



Corporate Mobile Banking Targets Increased Treasury Productivity

Mobile banking is the next frontier in corporate cash management, according to research and advisory firm Celent.

Already unshackled from their office desks by browser-based computing solutions, treasury managers soon also will be able to leave their laptops behind and perform a growing list of cash management functions using a mobile phone or other handheld device, predicts Jacob Jegher, a Senior Analyst in Celent's Banking group.

In his report, "Corporate Mobile Banking: The Times They Are a-Changing," Jegher projects that 25% of corporate online banking customers will be engaged in mobile banking by the end of 2009.

From Consumer to Corporate Applications

Mobile banking refers to any banking service developed specifically for a mobile device such as a cell phone or a smartphone. While financial institutions have initially focused on providing mobile banking services to consumers, they are slowly turning their attention to the commercial market, Celent's research suggests.

Jegher believes corporations will be receptive to mobile banking because, according to his report, more than 80% of global executives already connect to their workplace using a mobile device. "Businesses have affixed mobile devices to their users' hips and expect them to use them to improve productivity," Jegher writes in his report.

The leap for treasury managers, he says, will be to expand their use of mobile devices beyond sending and receiving e-mail.

Evolving Functionality

Corporate mobile banking builds upon the cash management "alerts" capabilities that banks have made available to companies for a number of years. By adding mobile browser technology and ultimately downloadable applications to existing text-messaging capabilities, banks are expected to move corporate mobile banking functionality from the delivery of static information to interactive transaction capabilities.

Look for introductory mobile banking features and functions to include static information in the form of alerts, basic account balance information and payment details.

As applications mature and customers begin to appreciate the value of mobile access, banks will begin to introduce interactive functions such as positive pay decisioning, account transfers and payment approvals, Jegher forecasts.

Future functionality also will likely include the ability to view check images, execute customer service and administrative tasks, and ultimately to initiate payments, he says.

The Value Proposition

The value proposition isn't to have every employee in every treasury organization using mobile banking, Jegher says. The objective is to make select treasury executives, particularly those who travel extensively and have managerial and administrative duties, more productive while they are away from the office.

Typically, these managers already carry mobile devices. So, the thinking goes, why not have them use those devices to enhance communication with other treasury personnel back at the office?

For instance, if a treasury staffer creates a payment, and the treasury manager that must approve the payment is traveling, using a mobile device to execute that approval remotely can eliminate delays. "One of the biggest drivers of corporate mobile banking is the ability to improve productivity by increasing collaboration among users within a corporation," Jegher says.

Similar efficiency is achieved when a manager on the road uses a mobile device to communicate positive pay decisions to the company's bank.

An Emerging Mobile Banking Channel

According to Jegher, other factors that will drive acceptance of corporate mobile banking include the development of smartphones, which are ideally suited for this purpose, the emergence of faster networks with greater bandwidth and the fact that data plans from telecommunications providers are already prevalent. ("Users can access the mobile banking service without having to worry about incurring additional charges," Jegher notes in his report.)

Initially the corporate community will view mobile banking as a product, but ultimately that perception will change and it will be seen as just another banking channel, Jegher predicts.

"Eventually mobile will converge with all the other channels to provide a more uniform banking experience," Jegher says.