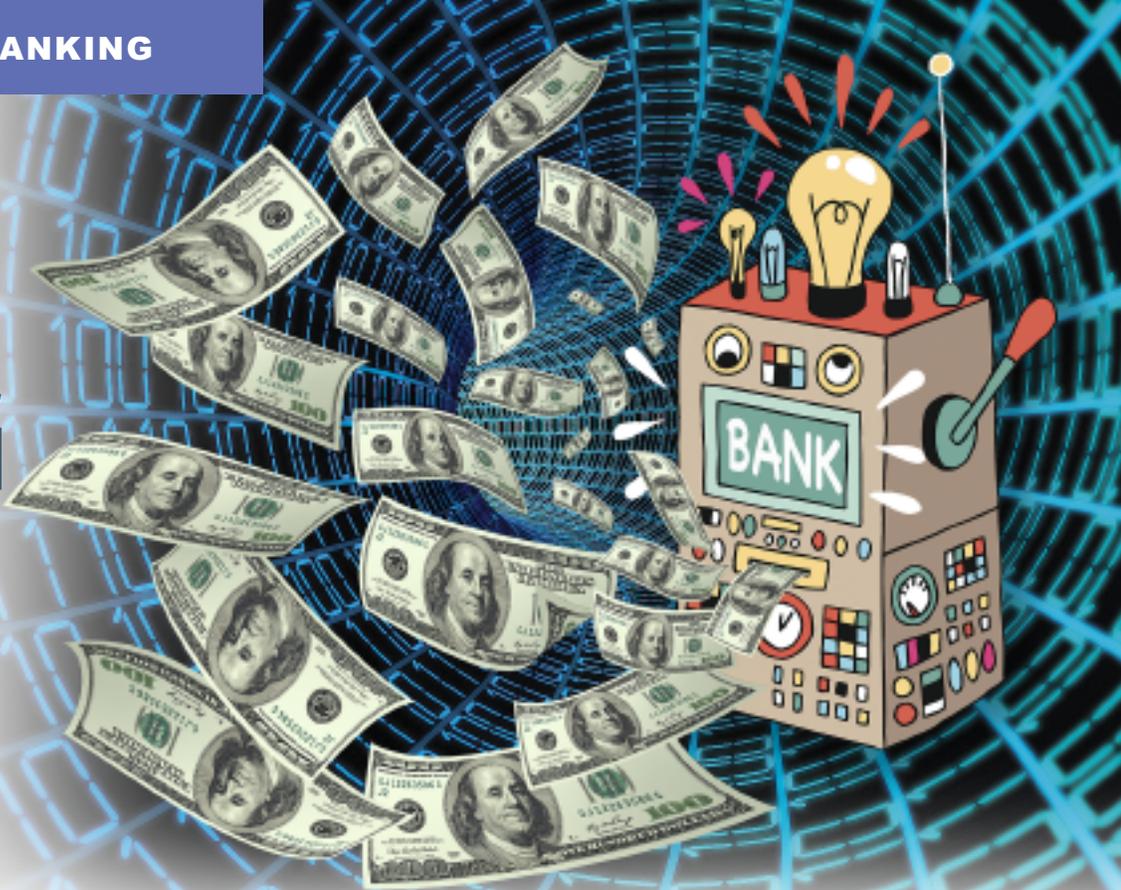


# The Future of Banking: Digital Apps, Big Data and Artificial Intelligence

Banks are racing into a digital world, where paperless transactions are the norm. The pace of change is fast, and customers expect 24/7 account access with lots of “bells and whistles.”



COMPILED BY MARTIN C. DAKS  
CONTRIBUTING EDITOR

**W**ITHIN TWO YEARS, “MORE than half of all new bank account applications will involve mobile devices,” says Javelin Strategy & Research Director of Digital Banking Emmett Higdon. “Banks can no longer afford to stitch together piecemeal solutions for mobile prospects and must provide a consistent, compelling mobile experience across all lines of business.”

More than 1 billion mobile phone users will have made use of their mobile devices for banking purposes by 2018, according to a report from Juniper Research. Most banks have at least one mobile banking offering, either via messaging, mobile browser or an app-based service.

COMMERCE presents the following special report on industry trends being tracked by banking associations; how New Jersey banks are serving their clients with mobile apps, services and technologies (from bank presidents and CEOs); how consultants and technology firms see the future of banks and banking; and analysis and insights from banking practice leaders from accounting firms and law firms.



**New Jersey Bankers Association (NJBankers)**  
*John E. McWeeney, Jr.,  
President and CEO*

Recent surveys indicate that more American consumers are embracing new, breakthrough technologies to handle their banking, according to NJBankers President and CEO John E. McWeeney, Jr.

“A survey conducted by Morning Consult on behalf of the American Bankers Association found that 40 percent of Americans manage their bank accounts online more frequently than any other method,” reports McWeeney. “Twenty-six percent use their mobile devices most often to conduct their banking business, while 18 percent visit their bank’s branch the most frequently.”

By age, 46 percent of Americans aged 18-29 use mobile banking the most, while 52 percent of those aged 65 and older do most of their banking online. Business customers also benefit from technology. “Remote deposit capture allows business customers to make deposits from the convenience of their office and not waste valuable time driv-

ing to a bank branch,” explains McWeeney. “Similarly, more banks and some non-banks are offering an automated process for online business loan applications.”

