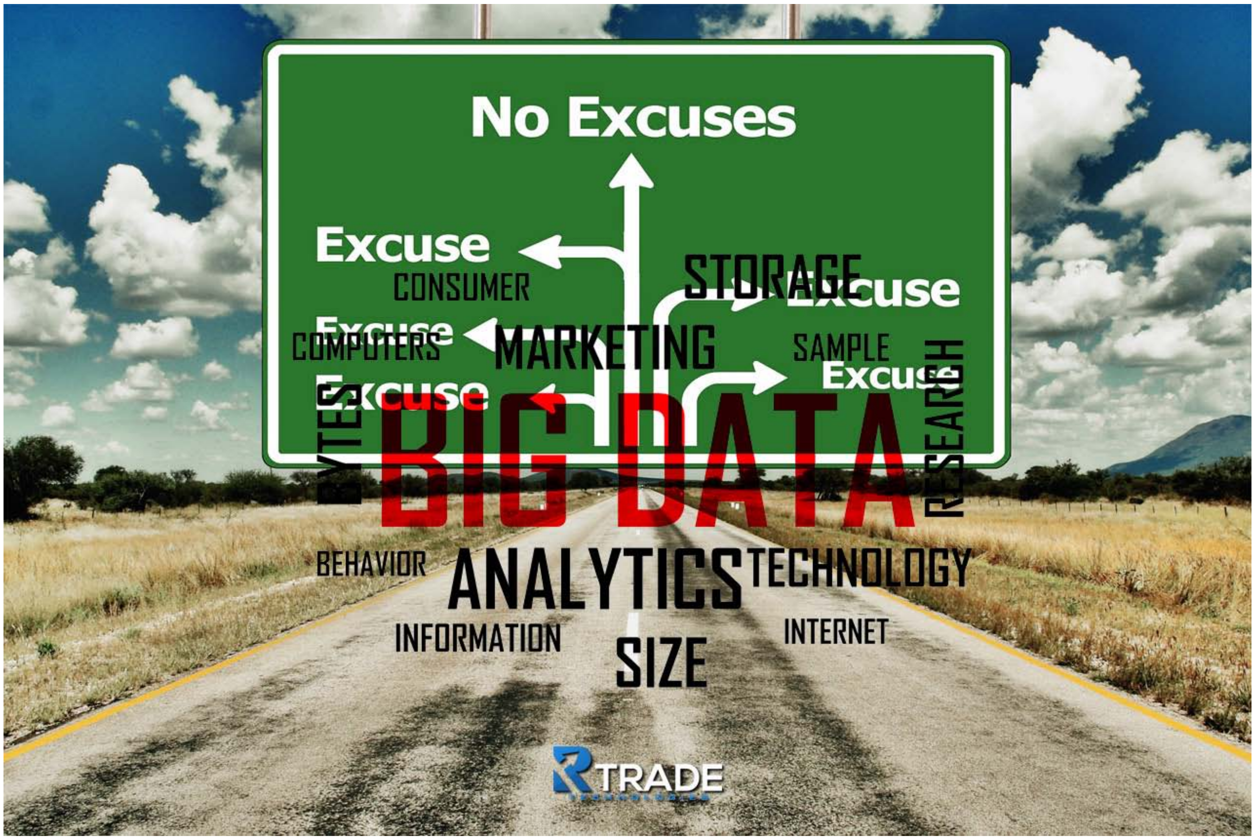
FinTech Banking Reality Check

Written by Maurice Cardinal



FinTech poses serious and frightening challenges for the enterprise banking and financial industries.

To start, FinTech, the nimble young competitor of traditional legacy-banking … *is fast*; lightening fast compared to old-style enterprise banking that is constrained by centuries of antiquated regulation and decades of outdated enterprise applications and latency. The speedier FinTech is also more secure than legacy banking networks, and considerably more cost effective. When you incorporate tools like blockchain and IPFS into the enterprise equation and across a variety of industries like **health care, it can generate cost savings of up to 80%**.

The **history of banking goes back to 2000 BC in India** and surrounding regions. Some of the banking and finance rules developed back then still apply today. In part it's a good thing because it fosters stability, but just like other industries, old rules often act as an anchor when you're striving to improve efficiencies, and that's what the banking business is all about right;

reducing costs and providing a better service to clients and customers. As the banking industry became more efficient customers were happier, and as importantly, profits increased.

FinTech offers NEW niche banking services that cannot in any way be delivered through the old banking system's centralized networks and protocols. "… cannot in any way …"

IPFS, via distributed decentralized networks, blockchain or not, and through turn-key plug-and-play APIs like **Temporal**, *can however* deliver services to customers anywhere, many who have never had access to any type of banking service. Large banks still don't adequately serve many developing countries, mainly because infrastructure is too great of an investment. Customers would not be able to afford the fees associated with a banking enterprise built on bricks and mortar. With FinTech however, all a customer needs in order to conduct safe, fast, and affordable banking is a smartphone. That's it, just a smartphone and an ID, and customers in developing countries can easily access any level of banking and financial services they require.

FinTech changes basic banking rules, while solutions like IPFS, **Temporal** and non-blockchain or blockchain networks–even while offline, change specific operations within the industry.

