



Uncaged:

How the Right Core Enables Community Bank Growth

Elizabeth Gujral

Director
Cornerstone Advisors

Audrey Millhouse

Senior Consultant
Cornerstone Advisors

Ron Shevlin

Chief Research Officer
Cornerstone Advisors



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Uncaged: How the Right Core Enables Community Bank Growth

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For information, contact:

Cornerstone Advisors
7272 E. Indian School Road, Suite 400
Scottsdale, AZ 85251
Tel: 480.423.2030
Email: info@crnrstone.com



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The Growth Imperatives Driving Change

Growth is a defining challenge of community banking today. Bank and credit union tech budgets continue to grow, yet they still lose ground on deposits and loans to larger banks and fintechs. Community financial institutions face headwinds on three fronts simultaneously:

- **Interest rates have squeezed both sides of the balance sheet.** The rapid rate increases of 2022 and 2023 drove the average cost of funds for community banks from 0.74% in 2020 to 2.85% by early 2024. Half of community banks used brokered deposits in 2024—up from 39% the year prior—as a stopgap measure to maintain liquidity. Deposit growth stalled anyway. On the loan side, higher borrowing costs softened credit demand: small business lending by banks fell 18% year-over-year by the end of 2023. Attracting deposits without hurting margins while making new loans without taking more risk has become harder, both structurally and cyclically.
- **Fintech threats are measurable and growing.** The share of new checking/payments account openings garnered by fintechs grew from 49% in 2024 to 56% in 2025. One fintech, SoFi, saw its market share of new accounts grow 60% year-over-year, opening more new accounts than all credit unions or community banks. Fintechs aren't winning on technology alone. They're giving money away—cash advances, fee-free overdrafts, instant account bonuses—and cherry-picking the services that used to bring customers to community institutions, including personal lending, small business lending, and bill pay.
- **Compliance costs crowd out investments in growth.** All institutions must comply with a litany of regulations, but for smaller ones, the fixed costs of compliance consume a larger share of resources, leaving less budget and management bandwidth for growth initiatives. It has become harder to charter new community banks in part because the regulatory overhead is so high. Existing institutions may forgo launching products like complex mortgages because the compliance complexity isn't worth it at their scale. Regulatory approvals add a further hurdle when merging or acquiring to grow.

These forces aren't independent. A bank trying to grow deposits while managing compressed margins, losing checking account share to fintechs, and diverting staff time to compliance is fighting on every front at once. The technology response—what a bank can do to compete—depends directly on whether the platform it runs on can execute at the pace the market now requires.

Technology alone, however, doesn't explain growth outcomes. Two banks on the same core, in similar markets, with a similar balance sheet can diverge significantly in growth results based on how they define what they're trying to accomplish and how they want to grow.

Technology can, however, help to explain why an institution in a high-growth market with clearly defined strategies for product and market growth can see its growth stall. Technology-based impediments to growth—integration gaps, stale data, and manual workarounds—have plagued the industry for years. Switching costs made change prohibitive, and core and other technology providers didn't move fast enough to fix it.



This report is about the technology side of the growth equation: how to overcome the technology-based impediments to growth. The research behind this report draws on interviews with community bank executives and technology leaders at DCI, one of the longest-tenured core processors serving community banks in the United States.

The banks interviewed represent a range of asset sizes, markets, and growth ambitions, from a de novo commercial bank navigating a large, competitive urban market to banks that have leveraged their core providers to pursue fintech partnerships their previous cores never could have supported.

Across every conversation, the same theme surfaced: The core is either an enabler of growth or a cage trapping a bank from implementing a strategy.



The New Growth Realities

Until recently, community banks held a structural advantage: proximity. A business or consumer in a small market had limited options: the banks with branches nearby. That constraint kept competitors at bay. That moat is gone. As the president of a bank in Kansas put it:

"It used to be that without a physical location near somebody, they were not going to open an account."

Physical presence still matters for complex needs and relationship-based business banking, but proximity alone no longer keeps customers.

The flip side is opportunity. Geography no longer confines competitors, and it no longer confines community banks either. DCI Chief Development Officer and Chief Architect Daren Fankhauser frames it directly:

"The local bank for local customers model is no longer the only model—banks can build a national digital presence."

A bank CEO in Oklahoma agreed:

"It's imperative that we grow our community beyond our natural geographic footprint."

Growth no longer means serving everyone within driving distance. It means identifying the customer segments the institution is best positioned to serve and building the digital infrastructure to reach them anywhere.

A de novo commercial bank leverages its minority depository institution designation to reach business owners regardless of geography. A bank in Oklahoma uses a fintech partnership to maintain relationships with younger customers who moved away. In both cases, the banks are building toward a defined affinity.