Bank branches are evolving to meet these changes. “We’re seeing fewer branches as more transactions are handled electronically,” says McWeeney. “Newer branches will be smaller with less staff and more self-service options. Customers will be the beneficiaries of new technologies as they can choose what best meets their needs among a myriad of banking services.”



**American Bankers Association**  
*Rob Morgan, VP,  
Emerging Technologies*

Just as mobile banking was a natural progression from online, blockchain and artificial intelligence will be the next “big things” in banking, according to Rob Morgan, vice president, Emerging Technologies at the American Bankers Association. “Technology isn’t changing the business of banking, but it is bringing banking to customers on their terms.”

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Collaboration between banks and financial technology firms, or fintechs, is also improving. "Fintechs and banks are partnering to create a better experience," Morgan says. "They started by working on the consumer space and are now developing tools that make it easier for businesses to interact with financial institutions."

Today's business conveniences include utilities that let even smaller enterprises embed cash acceptance tools and appoint scheduling systems into their web sites. "Banks have always partnered with their small business customers to help them succeed; today they are doing the same thing with technology."



But Morgan insists that bank branches aren't going away. "There are fewer brick-and-mortar transactions, but more of a focus on building professional relationships."



**Independent Community Bankers of America**

*Kevin Tweddle, Group Executive VP, Innovation & Financial Technology*

Banks are accelerating the pace of mobile adoption, according to Independent Community Bankers of America Group Executive Vice President of Innovation & Financial Technology Kevin Tweddle.

"Financial institutions are improving the consumer experience," he says. "FANG companies (Facebook, Amazon, Netflix, Google) have raised the bar, and now banks and other industries are working hard to make their customers' experience simpler and better, too."

Financial technology has had a significant impact on consumer lending, he adds. "There are also wealth management apps like Marstone, which make it easy for consumers to invest while delivering financial literacy to customers."

Banks are also making it easier for businesses to take orders and process payments in a mobile environment. "Of course, there's a heightened sensitivity around data breaches, but if you consider the number of actual security incidents given the volume of mobile and online activity—a PwC digital banking survey indicates that 46 percent of consumers use only digital channels, up from 27 percent four years ago, and 60 percent of smartphone users do mobile-only banking—the number of breaches are not that bad."

He notes, though, that younger consumers tend to value convenience over trust. "Community banks have always focused on the customer experience, but now all banks have to work on providing a more personalized digital experience."

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*continued from page 34*

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**Columbia Bank**  
By Thomas J. Kemly,  
President and CEO

Columbia Bank understands that business owners and executives have many daily pressures managing their businesses, and can make banking services easier with our online solutions. We offer convenient, 24/7 tech-

nology-based services designed to save time and add value to the business banking experience. Our business banking platform features a full range of business-friendly services, including online bill payments, mobile check deposits, immediate access to transaction/payment information, and imaged checks for record-keep-



ing efficiency. With our mobile business banking app, users can perform the same banking activities on any device with the same look and feel; mobile, tablet or desktop. Security is another important part of our online services. We offer enhanced risk and fraud analytics as well as layers of additional security for transaction and sign-on processing. Our goal is to make business banking an enhanced, efficient and secure experience.



**ConnectOne Bank**  
Frank Sorrentino III,  
Chairman and CEO

“With mobile technology, individuals and businesses don't need to stop into a branch as often,” reports Frank Sorrentino, CEO and Chairman of ConnectOne Bank. “For example, we're adding the Zelle app that will let our clients send money to and from their personal accounts from their ConnectOne Bank app. In the future, we're likely to see more real-time payments and fewer checks, continued introduction of online lending products, and banking apps that will let businesses access and manage their own books, records and accounting software, enabling them to manage their businesses from their mobile devices,” Sorrentino says.

ConnectOne's new retail model replaces tellers with banking relationship specialists that can assist business owners with a wide range of advisory

*continued on page 38*

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*continued from page 36*

and other activities, “transforming the branch into a meeting center, where business owners can connect with bankers for advice, training or even with other business owners for relationship-building meetings.”

The pace of change is accelerating, he adds. “Forward-thinking institutions are working diligently to remove friction from client transactions, while building out their infrastructure to meet these new developments. A bank is no longer just a limestone building with leather couches. Now, it’s a verb: you don’t go to a bank as much as you bank. Successful banks will keep ahead of the curve of change.”



**Lakeland Bank**  
By Thomas J. Shara,  
President and CEO

Technology and the any-time, anywhere world we live in certainly drives the way we do business. The fact is we may never meet

our future customers face to face. We still need branches, but now we focus on enhancing the customer experience through a multi-channel delivery system. Today, we need to be where our customers are...online and mobile banking, a worldwide ATM network, a “live person” call center and a dynamically interactive Web site are equally important delivery channels. And, we’re using social media, redefining the skill sets of staff and designing branches to further enhance the customer experience.



**Peapack-Gladstone Bank**  
By Doug Kennedy,  
President and CEO

We know that technology is driving most business today and that we live in a world where clients need instant access to information. We work hard to anticipate needs and provide the most innovative solutions. For our professional services clients, we recently launched an online



virtual sub-accounting service called MyEscrow, which allows for easy accounting and management of escrow funds. Our attorney, property manager and municipal developer clients needed an efficient and transparent way to do business and now, with MyEscrow, they can open and close virtual sub-accounts, manage transactions, and view, print and download statements and reports in real-time. We also offer our commercial clients online wire solutions, remote deposit capabilities, positive pay fraud protection, online banking and a mobile app that includes mobile deposit. The technology we offer is safe and we always keep client security and privacy top of mind.