One of the toughest challenges for executives and directors in the banking and financial industry is that they have to move cautiously. A primary tenet of banking is to act conservatively and instill trust. The hard part, which inherently is always a risk, is to know when to inject change into what appears to be a well oiled machine. Many CEOs operate under the "if it ain't broke don't fix it" mantra because it is safe. Unfortunately, nothing in banking is safe anymore, and FinTech proves it every day by offering improved and more cost effective ways to do old things. Plus, and this is a BIG PLUS, FinTech advances like IPFS and blockchain deliver NEW ways to do NEW things.

Innovation is the fuel that keeps industry moving forward.

And Today … no one can afford to be complacent.

Good CEOs aren't hired because they follow. They are valued because they are leaders who take us to new places. Great leaders do it safely and improve the bottom line.

The realty; Enterprise networks no longer have to be large and styled only for mega sized corps. Small enterprise networks can now be streamlined and automated to return highly-effective cost efficiencies. It is now feasible for any size company to be a banker, and to be profitable by offering NICHE services that bigger intuitions won't and often can't deliver.

The same explosive growth occurred when the internet came online with HTTP, a protocol that outlived its usefulness many years ago and needs to be relegated to history books–digitally of course haha - *The king is dead, long live the new data king*.

We'll take a look at **Niche Banking** in Part 2 of our FinTech series, but in the meantime if you're not exactly sure what IPFS or Temporal are, and how this new style of distributed web is changing the internet as we know it, take a look at the description from **zk Capital**. You can also ask your CTO to clarify, and if you still need more information **please contact us here** …

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Author Maurice Cardinal is a Blockchain Development Advisor and Digital Marketing Director. He has developed blockchain strategies and IPO/ICO campaigns for the FinTech, healthcare, news, gaming, and cloud computing industries, and has researched, written, and advised about blockchain and cryptocurrency strategies for several years.

Maurice is also the author of Leverage Olympic Momentum, an early adopter business book about location-based strategies for disruptive marketing and growth hacking.

Part 2 of 2

FinTech …AKA Niche Banking

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Niche banks are growing rapidly in the fallout of the **massive mergers among regional banks**, which places incredible pressure on traditional enterprise banking institutions. FinTech banks often service customers who have very specific interests, like **luxury auto investment**, **real estate**, or **precious gemstones**. Niche banks also have a built-in loyalty quotient simply because they offer such unique and personal services, it makes customers feel valued and special. It works because niche banks are now able to cost-effectively manage **SMALL ENTERPRISES that filter BIG DATA**. They also offer considerably lower rates! FinTech cherry-picks opportunities that big banks don't seem to want, at least yet, or are often unable to address.

Speed is not a mega bank's strong suite.

Flexibility and niche services now represent the modern banking era.

IPFS and custom plug-and-play services like **Temporal**, considerably improve response times and support special data-driven offerings to customers–in real time through tools like smart contracts on or off the blockchain, and all intertwined with artificial intelligence–AI.

The Royal Bank of Canada–RBC, one of North America's leading banking institutions isn't waiting to have its best customers lured away. **RBC CEO Dave McKay** is partnering with and contributing funds to explore AI - to the tune of $1 million. RBC, through their **Borealis AI lab,** and like every company on the planet, wants to know how to service niche interests too, so they partnered with **CIFAR** in a long-term effort to understand customers at a macro data level. Given enough time, big banks, who have more access than anyone to personal and business financial data, will all also integrate niche banking styles across their global enterprises.

AI, IPFS and blockchain work symbiotically to manage big data.

Here's the challenge though for big banks; If revolutionary change rolls out in banking like it does in other industries, and there is no reason to think it won't, by the time big banks map out the "personal service issue" niche FinTech banks will have such a strong presence they could be impossible to displace–the **Bank of Amazon** and **PayPal are working proof**.

Speed-to-market is critical. Both Amazon and PayPal have their own brand of niche banking systems–**Amazon Pay in early 2019 already has 33 million customers in 177 countries**. Even though the average consumer still doesn't regard these niche players as banks, they offer banking services, and that, is what is so insidious about the banking revolution. For the most part, even though niche banking is in plain sight, it also operates in stealth mode, hovering like a drone waiting to deliver you a package, and to you, and you too. Self-driving vehicles deliver self-delivering packages that create oceans of big data that has to be managed effectively. If self-driving flying cars are too **George and Jane Jetson** for you, amp it down a notch and apply the same data principles to your bank card. The banking future is here. Where are YOU?

Niche banking is already dramatically changing the world in advanced countries, but the potential in developing countries is enormous, and as they say … *Priceless.*

It's not lost on anyone in the IT world that AI is the backbone of IPFS and cryptoblock technologies. Digital niche banking is essentially a three stage process;

1) **Find new prospects**

2) **Monitor their macro data behavior**

and then through cost-effective storage and data processing,

3) **Deliver a custom banking service to niche clients before they even ask.**

If you'd like to know more about **Temporal and RTrade and how we help banks compete**, click here for our **IT Overview**, or contact us to learn about our **FinTech Marketing Roadmap** … and we'll show you how we create value through innovation.

Click here for Part 1 *of our 2 Part FinTech series . . .*

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