Strategic fintech partnerships are one of the clearest expressions of that focus. More than half of banks have a partnership with at least one fintech. That has a direct operational consequence, however: the technology stack must support it.

Deposits Are Walking Out the Door (or Never Entering at All)

Community bankers talk about loans—pipelines, production offices, loan-to-deposit ratios. But as the president of a bank in Kansas said, they're looking in the wrong place:

"The money to be made is not sexy, but it's usually on the deposit side."

The math is clear: A single \$25 million deposit relationship at near-zero cost of funds outperforms a \$25 million loan at 7% before credit risk. The industry does not focus on helping banks win and keep deposits the way it has for lending. That asymmetry matters because the competition for deposits has never been more aggressive. Deposit gathering is banks' top concern for 2026, cited by 58% of bankers, up from 48% in 2024.

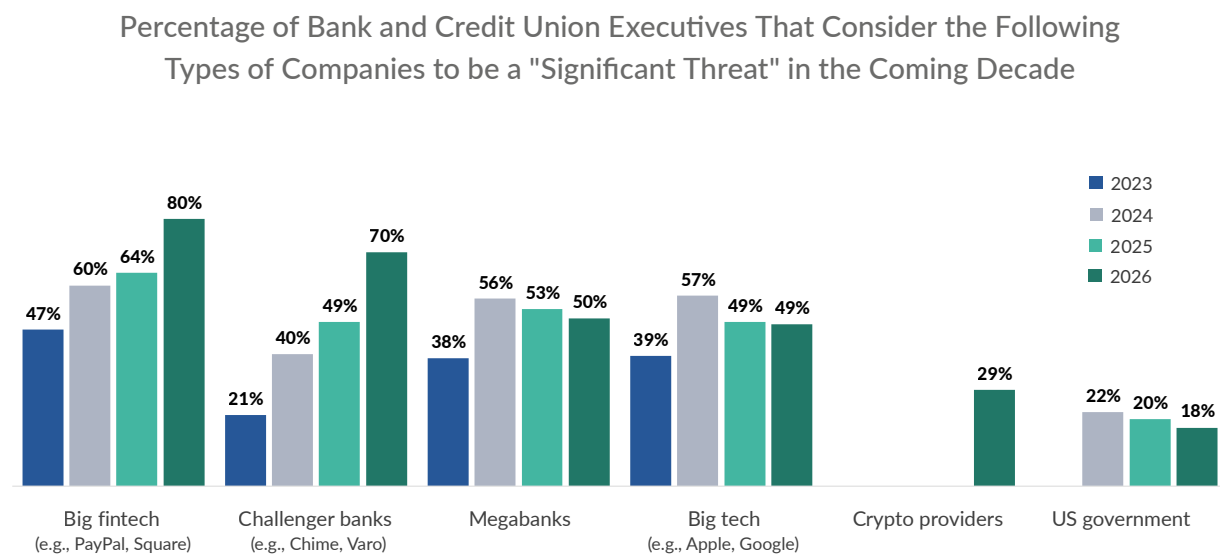


Money center banks are closing branches while keeping customers, proving that the friction of moving a checking account is high enough that depositors stay even after their branch disappears. Fintechs are offering high-yield savings accounts with slick mobile interfaces. Neobanks onboard customers in minutes, while community banks still rely on 9 to 12-month deposit migrations. According to the Oklahoma bank CEO:

"The money center banks and the fintechs are coming after our clients. We can't pretend it's not happening."

The competitive pressure is measurable: 80% of bank executives now consider big fintechs a significant threat, up from 47% in 2023. Challenger banks like Chime, SoFi, and Varo hit 70%—more than triple their 2023 level (Figure 1).

FIGURE 1:
Threats to Banking Industry



Source: Cornerstone Advisors' *What's Going On in Banking 2026* Report

The technology to compete for deposits exists—account opening platforms, relationship analytics, digital engagement tools. Too many community banks haven't prioritized it or are running on cores that won't let them plug it in, however.