*continued on page 40*



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**PNC Bank**  
By Linda Bowden, NJ  
Regional President

The adoption of mobile products and services is no longer a trend—it's a fact of daily living. In the United States, analysts estimate there are 224 million smartphone owners. Clearly, the ability to conduct transactions anytime, anywhere is a convenience that customers expect as a matter of course. PNC recognized the potential to serve clients through mobile banking technology 10 years ago as we introduced Virtual Wallet. Now, deposit transactions via ATM and mobile banking applications accounted for an average 52 percent of total deposit transactions in 2017 alone. Wealth management clients can use PNC Wealth Insight to view account information, while small business owners use PNC Cash Flow Insight to integrate accounting data with receivables and payables activity, as well as automate invoicing.

We've just scratched the surface of the changes mobile technology promises to deliver. More recently, corporate banking clients were provided the ability to pay for VISA® corporate card purchases through Apple Pay. Increasingly, success will be defined by the ability to help clients conduct transactions and achieve their financial goals with one simple swipe.



**Provident Bank**  
By Chris Martin, Chairman,  
President and CEO

Business clients are increasingly seeking digital services which allow them to complete banking transactions quickly and efficiently. They request the same tools they are comfortable using for their personal banking. Provident Bank offers an integrated experience across both our business online and mobile channels, which provides the ability to access balances, make transfers, pay bills and even

deposit a check from any location using a mobile device. We offer an online platform and an app exclusively for business users, where enhancements are developed around the functionality this audience demands. We always look to support a product mix for businesses by offering scalable solutions that work for a broad range of business clientele. We are keenly aware that being competitive in this space requires not only market research and source data, but also using the most important resource we have available—asking and listening to our clients.



**Regal Bank**  
By David Orbach, Chairman

While we take pride in building one-on-one relationships with our customers at Regal Bank, we recognize that today's business owners also want convenient, efficient, self-serve options. The Regal Bank Mobile app enables business

*continued on page 42*

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clients to check balances, make transfers, pay bills and deposit checks using their device's camera. This year, Regal Bank will introduce four new technology-based services, starting with our own peer-to-peer payment platform called "Pay Someone." With "My Spending," customers can track spending, develop budgets and manage finances through a simple graphic interface. "MobiMoney" enables customers to control their debit card by setting spending limits and geographic boundaries, all from their mobile device. Also making its debut this year will be "Instant Issue," a service that allows customers to obtain a temporary replacement for a lost or stolen debit card from any Regal Bank branch, which is crucial in time-sensitive situations such as business travel.



**Valley National Bank**

*By Ira Robbins, President and CEO*

Creating relevancy and value in today's banking industry is key to our continued success. To support these goals, we initiated our technology roadmap in 2017—a three-year plan to overhaul many of our internal operating systems, infrastructure, digital and mobile offerings and automate our data processes. We are now in the beginning phases of implementing a new commercial loan origination platform that will allow us to enhance turnaround times on credit decisioning and improve the overall customer experience. We will also be introducing a new business online and mobile platform in 2Q that will provide innovative digital resources and tools which will allow our customers to spend less time worrying about their banking and more time focusing on their business objectives.

\*\*\*



**BANKING TECHNOLOGY AND CONSULTING FIRMS**



**Aite Group**

*Christine Barry, Research Director*

The bar for customer expectations around user experience have risen dramatically as fintech players enter the market, observes Aite Group Research Director Christine Barry.

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“Personal experiences are also impacting expectations on the business side, especially as customers no longer compare their digital experience with one bank to that of another bank, but instead compare it against their best digital experience in general,” explains Barry.

Online offerings are also becoming more customer-centric, rather than product-centric and bank-directed.

“The goal is to have all of the most important information available for a customer as soon as they enter the site, without having to click multiple times or to search for it,” says Barry. “Each customer can customize their dashboard to meet their own individual needs. Additionally, banks are no longer viewing fintechs as competitors, instead seeing them as potential partners that will enable them to quickly deliver the products and services their customers are now demanding.”

Barry also sees business banking continuing to assist small businesses, as

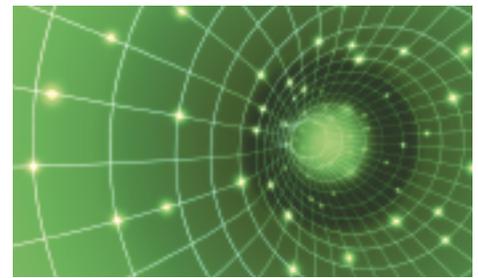
“product silos will be gone, and banks will sell guidance, automation and efficiency. Analytics will be used to a far greater extent, so banks can help their customers understand how they are doing compared to other businesses their size and can make actionable recommendations to help them improve operations.”



**Bankrate**  
Greg McBride,  
Chief Financial Analyst

The march of banking transactions to a mobile platform will continue, according to Bankrate Chief Financial Analyst Greg McBride. “Financial institutions want to support customers when, where and how they want to bank,” he explains.

Features like smartphone-based remote deposit capture have already had a big impact with customers, says McBride, “but now banks are moving into artificial intelligence, which will



also be a game changer. Bank of America, for example, has Erica, an AI “chatbot” available in the mobile banking app that can assist with a variety of transactions.”

As more customers, particularly Millennials, do more mobile banking, traditional branches are becoming “less of a transaction center and more of a consultation center,” adds McBride. “In an increasing number of branches, teller lines are disappearing, and are being replaced by a concierge who directs a customer to the appropriate banker or terminal, for opening an account, wealth management, mortgage or other services. Banks and financial services organizations will continue to evolve to remain relevant among Millennials and the generations that follow them.”

