**Independent Banker**

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**Portfolio**

**[tag] Innovation Station**

**[hed] Making the case for responsible innovation**

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The rapid pace of today’s financial services landscape pulls community banks in varied directions. You must balance technology upgrades with budgetary constraints and identify your bank’s pressing priorities. And as you look to evolve technology stacks, products and services to meet growing demands, I recommend keeping this point in mind: The best strategy is to invest in responsible innovation.

Responsible innovation speaks to a walk-before-you-run mindset, identifying the combinations and permutations of innovation that will be the most beneficial and the least disruptive. You enjoy a unique, relationship-oriented business model that’s sacred, and it remains an attribute that needs to be guarded. So, seek out a way to move the innovation process forward with minimum impact on the qualitative nature of the relationship.

[subhed] The first step

The good news: There are plenty of ways to begin the journey without client-facing effects. Over the past few years, we have found that the back office offers an easier starting point for most banks. That’s why providers like HuLoop Automation, from our sixth ThinkTECH Accelerator cohort, have resonated. Leveraging Huloop’s robotic process automation (RPA) tools to create more efficient back-office processes and eliminate historically redundant, manual ones frees up time to focus on the customer relationship.

By starting with back-office solutions, you can also minimize your initial investment and the impact on day-to-day operations, while also allowing for measurable improvements. This approach will create space for course adjustments as necessary, grounded in a lean, agile method that sets out to hypothesize, test, measure, review, refine and repeat.

[subhed] Future considerations

Once you’ve taken that first step, I encourage you to continue on the path toward responsible innovation. Lending may be the pinnacle of innovation success with the most potential for complexity, but it also holds the biggest opportunity to find efficiencies and apply fresh solutions. In fact, our most recent ThinkTECH Accelerator cohort offers solutions that carry all the way through to risk mitigation with the likes of RiskScout, a cloud-based tool to help you manage BSA/AML compliance and regulatory challenges, and more efficient client-facing experiences like the solutions of Savvi AI, which helps you build, launch and manage AI apps for the end-to-end lending (or other) process.

So, as you read this month’s lending issue, do it with an eye toward what’s to come. Think about how you can best prepare for the opening of the lending floodgates, as customers get more comfortable with the new norm of interest rates. Don’t wait and see—take this time to invest in responsible innovation and get the foundational elements in place to better position your institution for the future.

***Charles E. Potts*** *is ICBA’s executive vice president and chief innovation officer.*

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