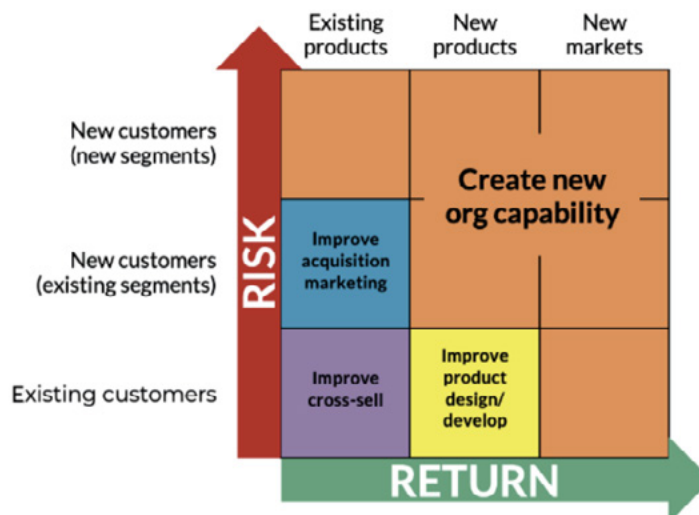


A Framework to Think About Growth

Before asking which technology investments drive growth, community banks need a clear picture of which type of growth they are pursuing. Cornerstone Advisors' research offers a framework that makes that precision possible by thinking about growth in three dimensions: what is the bank selling, who is it selling it to, and where that interaction occurs.

The first two dimensions produce a familiar 2x2 matrix. The third dimension changes everything. Most community banks have historically operated as if geography were fixed, but adding distribution channels as a distinct axis allows a bank to rethink its market without requiring a larger physical footprint. That third dimension is also what puts the heaviest and most specific demands on the technology stack (Figure 2).

FIGURE 2:
Growth Strategy Matrix



Source: Cornerstone Advisors

The matrix helps banks prioritize efforts and initiatives across several goals and imperatives:

- **Deepening existing relationships.** The lower-left quadrant is where most community banks focus. The technology bottleneck isn't the core—it's what sits on top of it. Cross-selling requires knowing which customers have which products and what signals in their transaction behavior indicate readiness for something new. That requires data and analytics acting on live core data, not monthly batch exports.



- **New customer acquisition.** Abandonment rates in digital account opening exceed 50% when the process takes more than three to five minutes, and approximately 31% of community banks still rely on manual processing for core onboarding workflows. A bank aiming at this quadrant without capable digital account opening is structuring its acquisition strategy around a channel most customers will leave before completing.
- **New product deployment.** Most community banks don't have the product development resources to build new offerings internally. The technology question is whether the core can integrate partners in weeks, not months—or whether every new product requires an implementation cycle that makes this quadrant effectively inaccessible.
- **New products for new customers.** The upper-right quadrant requires a clearly defined niche, digital infrastructure to reach customers who will never visit a branch, and a product those customers can't get as easily from a national competitor.

Mapping growth intent to technology requirements forces a bank to stop treating the tech stack as an IT question and start treating it as a strategic investment. The distribution channel axis changes what “good enough” means for every system above the core. Both strategies—deepening relationships and acquiring new customers at scale—can succeed, but not on the same stack. The core determines the available strategies.



Technology Without Strategy is a Dead End

Banks are under competitive pressure as deposits move and geographic advantages erode. Their instinct is to look to new technology, but too many deployments don't deliver on the promise. According to Chris Davis, chief operating officer of DCI and previous bank executive:

"Banks fail not because they lack technology, but because they lack strategy."

Deployments that don't align with an organization's goals won't support growth. A bank can identify a growth opportunity, pursue a technology to capture it, and then discover the strategy was implemented without a defined go-to-market plan, pro forma, or success metrics.

Strategy Must Precede Technology

Fintech vendors are good at creating urgency when selling into banks, and that excitement can push a bank into a decision before the foundational strategic work is done.

Strategic readiness requires a financial institution to define the customer segment it's targeting, build a financial model around unit economics, and secure board-level alignment before having a single vendor conversation. That last step is often where community banks fall short. A growth initiative that hasn't been stress-tested at the board level will eventually hit a wall when budgets compress or results disappoint. The unit economics work is equally non-negotiable, and the chief financial officer of a Texas bank explained why:

"Sometimes you want a Cadillac or a Lincoln, but all you can afford is a Chevy."

A bank building toward a new business model or trying to grow in its market needs technology capable of supporting the destination. The investment in technology must be justified against the future state, not the current state, because as the CFO went on to say:

"You're not going to see the benefits right away until you grow and it creates the efficiencies."

Banks that can't hold the tension of investing now for returns that materialize later will systematically under-invest in the infrastructure they need.

Build a Strategy That Can Bend

DCI's Davis explained that at a previous financial institution, they had a clear strategic goal: build a deposit vertical through a fintech sponsor bank relationship. They documented the opportunity, modeled the income stream, and defined what success would look like before evaluating a single vendor. Then the Synapse-Evolve collapse happened and created a valid concern about moving forward with that strategy. However, the strategic goal never changed.



Rather than pressing forward because the strategy was already in motion, the bank paused. “We didn’t want to just get in because we had set the strategy,” Davis said. The bank pulled back, watched how the fallout on banking-as-a-service unfolded, pivoted to a platform that had built a compliance infrastructure for cannabis banking, where it was legal in its state, and looked for a new sponsor bank. The deposit vertical thesis held; the target just shifted.