**HIGHER EDUCATION**

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COMPILED BY JOHN JOSEPH PARKER  
CONTRIBUTING EDITOR

**C**OMPENSATION FOR PROFESSIONALS who further their education with MBA or EMBA degrees is proven to rise significantly, making both choices wise educational and career investments. Here are some of the New Jersey’s top MBA and EMBA programs.

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*See ad on page 50.*



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**Conduktiv Technologies**  
James D'Arezzo, CEO

"Banks must deal with the performance issues that artificial intelligence (AI) will cause for ultra-large databases—typically run on Microsoft SQL servers," explains James D'Arezzo, CEO of I/O reduction software company, Conduktiv Technologies.

AI can be used for new automated capabilities such as data-driven management decisions; automated customer support; fraud detection; claims management; insurance management; automated virtual financial assistants; predictive analysis in financial services; and wealth management advisory services. offered to lower-net-worth market segments.

D'Arezzo says CIOs are already under pressure to provide timely responses to increasingly complex requests for data analysis, and AI applications—which are far more demanding in terms of both

data throughput speed and quality—will vastly increase that pressure.

Intensive hardware upgrades "often negate the cost-reduction advantages AI has to offer," notes D'Arezzo. "A better way for the industry to manage AI is to increase the performance of its existing infrastructure, particularly SQL databases, which could produce the same efficiencies at a small fraction of the cost of new hardware."



**FinPro**  
Don Musso, CEO

"Almost every one of our 400 community bank clients are involved in mobile," says Don Musso, CEO of FinPro, a bank management consulting firm. "They're all adding it as a delivery alternative. I expect to see blockchain technology adopted too, but that's probably a couple of years away."

At the branch level, banks in Asia and Europe have rolled out interactive ATMs,

"which are screens that let customers connect with tellers, lenders, and they can even buy rail, air and theater tickets through the interactive boxes. The United States has been slow to adopt this though, and I'm not aware of any banks in New Jersey that are using this yet."

The increased digitization of data is streamlining everything from stress testing to automated underwriting, he adds. "Artificial intelligence will be used to help price consumer loans, mortgage loans and business loans."

Musso thinks that these and other digital advances will drive the rise of the "human branch," where individual bankers with a laptop will be able to open accounts, move funds, and demonstrate products and services. "This will let banks bring their 'branch' to their customers," he predicts. "Banking has been in an evolution that's quickly becoming a revolution as the rate of adoption is speeding up dramatically. You must be in the digital world to compete."

*continued on page 48*

**HIGHER EDUCATION**

*continued from page 44*

real-world experiences into the classroom. The GCU MBA, the only MBA program in Ocean County, fits into busy schedules with courses available online, evenings and on Saturdays. An accelerated one-year program and a self-paced program give professionals the flexibility to complete the degree according to their schedules. The small classes promote innovative, objective, quantitative, and strategic thinking and are ACBSP-accredited, the seal of quality for global business education. *See ad on page 1.*

**Monmouth University**  
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**Montclair State University**  
Feliciano School of Business  
(Montclair)  
business.montclair.edu

The Feliciano School of Business at Montclair State University offers three MBA programs and an online MBA. The Executive MBA is a 20-month program geared toward working professionals that meets every other weekend. The Weeknight MBA is a 24-month program meeting two evenings per week.

The Hybrid MBA is a 24-month program with a combination of online study and face-to-face classes meeting on alternating Saturdays. Montclair State University's student-centered approach provides professionals the flexibility they need to develop their talents and skills while accommodating their busy work, life and academic schedules. *See ad on page 49.*

**New Jersey Institute of Technology (NJIT)**  
Martin Tuchman School of Management  
(Newark)  
management.njit.edu

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*continued on page 48*

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**Fiserv, Inc.**  
Virginia Heyburn,  
VP for Strategic Insights

The move to mobile banking is continuing to pick up steam, and financial institutions will have to innovate to keep up with the developments, according to Fiserv, Inc. VP for Strategic Insights Virginia Heyburn. Fiserv provides technology solutions to banks and other financial organizations.

“The challenge is that the mobile space is moving so fast that banks have to innovate quickly to keep up,” explains Heyburn. “Financial institutions are now competing against nonbanks like Apple, Google and Amazon that are moving into finance and consumer-friendly payment applications. Right now, many banks manage payments in silos, like commercial and individual, but this generation expects speed, ease and convenience in financial services.”

Meeting these needs requires more than just technology, says Heyburn. “Banks have to change their culture and adopt new strategies that enhance customers’ experience.”

This change will require investment and integration across all lines of communication, she adds, including tablet, cell, branch and computer. Additionally, financial institutions need to deepen their understanding of data.

“Banks are already sitting on mounds of valuable data that can let them give consumers tailored advice on financial services,” Heyburn observes. “But they need to integrate the data and analyze it so they can assist individual and business customers with their daily financial decisions.”

The move to mobile and data mining may actually empower smaller banks.

“Community banks may not have the large capital base of bigger institutions, but they also aren’t burdened with the huge legacy systems their big competitors have,” says Heyburn. “It may be

easier for a smaller institution to reimagine banking and—since community banks often work with just a few vendors—it may be easier to control the changeover.”



