user interface
- Ability to confirm or document mobile transactions

How banks are approaching mobile technology

Banks' Approach to Mobile

- Mobile web (browser) is the best way to reach all platforms
- App stores are established distribution channels for multiple platforms
 - However, banks must maintain control and monitor for fraudulent apps
- Devices today: iPhone, BlackBerry, and Android are the dominant devices; tablet operating systems continue to evolve (iOS, QNX, Honeycomb)
- User experience design is taking a front seat
 - Smaller devices and unpredictable connectivity demands good design
 - Designing for tablets is a new opportunity
- Rapid development cycles – it's challenging!

Mobile browser versus mobile apps

While services are easily designed to be accessed on any mobile browser, apps present an opportunity to design specifically for a particular mobile platform.

- Well-designed mobile browser sites can deliver very lightweight and efficient user experiences
- Well-designed apps can deliver a customized experience for that particular device.

Mobile Browser	Mobile App
<ul style="list-style-type: none">▪ More easily developed for multiple devices▪ Recent advances in HTML5 giving mobile browsers a much more robust user experience	<ul style="list-style-type: none">▪ Richer user experience▪ Able to take advantage of phone features (e.g., camera)▪ Able to incorporate push alerts▪ User gets an easy to use “presence” on a crowded device screen

What about those tablets?

Disruptive but undefined technology

- 15 million iPads sold in 2010, 2011 holds more growth
- Role in enterprise being determined
- 2011 may bring some early standards

Larger screens and touch capability lead to new hypotheses

- More productive than a mobile phone, less productive than a laptop – intuitive software will determine the growth of utility on tablets
- Equal parts work (production) and entertainment (consumption)
- Could lead to a fractured work ecosystem with some software and data on laptops and some on tablets

Tablets are weaker for some tasks

- Processor-intensive tasks, such as large spreadsheets
- Long content creation/editing tasks where a keyboard is easier
- Anything requiring fine-grained pointing with mouse
- Multiple windows and screens

Security and fraud protection: Best practices

Security and fraud issues remain the #1 concern among those considering corporate mobile banking, and one of the primary challenges to increasing adoption.

Encrypted connection

- Banks need to be sure they're using the most current encryption and security technology for mobile banking.

Dual control remains the #1 deterrent to fraud

- Customers can help protect themselves against fraud by using dual custody, requiring separate users to initiate and approve money movement transactions.

Secure sign-on and transactions

- Require full credentials for all mobile services, and additional authentication for sensitive transactions.

Secure device

- Store no data on the device. If a customer loses a mobile device, company information would not be accessible.
- Secure mobile sessions should terminate after a specified period of inactivity to help prevent unauthorized access to customer data.

The future of mobile banking

- **Functionality**, along with continued smartphone adoption, will drive more usage
- **Mobile payments** will continue to evolve, as the ecosystem shakes out:
 - Non banks, Banks, Wireless Carriers, Merchants, Payment Processors
 - Mobile devices, POS terminals, NFC chips, NFC stickers
- **Mobile web & webapps** technology will continue to evolve and enhance the mobile experience
- **Device technology: native apps**
 - Voice/microphone
 - Cameras/imaging: Remote check deposit
- **Tablets are here to stay**; together with mobile, they could change how work gets done
 - Bigger displays, multitouch (11 fingers), accelerometer, location, video
 - iPad, Motorola Xoom, BlackBerry Playbook?
- **IT multidevice support**

Questions?

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Thank you!