The lesson is not that banks should be opportunistic. A documented strategy creates the organizational clarity to know when to hold, when to pause, and when to pivot without losing the thread of what the bank was trying to accomplish. Banks that skip the strategy work don’t have the needed clarity when it comes to searching for technology partners.

When the market moves, they either abandon the initiative entirely or press forward into a deteriorating situation because there was no defined reason to stop. Davis continued:

“That’s where banks mess up. They veer off course thinking they’ve got to do this because they said they were going to. Failure comes in all shapes and forms, and sometimes failure means you did it for the wrong reasons and weren’t willing to pivot where you needed to.”

That pivot was only possible because their technology infrastructure could support it. A core that couldn’t embed a fintech partner directly, one that required a middleware layer or a program manager to bridge the gap, would have turned the strategic flexibility Davis describes into a pipe dream.

Banks that skip the strategy work don’t have the needed clarity when it comes to searching for technology partners.

The Customer Base is Changing

There is a second strategic blind spot beyond technology selection: the evolving customer base itself. Mark Kintzel, SVP of Technical Services at DCI, frames it in generational terms. “The son taking over the family business is going to bank differently than the dad and the grandfather did.” This is a near-term operational reality for community banks whose commercial customer base is actively turning over.

The CEO of a bank put the organizational dimension in terms of intentional capability-building:

“We’re building a level of acumen from an institutional standpoint that things are going to change. We can be flexible and go in different directions.”

A relationship manager who built a 20-year business banking book on in-person service is not the same asset when that client’s successor manages everything from a mobile device and expects the same digital functionality from a community bank that he gets from Chase. The strategy must account for that shift, and the technology stack must support it. The two decisions are inseparable.



The Core Can't Be in Charge

Every year, hundreds of financial institutions face the same question: Is this a core we can continue to grow with? No downstream investment fixes a core that was wrong from the start—the core determines what a bank can become. The CEO of a community bank in Texas gave the clearest articulation of what a growth-ready core needs to deliver:

"The core has to be the R2D2—talk to anything, reliable, resilient."

The core liberates a community bank or traps it, and the trap is subtle. Banks don't realize they're in it on day one. The core works fine for what the bank does today. Problems surface when banks do something new and discover the platform won't move with it. By the time that happens, switching costs have compounded, contracts have renewed, and institutional inertia has set in. Staying put starts to feel easier than getting out.

Two things keep institutions stuck: the problem doesn't show up until it's expensive to fix, and a growth-ready core can look identical to a legacy one on demo day. When the system determines what's buildable, an organization eventually stops imagining beyond it. Strategy atrophies, and the organization becomes what the core allows it to be rather than what the market requires it to become.

Problems surface when banks do something new and discover the platform won't move with it. By the time that happens, switching costs have compounded, contracts have renewed, and institutional inertia has set in. Staying put starts to feel easier than getting out.

A Modern Interface Isn't a Modern Core

Not every core that looks current is. Some vendors have addressed legacy architecture by building a new interface over old bones with a presentable front end masking infrastructure that hasn't fundamentally evolved. The modern-looking dashboard doesn't change what the system can do.

Demo day performance doesn't matter. What matters is whether the core can keep pace once a bank is actually trying to grow. A community bank CEO put the standard plainly: A growth-ready core doesn't have to invent everything first, but it must adapt fast enough when something new arrives. Further, they described what that looks like in practice at the bank:

"We're still in agility mode and they're coming along partnering with us on the side."

The bank decides where it's going. The core just needs to keep up—not lead, not lag. Pick one you won't outgrow in three years.



APIs: Verify Before You Buy

The core is the foundation, but application programming interfaces (APIs) are the door. Real-time open API access to core data is what separates a growth-ready stack from a legacy one. Every time a bank plugs in a fintech partner, deploys a fraud decisioning tool, or introduces a new digital provider, the question is the same: What does the core allow?

Open APIs are table stakes, not a differentiator. But many community banks are still operating without them. According to CoinLaw's 2026 Open Banking Adoption research, nearly a third of mid-size banks globally still lack the infrastructure to expose or manage open APIs securely.¹

API openness is a philosophy before it is a feature. A core vendor either believes that a bank's data belongs to the bank—accessible, portable, connectable to whatever tools the bank chooses—or it doesn't. DCI's Kintzel framed DCI's philosophy: "It's your data. We're not trying to hold or hide anything." The opposite exists: data, APIs, and system enhancements locked behind paywalls, with integrations requiring approval, custom contracts, or fees that make third-party relationships impractical.

What Real Open API Access Actually Enables

What open API access unlocks is substantial. Fraud decisioning tools need real-time transaction data to operate effectively. Fintech integrations depend on clean, accessible data. AI readiness and the ability to deploy models that act on live transactions start with whether the core will share. But the clearest illustration of what direct API access enables comes from a bank that had to use it under pressure.