**Javelin Strategy & Research**  
By Emmett Higdon,  
Director, Digital Banking

Banks are failing at mobile account opening while consumers continue to start a growing percentage of overall applications via smartphone. With nearly 1 in 3 checking account applicants turning first to smartphones, mobile origination is a huge problem for the banking industry that is long overdue for a makeover. A combination of poor user experience, confusing fraud screening processes, and an inability in most cases to save and resume applications continue to force applicants offline, or to competitors. Banks must better integrate their product marketing content with mobile banking

*continued on page 50*

**HIGHER EDUCATION**

*continued from page 46*

on a full-time or part-time basis. Concentrations include Finance; Healthcare Management; Innovation and Entrepreneurship; Marketing; Management Information Systems (MIS) and a Custom Concentration. MTSM also offers an Executive MBA program with a STEM platform to leadership; courses co-developed and co-taught by industry professionals; five strategic/immersion integration sessions; a nine-day international study tour; weekend courses for working professionals; and cohort bonding and networking. See ad on page 47.

**Rider University**

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curriculum is the result of several collaborations by its faculty with regional businesses and alumni. Rider focuses its MBA curriculum on specific analytical, communications and technology skills, coupled with the breadth of knowledge expected from a top MBA school in Supply Chain, Marketing, Strategic Planning, Finance, and Organizational Success. Even with this market-driven deep core curriculum, Rider offers flexibility to students in concentrations, including Business Analytics, Finance, Forensic Accounting (for those with an undergraduate accounting degree) and Global Business. See ad on page 52.

**Seton Hall University**

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(South Orange)  
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time options; GMAT/GRE waiver for qualified candidates; and eight MBA specializations including Accounting, Finance, International Business, IT Management, Management, Marketing, Sport Management and Supply Chain Management. Three Dual Degree Programs are also available: MBA/Juris Doctorate (Seton Hall University School of Law); MBA/M.S. in Nursing, Health Systems Administration; and MBA/M.A. in Diplomacy and International Relations. Seton Hall’s MBA Program is included in The Princeton Review’s “Best Business Schools” and in *U.S. News and World Report’s* “Top Part-Time MBA Programs.” See ad on page 39. ■

*continued from page 48*

experiences and provide clear support and guidance during the application—even when it means suggesting that the customer come into a branch. Within two years, more than half of all new bank account applications will involve mobile devices. Banks can no longer afford to stitch together piecemeal solutions for mobile prospects and must overhaul their siloed legacy applications to provide a consistent, compelling mobile experience across all lines of business.



**Technology Briefing Centers Inc.**

*Jack Vonder Heide, President*

The biggest banking trends are speed and convenience, “especially in the lending area,” says Jack Vonder Heide, president of Technology Briefing Centers Inc., a research and education organization serving the banking and financial services sectors. “Many banks are

automating their loan application, underwriting and funding processes.”

Financial institutions have been quick to adapt technologies like Venmo, Zelle and others that let individuals send money to each other quickly, he adds. “Other online bill payment systems enable recurring bills to be paid automatically. Because of advanced payment technologies, Millennials carry much smaller amounts of cash compared to older generations.”

And as Millennials reach an age where they become decision makers in businesses, “banks are accelerating their efforts to automate business banking.”

One of the biggest trends is in the accounts payable area. “New technologies enable invoices to be received, reviewed, approved and paid without paper documents or paper checks,” Vonder Heide notes. “They’re also beginning to explore partnerships with other lenders to enable more customers to get their loans approved.

“The process is automated, and the bank retains the customer relationship without compromising its underwriting standards. In coming years, we’re likely to see more automation, more flexibility for the customer, and more partnerships between banks and other companies.”

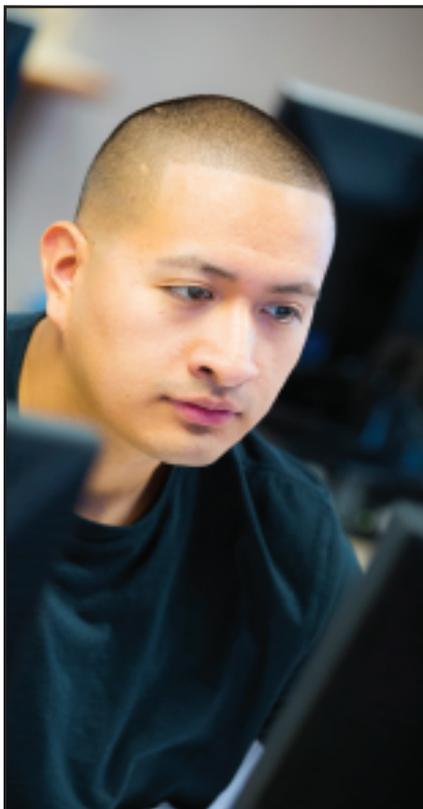


**The Boston Consulting Group**  
*Carsten Baumgärtner, Global Leader, Corporate Banking Segment*

“Over the next five years, we expect 30 percent of traditional corporate banking revenues to be accessible solely through digital channels,” says Carsten Baumgärtner, global leader of BCG’s corporate banking segment.

Some bankers are waking up to the current challenges. In BCG’s *Corporate Banking Executive Survey*, which gauged senior management views on digitization, a large majority of respondents (86 percent) said that digital will change

*continued on page 52*



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both the competitive landscape and the economics of their businesses. However, less than half (43 percent) stated that they have an explicit digital strategy. Only 19 percent believe that their organizations have market-leading digital capabilities.

“Digital is forcing sweeping changes in corporate banking, and institutions will need to adapt or see their competitiveness and market share steadily spiral down over the next few years,” says Baumgärtner. “Now is the time to develop a more coherent digital strategy to decide where to play and how to invest.”