Davis, drawing on his experience at a previous institution, described a fintech partner that could embed directly into the core rather than running through a middleware layer or FBO ledger. The bank built the integration straight into core. No program manager. No middleware. Full end-to-end control of the customer record, the account, and every transaction flowing in and out. According to Davis:

"The strategic pivot from a BaaS deposit vertical to cannabis banking was possible because the core could support a direct integration on short notice. We started out knowing we wanted to learn more about the industry. We found that avoiding pitfalls through the lens of opportunity is important; meaning, you don't have to commit to doing something just because you said you were going to."

That kind of flexibility doesn't come from a core that requires a custom contract and a six-month integration timeline every time a bank wants to connect a new partner. It comes from a core that was built to be open.

The bank's experience shows what direct API access makes possible. But banks don't need a fintech pivot story to understand the difference open API access can create. The chief operating officer of a Texas bank experienced this difference at a more operational level. The bank's original BSA platform wasn't working.

Rather than forcing the bank to stay within its core ecosystem, the core vendor worked with the bank to plug in a third-party BSA provider that fits its needs. The integration worked.



The third-party and the core vendor formalized the relationship; meaning, the core vendor can now tell prospective clients they have a vetted BSA partner, and the bank got a solution that solved a real compliance problem without switching cores.

That's what API-first actually looks like day to day: a compliance tool that needed to talk to the core, and a core that let it.

APIs Enable Artificial Intelligence

Real-time APIs are a prerequisite for AI readiness. This point often gets lost when banks evaluate AI tools in isolation. A predictive analytics tool or a customer intelligence platform can't act on live data without a real-time connection to the core.

The core doesn't need to offer AI itself to make this possible. The core needs to make data accessible to AI tools operating in ancillary systems. Without open APIs, those tools run on stale exports or batch files instead of the live transaction data that makes models useful.

The gap between those two states isn't marginal. In fraud detection, a model working from last night's batch file flags yesterday's anomalies. A model with real-time API access flags the transaction as it happens. In deposit retention, stale data means identifying at-risk customers after they've already moved money. Live data means catching the behavioral signals before the relationship is lost.

These AI use cases create competitive advantage for community banks, because they are all time sensitive. The value of intelligence in banking is almost always a function of how quickly it can be acted on. A core that cannot deliver real-time data access is behind on every AI application.

Achieving API-First Access

API-first has become a marketing buzzword. True API-first access means live, endpoint-by-endpoint connectivity that third parties can call in real time. Questions to ask to verify API-first claims:

- What APIs are available today, and where is the full endpoint documentation?
- What third-party integrations are available and what are they used for?
- What does the integration process look like? Does the bank manage it directly or engage the core vendor for projects?
- Is there a cost per API call, per integration, or per third-party relationship?
- What's the release cadence for new endpoints?

A core provider should be able to give specific answers to these questions if it claims to be API-first. If the provider cannot answer these questions specifically, the absence of clarity is itself an answer.



The Stack Above the Core

The core is where the conversation about technology and growth starts, but not where it ends. A bank that selects the right core—open, integrable, built to adapt—has the foundation it needs. What it builds on top of that foundation determines whether a growth strategy executes.

There are four technology layers above the core that drive growth outcomes in community banking: digital account opening, loan origination, data and analytics, and the digital banking experience. Each maps to a specific growth function. Each is only as capable as the core integration that feeds it. And most community banks are underinvested in at least two of them.

The Acquisition Layer: Digital Account Opening

The front door to a growth strategy is account opening. A bank can have a compelling product and a well-defined target segment, but if a prospective customer in a market where the bank has no branches has to navigate a paper-based process to open an account, the addressable market is structurally limited to people willing to go out of their way. The geographic moat has dissolved for competitors; it can dissolve for community banks too, but only if the front door is open.

The technology gap here remains significant. Research indicates that approximately 60% of potential customers are lost during account opening due to friction, and abandonment exceeds 50% when a digital application takes more than three to five minutes to complete. Every abandoned application is acquisition cost without revenue: a prospective customer who found the bank, decided to try it, and left before an account was opened.

According to Cornerstone's *What's Going On in Banking* study, 50% of banks cite digital and customer experience platforms as a top reason for increased technology spend in 2026; however, the efficiency challenges that make those investments pay off, including integration gaps and lack of data access, indicate that community banks are increasingly aware of the gap, even if they haven't closed it yet.²

The account opening system does not have to live inside the core to work. It does have to integrate cleanly with the core in real time so that an account opened digitally appears in the system of record immediately, the customer can fund it, and the relationship is visible for everything that follows. A digital account opening platform that synchronizes to the core overnight is technically a front door, but it is not a growth channel.

The Lending Layer: Loan Origination

In 2025, just 7% of banks deployed a new or replacement consumer loan origination system—less than half the 17% that planned to, according to Cornerstone's annual banking industry study. The more precise question for community banks is not whether to enhance lending but whether a new or improved loan origination system is actually connected to the core in a way that supports the strategy behind it.



The competitive pressure here is direct. Fintechs and large banks have compressed loan decision timelines dramatically. A modern loan origination system can move from application to decision in minutes using automated underwriting and real-time data access. A bank running manual credit review and disconnected document collection is competing on a timeline measured in days or weeks against that standard. The commercial customer whose successor is running a business from a mobile device and expects the same responsiveness from a community bank that they receive from a national lender will not wait. Speed of decision has become part of the product.

A lending capability worth building runs application, underwriting, decisioning, and booking back to the core cleanly. The banker has a complete view of the customer relationship while the loan is being evaluated. The bank can expand into new lending categories—SBA, consumer, small business—without a separate implementation project for each one. And when the loan is booked, the data flows back to the analytics layer and the digital banking experience so the customer sees an accurate, current picture of their relationship with the bank.

The Intelligence Layer: Data and Analytics

Every transaction that runs through the core contains information: which customers are growing their balances, which are shifting deposits elsewhere, which commercial clients are outgrowing the relationship, which households represent cross-sell opportunities that have never been pursued. Most community banks are sitting on this data without acting on it at scale—not because they don't want to, but because they don't have the infrastructure to make it actionable in real time.

Data analytics and actionable insights are among the fastest-rising technology investment priorities for community banks. According to *What's Going On in Banking*, the share of banks citing lack of data and operational metrics as a top technology efficiency challenge jumped from 27% in 2025 to 48% in 2026, which was the largest single-year increase of any technology challenge tracked. The category is rising because the data advantage community banks hold—years of deep transactional history with their customers—is being outpaced by what larger competitors can do with that same type of data at scale.

Large banks and fintechs are building predictive models that: 1) identify at-risk deposits before they move, 2) surface cross-sell opportunities at the point of readiness, and 3) route the right offer to the right channel at the right time. The data that community banks need to do this exists in their cores. The question is whether it can be accessed and acted on.

The connection back to the core is the same one that runs through every layer of this stack. A data and analytics platform running on nightly batch exports surfaces insights that are hours or days old.

Identifying at-risk customers after they've already started moving money is a post-mortem, not insight. Reaching them with a loan offer after they've applied at a fintech is noise, not relevance. The intelligence layer is only as timely as the data it can access, which is why the core's API architecture isn't an abstract technical preference. It's the direct prerequisite for turning a bank's own customer data into a competitive advantage.

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The Experience Layer: Digital Banking

The digital banking platform is what a customer encounters—the mobile app, the online banking interface, the account management tools. For most community banks, this is already a recognized investment priority. The question is whether the investment is producing the right outcome.

The evidence suggests it isn't. According to JD Power, average satisfaction ratings for mobile banking apps dropped 24% between 2021 and 2024 despite a period of substantial investment in new features.³ Cornerstone's Digital Banking Benchmarks study found that banks are spending more on digital banking but getting less than proportionate improvements in account opening and channel productivity.

The digital banking platform was built to give customers access to their accounts. What customers want is different: help managing their financial lives—improving credit scores, negotiating bills, canceling subscriptions, reducing debt.

Banks could offer these services. The problem is today's digital banking platforms can't integrate what fintechs already deliver. Integration with third-party capabilities and AI tools that could perform these tasks remains a significant gap in most current platforms.

The personalization gap runs alongside the integration gap. A digital banking platform that serves retail, small business, and commercial customers from separate interfaces—or worse, tries to serve all of them from the same generic interface—ends up standardizing the experience instead of personalizing it. Small businesses get the worst of both worlds: too complex for the consumer interface, not sophisticated enough to warrant the commercial platform, and underserved by both.

Digital banking platforms can address these gaps through three capabilities:

- 1) An application integration layer that allows fintech partners and third-party tools to connect cleanly inside the platform rather than sitting alongside it
- 2) Embedded AI that shifts the interface from menu-driven account access toward conversational, task-oriented engagement
- 3) An employee-facing workstation that transforms the platform from a customer-facing channel into a bank-wide intelligence hub

That last capability matters for community banks specifically. A platform that enables a banker to identify a customer segment, configure a targeted campaign, and execute it autonomously—drawing on live transaction data and AI-generated content—is a different class of competitive tool than one that allows customers to check their balance and pay bills.