According to a new report by BCG, *Global Corporate Banking 2018: Unlocking Success Through Digital*, “corporate banks have huge amounts of data that can be put to use in myriad ways. Unlocking this data is critical to digital transformation because it allows banks to position themselves as partners that offer highly tailored solutions to their clients.”

\*\*\*



**ACCOUNTING**



**Baker Tilly Virchow Krause, LLP**

*By Tim Kosiek, Banking Practice Leader*

To assist our bank and non-bank financial services clients, we address the challenges presented by the emergence of “fintech” companies—from their fundamental technology

frameworks to their ability to satisfy regulatory compliance requirements. Emerging technology platforms applied to deliver services such as mobile banking and online lending are significantly more dependent upon cloud-based solutions and the use of third-party vendors, particularly to obtain and apply the data critical to those services. Developing the policies, procedures and internal controls necessary to facilitate these business applications requires a broad range of thinking and expertise. In addition, the regulatory environment has not necessarily kept pace with the emergence of these service applications. Most notably, the requirements for third party vendor risk management and BSA/AML oversight have not been fully aligned with the dramatically changing environment. Developing the processes and obtaining the documentation sufficient to demonstrate compliance with laws and regulations continues to require measurable time and attention from our clients.

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**Crowe Horwath LLP**  
*Tim Reimink, Managing Director, Performance Consulting Group*

As banks move more deeply into mobile activities, security and convenience are two big concerns, says Tim Reimink, a managing director at Crowe Horwath LLP.

“Bank customers are moving up the adoption curve for mobile payments using their phone rather than a card, and for using person-to-person payment apps, like Venmo or Zelle,” he explains. “People are becoming more familiar and comfortable with these forms of payment, which are moving them further away from cash and cards and making the mobile phone even more central to banking services. At the same time, banks of all sizes are becoming more focused on data security and protecting their reputation and brand from dam-

age associated with a breach of customer data.”

Other trends involve community banks, “which are increasingly emphasizing treasury management services for their business customers as value-added service, as a means for customer retention and as a source of fee income,” notes Reimink. “Meanwhile, banks of all sizes are deploying technology solutions to streamline the business lending process and provide online portal access to business customers.”

At the branch level, employees are being positioned to act proactively,



“providing information sharing and advice, instead of simple transaction handling and account opening.”



**Goldstein Lieberman & Company, LLC**  
*By Phillip E. Goldstein, CPA, Managing Partner*

Banks are our business partners. We send clients to them for everything from loans (primarily) to an array of ancillary business products. We don’t pretend to know their business better than they do. We simply insist that they be at the forefront of their industry in exchange for the referrals and advice we provide. Our banking partners must be aware of and implementing the latest technology along with exceptional service. They must offer the gamut of mobile banking services that customers demand—85 percent of Millennials bank on their mobile

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phones. Paying, shopping, transferring funds and depositing—all must be available and made simple to transact. We treat our clients like family, which is why the banking partners we choose are a reflection of our own firm. We help them by insisting that they are as up-to-date and as current as we are ourselves.



**KPMG, LLP**

*By Tom Lally, CPA, CGMA, Audit Partner, New Jersey Banking Leader*

Community, regional and large banks are all focused on how they can enhance their “customer experience” to be more in tune with Millennials and other generations, who now have many more options to choose from for their banking services. It is all about convenience and offering a customized experience for their broad range of customers, whether they bank online, use mobile or still like to come into the branch. To remain successful, they

will need to be able to adjust their offerings quickly as new technology makes new services and increased convenience possible.

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**LAW**



**Fox Rothschild LLP**

*By Christopher J. Pippett, Esq., Chair, Financial Services Industry Practice*

Fox Rothschild’s Financial Services Industry Practice Group remains

deeply engaged with industry groups to stay on top of the latest issues facing financial institutions. That allows us to prepare our clients for market changes, so they’re not simply reacting. The increasing number of states legalizing cannabis has created a thriving industry and a growing demand for financial services. Our group has developed a keen understanding of the compliance issues facing financial institutions that service this unique business. Our attorneys stay at the cutting edge on issues of cybersecurity, a rising concern to all financial institutions, actively advising boards and management on their regulatory and fiduciary responsibilities. We study how the industry approaches pressing issues, so we can help our clients tackle the distinct operational challenges they face. Nimble, entrepreneurial and resourceful, we’re always positioned to assist our clients as markets, technology and regulations evolve.

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**COMMERCE NEWS**

**Lakeland Bank’s Heart Safe Program Helps Save a Life**



**BY DEBRA ROMANO**  
CIANJ EXECUTIVE VICE PRESIDENT

**C**IANJ MEMBER LAKELAND BANK marked February 2018, known for Valentine’s Day and American Heart Month, by showcasing its caring culture. When a customer visiting the bank’s branch in Franklin suffered a heart attack, employees and a customer used an onsite defibrillator to help save the person’s life.

“My staff and a customer did a great job and were able to revive the individual,” says Lakeland Bank Area Branch Manager Karen McDougal. “We are proud of our bank’s program to provide the very best in customer and colleague safety.”

Lakeland Bank initiated its Heart Safe Program about 10 years ago at all of its branches and offices to help fight sudden cardiac arrest. The program involved the

Lakeland Bank Area Branch Manager Karen McDougal stands with colleagues Catherine DiSalvo and Adnan Shoukat, who recently assisted with using the onsite, automated, external defibrillator to help a customer having a heart attack at the Franklin Branch.



installation of an automated external defibrillator (AED) at all locations as well as CPR/AED training for staff.