The connection back to the core is the same one that runs through every layer of this stack. A digital banking platform that can surface a contextually relevant loan offer, execute a deposit campaign autonomously, or flag a customer's declining balance as a retention signal is only as capable as the data it can access. A core that delivers real-time data through open APIs enables all of it; one that delivers nightly batch files does not. The experience layer is not just a front-end investment decision; it is a direct downstream consequence of what the core can support.

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The Connection Is Always the Core

None of these technology layers function the way a bank needs them to unless there's clean integration with the core. The case for getting the core right, insisting on genuine open API access, and demanding a vendor relationship that actively supports integration work is the same case no matter which layer of the stack a bank is investing in. The growth stack doesn't stand on its own. It stands on the core—and on a core provider willing to be a real partner in making all of it work together.



The Partner Platform

Community banks evaluate core providers on features, pricing, integration capabilities, service, and their innovation roadmaps. What's not explicit in the RFP process—but needs to be—is the extent to which the vendor can support the institution's ability to grow, pivot when needed, and make long-term investments worth the effort and money.

Technology decisions in community institutions aren't transactional—core contracts run five years at a minimum. A community bank CEO was unambiguous about where his bank landed after a core selection:

"The most important thing in our tech stack decision was our partner."

That's a hard-won conclusion from decades of experiences—on both the good and the bad sides of a core partnership.

What a Bad Partnership Costs a Bank

When a bank chooses a core vendor, it's about the technology. When a bank leaves a core vendor, the reasons are often relational and human. The problems that impact bank-core relationships are intensified when nobody picks up the phone. A CEO described what it felt like to run a bank on a platform where the vendor wasn't responsive:

"I need someone that's going to support us—not just from the latest, greatest technology, but actually going to answer the phone when we're having an issue with our bread-and-butter client."

When that standard isn't met, technology stops mattering because the platform becomes a constraint.

Relationships are what wins or loses contracts. That matters more at the community bank level than anywhere else in financial services, because not all banks have dedicated vendor management teams, and IT teams can be stretched thin trying to support myriad systems. The president of a Kansas bank described the experience of trying to get help:

"Calling our old core provider was like calling the IRS—we didn't know if we'd ever get through."

For a bank where every person wears multiple hats, that response model means every hour spent chasing a vendor for resolution is an hour not spent on a customer relationship.

Banks tolerate unresponsive vendors because switching is a long and painful process that puts other strategic initiatives on hold. But when a bank tries to grow by launching a new product, integrating a fintech partner, or expanding into a new market, vendor responsiveness matters most at exactly that moment. An unresponsive vendor causes the most damage when a bank can least afford it—when it's trying to grow.



What Good Partnerships Look Like

Ask bankers what a strong core vendor relationship looks like and none will mention product features first. They talk about access, responsiveness, and knowing that the core vendor is invested in their success beyond the contract renewal conversation.

The chief operating officer of a de novo bank didn't expect to receive premium service from a core processor built for a different customer:

"We're not big enough and we don't fit their typical client, but they go way beyond trying to work with us."

Cores shouldn't hand off API specs and disappear when a bank brings in a fintech partner. They need to sit in the implementation meetings, work through the integration alongside the bank and the third party, and stay engaged until it works. That level of involvement is a deliberate strategic choice and one that many core providers have effectively decided isn't economically rational at the community bank scale.

DCI's Kintzel distilled the partnership question down to one a bank should ask itself before signing anything:

"Can you be heard with your existing core? If you're not, you can't grow."

Feature sets on roadmaps in a vendor pitch don't tell you much. What matters is this: When the bank has a problem, an idea, or a need, can it get the vendor's attention and a real answer in a reasonable amount of time?

A platform a bank can't influence, can't get support from, and can't grow with isn't worth calling a foundation. Before signing anything, ask whether you'll be heard. If you're not sure, you already have your answer.

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Evaluating Partnerships

Evaluating a core provider is a rigorous process. Months of effort go into scoring vendors across hundreds of functional requirements from account opening capabilities to regulatory reporting to API connectivity. The process surfaces functional gaps, flags contractual risk, and forces an honest comparison of vendor claims.

What it doesn't measure, however, is partnership quality, which is difficult to score in an RFP because it isn't a feature and doesn't appear in a vendor's response to a functional requirements checklist.

The questions that reveal partnership quality require a different kind of evaluation that happens in reference calls, in discovery conversations with the core vendor's implementation team, and in deliberately unscripted moments designed to surface how a vendor operates rather than how it presents on demo day.



Banks that run selections internally rarely get there. The RFP process concludes, the scores are tallied, and the harder conversations never occur. Institutions that bring in partners to help them navigate the decision typically add structured layers that unstructured selections skip: executive roundtables where vendor leadership is pressed beyond prepared talking points; steering committee assessments that stress-test organizational fit; and facilitated sessions designed to surface the answers that don't appear in the functional requirements checklist.