An AED is a portable device that checks the heart rhythm and can send an electric shock to the heart to try to restore a normal rhythm to treat sudden cardiac arrest.

The incident in February is the first time an AED has been used at a branch since Lakeland installed the equipment. Lakeland Bank partners with Team Life, a medical training provider and safety equipment supplier, to ensure its safety program meets current standards.

“We are proud to be part of Lakeland Bank’s Heart Safe Program. and that investment paid off with a life being saved,” says Team Life President Jim Schatzle. ■

*continued from page 56*



**Gibbons P.C.**

*By Michael J. Lubben, Esq.,  
Director, Corporate Dept.*

The banking business has changed significantly in the past 10 years. Increased regulatory burdens, technological enhancements and customer demands have caused many of our clients to transform how they conduct business. Most of our banking clients no longer require in-person loan closings. Closings are conducted remotely by e-mail and by phone. Signature pages are often transmitted, signed and provided in escrow in advance of closing. Data privacy is a huge concern. Electronic closing binders have supplanted bound volumes of closing binders. Companies dealing with personal information have sought our advice in dealing with the storage and encryption of Social Security numbers and other sensitive financial information. Increased banking regulations have led foreign financial institutions to seek our advice

with respect to the reach of U.S. state and federal banking regulations and how they could impact the foreign parent of a U.S. branch or representative office.



**McCarter & English, LLP**

*By Veronica Montagna,  
Esq., Partner, Corporate,  
Securities and Business  
Transactions Practice*

Banks' legal needs reflect ever-changing market conditions, statutes, regulations and technological advances. Some banks choose to grow to absorb costs related to Dodd-Frank, and, in increasing numbers, we help them merge, acquire or be acquired. Some prefer to stay small, and we help them meet their obligations under state and federal regulations and laws. With much of banking going from storefront to remote and digital—mostly to satisfy younger customers—we guide banks on regulatory requirements regarding sensitive

personally identifiable information like Social Security and account numbers. We negotiate contractual indemnification clauses with third-party providers of digital security. If banks get hacked, we guide them on appropriate responses—to their customers, to regulators and to law enforcement—after determining whether the hack represented a true breach. We represent a Central Jersey company developing biometric technologies, which can potentially be used to help banks and other financial institutions prevent identity theft.



**Norris McLaughlin  
& Marcus, P.A.**

*By Joel N. Jacobson, Esq.,  
Member, Management  
Committee; Chair, Real  
Estate Practice Group*

Our banking clients continue to face challenges arising from increased cybersecurity risks and enhanced regulatory scrutiny arising from the 2008 financial

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crisis. Community banks have been adversely impacted by Dodd-Frank Act requirements, which were primarily geared toward larger banks. Lending is more restricted because of the reduction in the number of community banks and regulations such as the increased reserve requirements for certain commercial mortgage loans classified as High Volatility Commercial Real Estate Loans. Although the Trump administration has pledged to change the regulatory landscape, the pace of change has been relatively slow.



**NPZ Law Group, P.C.**

*By David H. Nachman, Esq.,  
U.S. Managing Attorney*

As an immigration and nationality law firm, we routinely assist banking institutions, hedge fund companies, private equity firms and investment advisors with their quest to adhere to industry regulations regarding information technology and

cybersecurity. Our firm prepares non-immigrant work visas (H-1B) for banks and investment firms, which hire technology professionals who are experts in Internet security and highly complex encryption software technologies. We also prepare L-1A and L-1B work visas for intra-company transferee executives and managers who come to the United States to work in the information technology sector. With the current focus on prevention as much as real-time protection against known and new cyber threats, NPZ Law Group, P.C. anticipates a growing need for IT specialists to meet more stringent industry regulations in the future.

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**A Conversation with  
NJEDA CEO Tim Sullivan**

New Jersey Economic Development Authority (NJEDA) CEO Tim Sullivan describes his highest priorities as identifying programs and initia-

tives that will advance Governor Phil Murphy's goals—and aggressively going after opportunities to support economic and business growth in the Garden State. *COMMERCE* asked Sullivan to discuss these priorities, and how he intends to deliver for New Jersey.

**The Mission:** "We are the state's economic development agency, responsible for carrying out the Governor's economic policies, whether that means partnering with state agencies, with cities and towns or with the private sector and labor to foster a strong job creation strategy."

**Priorities:** "Specifically, we're focused on our urban centers and making sure we are doing our best to foster job creation, particularly around transit. We're supporting and encouraging New Jersey's innovation economy, both on the startup and small business side, and on the industry side, with a focus on clean energy, green energy and transportation infrastructure. We're also focused on manufacturing, making sure

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**PATIENT CARE**

**Trinitas-St. Joseph's Behavioral Health Network Offers Alternative Treatment for Depression**

COMPILED BY JOHN JOSEPH PARKER  
CONTRIBUTING EDITOR

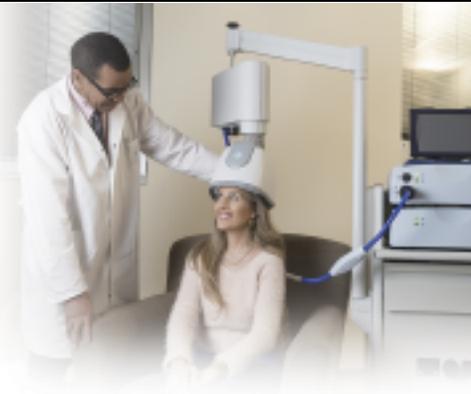
**H**ALF OF THE 15 MILLION Americans with depression cannot tolerate or do not respond to antidepressant medication. The Trinitas-St. Joseph's Behavioral Health Network is using the FDA-cleared BrainsWay Deep TMS to deliver Transcranial Magnetic Stimulation (TMS) as a treatment option for these individuals.

TMS has no systemic side effects and requires no hospitalization or anesthesia. To date, the therapy has been proven effective in more than 60 clinical trials worldwide. As TMS is a non-drug, non-invasive treatment, patients are

awake during the procedure and can get back to daily activities, including driving, immediately following the session.

"TMS is indicated for the treatment of adults with major depression who have not responded to at least one antidepressant," says Trinitas-St. Joseph's Behavioral Health Network Chairman of Psychiatry Dr. Carlos Rueda. "Depression is believed to be caused by electrical dysfunction of one region of the brain, known as the dorsolateral prefrontal cortex. Through a highly focused and targeted magnetic stimulation, we're able to boost the function of the

The FDA-cleared BrainsWay Deep TMS is a non-invasive treatment that stimulates the brain using magnetic fields at an amplitude similar to what is used for an MRI.



brain in this region, allowing for a remission of the depression."

Trinitas-St. Joseph's is partnering with HPR Treatment Centers (a division of TMS Centers of America) to open two treatment facilities in Essex County by June 2018, followed by another six sites throughout Northern New Jersey over the next year.

"This partnership allows us to work with two of the leading medical institutions in the state to provide a comprehensive continuum of care to treat those suffering from depression," explains Ben Klein, founder and CEO of HPR Treatment Centers. ■

*continued from page 60*

we are positioning New Jersey to reclaim its rightful place as the capital of American invention and innovation.”

**Clean Energy:** “I’m excited about clean energy. The governor signed an Executive order in the first few days of his administration directing New Jersey to rejoin the Regional Greenhouse Gas Initiative (RGGI). That is an essential component of a strategy to both recognize the seriousness of climate change and to maximize the economic development and job creation opportunities that transitioning to a clean energy economy represents. Whether that’s offshore wind, solar or new technologies to foster our clean energy future, we want those technologies here in New Jersey, not only for the benefit of our residents, but also for the jobs associated with the companies in that industry.”

**Biotech and Life Sciences:** “We are also really ramping up our efforts and capabilities around technology and life sciences, led by the Biotechnology Task Force created by the New Jersey legisla-



ture last year. We own and operate a large technology campus on the Route 1 Corridor, home to many young and ambitious high-tech companies, particularly in the area of pharmaceuticals.”

**The Jobs and Economic Opportunity Commission:** “The governor signed an Executive Order creating the Jobs and Economic Opportunity Commission. That is a governance framework for bringing together state agencies and key representatives from the governor’s office to think about and tackle the multi-disciplinary policy challenges before us. So, to go back to clean energy—a great example—it combines energy policy, labor and workforce development, economic development, transportation and other forms of infrastructure—there’s a great

opportunity for collaboration and partnership.”

**New Brunswick, an Innovation Hub:** “We’ve launched a new initiative in New Brunswick, an ‘Innovation Hub,’ a really attractive and exciting development opportunity located right by the train station, co-located with Rutgers. It will be an inflection point in New Jersey’s economic trajectory. The Innovation Hub gives us the opportunity to bring together corporate research and academic research and foster the nexus between higher education and economic development. We hope to advance it very quickly.”

**New Jersey Means Business:** “Every state has an organization like the NJEDA that is trying to promote their state and attract businesses. It’s very competitive. One of the things we offer is the right value for the money. New Jersey is not a low-cost state, and it is unlikely to become a low-cost state. While other states can compete primarily on cost, they don’t provide the value we pro-

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vide, whether it is quality of life, a strong transportation system, our great education system, or a commitment to diversity and the values that make New Jersey special."

**New Jersey's Small Business Program:** "One of the things small businesses struggle with is access to capital. It's their lifeline. We can provide direct loans to small businesses up to \$500,000. We also have our Premier Lending Network, comprised of 25 banks that we partner with throughout the state. So, if, for whatever reason, the bank would not be able to provide the full financing on a small business loan, we can offer financing for a small piece of that loan. That can be incredibly important for small businesses. We also offer help to small business owners to grow their businesses and engage in best practices and accounting and auditing, purchasing and so on. Our network of partners at our Small Business Development Centers helps us with technical assistance. We're also making sure these programs are taken advantage of by women-owned, veteran-owned and minority-owned business. There is a lot of growth potential in these underserved markets."

**Supporting Nonprofits:** "Nonprofits are an increasingly important part of our economy and our client set. Besides the important social services that they provide, nonprofits create a lot of jobs. Most are reasonably small tax-exempt organizations. We have access to the bond market, so we can help them facilitate those transactions, which are very important for lowering their cost of borrowing."

**NJEDA in Action:** "I recently visited Ammon Labs in Linden which does diagnostic testing, blood testing and medical screening. The company got help from us and Provident Bank to purchase their building, renovate it, and outfit it with equipment. Ammon has added more than 50 jobs in the past year. It's a great story—a father and two sons, first- and second-generation entrepreneurs who are passionate about the positive impact they can have on the lives of the people they are working with. That's the kind of thing we want to do more of."

—By Rosemary Dreger Carey, Contributing Editor. ■

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