Can the core vendor be a partner the institution can grow with? The following questions supplement rather than replace the functional scoring process:

- **Responsiveness.** How long does a support ticket take to resolve on average? Ask for data, not anecdotes. A year after conversion: Who is the main point of contact? What types of meetings are occurring? How are projects being managed?
- **Implementation involvement.** Does the vendor sit in implementation meetings with third-party partners? If the bank signs with a new third-party, who owns the integration project? Ask for examples of complex third-party integration that the core vendor has recently supported and what the outcome was.
- **Client voice and roadmap influence.** Is there a formal mechanism for banks to submit and track feature requests? Can the vendor show an example of a client request that made it into the product roadmap? How often does the vendor communicate roadmap updates, and who receives them? Is there a dedicated non-sales relationship manager assigned to the account? How often do they visit on-site—and is there a cost to the bank? What is the escalation path when something goes wrong outside business hours?
- **Reference quality.** Request references from banks with similar asset size, tech stack, growth ambitions or converted off the same core—not just satisfied customers. Has a bank of similar size successfully launched a new product or integrated similar systems or fintech partners on this platform? Ask references: If they have or are coming up for contract renewal, did they or would they choose to partner with the same core vendor again?
- **Attrition and retention.** Why do banks leave this vendor: acquisition or dissatisfaction? Ask for the breakdown. What is the average tenure of a client relationship? Ask for the last three banks that left and the stated reason for departure.



About the Authors

Elizabeth Gujral | Director

As a director at Cornerstone Advisors, **Elizabeth Gujral** focuses on the development of quantitative and qualitative analyses that ultimately help banks and credit union boost their efficiency, service, and profitability to high-performance levels. She additionally supports Cornerstone's Research and Fintech Advisory practice, developing commissioned research and go-to-market strategies for fintechs. Elizabeth has spoken to boards about pragmatic AI use cases in banking and is a teacher at many of Cornerstone's education events on the topics of AI, banking-as-a-service/embedded banking, and growth in an always changing market.

p 480.990.5767
e egujral@crnrstone.com
 /elizabeth-gujral
in /egujral

Audrey Millhouse | Senior Consultant

Audrey Millhouse brings expertise in data analytics, economics, and financial modeling to her role as Senior Consultant at Cornerstone Advisors. She helps banks and credit unions evaluate, select, and implement core banking systems, combining quantitative analysis with deep industry research to guide clients through one of the most consequential technology decisions they will make.

p 205.520.6119
e amillhouse@crnrstone.com
 /audrey-millhouse
in /audrey-millhouse-58872b20a

Ron Shevlin | Chief Research Officer

As Cornerstone Advisors' Chief Research Officer, **Ron Shevlin** heads up the firm's fintech research efforts and authors many of its studies. He has been a management consultant for more than 30 years, working with leading financial services, consumer products, retail, and manufacturing firms worldwide. Prior to joining Cornerstone, Ron was a researcher and consultant for Aite Group, Forrester Research, and KPMG. Author of the Fintech Snark Tank blog, Ron is ranked among the top fintech influencers globally and is a frequent keynote speaker at banking and fintech industry events.

p 480.424.5849
e rshevlin@crnrstone.com
 /ron-shevlin
in /ronshevlin
 @rshevlin



ABOUT Cornerstone Advisors

For over 20 years, Cornerstone Advisors has delivered gritty insights, bold strategies, and data-driven solutions to build smarter banks, credit unions, and fintechs. From technology system selection and implementation to contract negotiations, vendor management, performance improvement programs, strategic planning, merger integration, and enterprise program management, Cornerstone combines its expertise with proprietary data and research to help financial institutions thrive in today's challenging environment.

p 480.423.2030
e info@crnrstone.com
 crnrstone.com
in [/cornerstoneadvisors](https://www.linkedin.com/company/cornerstoneadvisors)
X [@CstoneAdvisors](https://twitter.com/CstoneAdvisors)

ABOUT Data Center Inc.

DCI is the developer of the award-winning iCore360® core banking software, plus iCoreGO® digital banking and fintech processing solutions for community financial institutions nationwide. We're privately owned by our community bank clients, with several serving as board members and user group leaders. DCI offers debit card management, FrontLine teller software, custom data analytics, risk/vendor management, and more. And, by providing digital and fintech deliverables that integrate with any system—even those of our competitors—we offer unique partnerships to both existing and prospective customers.

 datacenterinc.com
e info@datacenterinc.com



Endnotes

¹ coinlaw.io/open-banking-adoption-statistics/

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Have questions regarding
this report?

Ron Shevlin

Chief Research Officer | Cornerstone Advisors

rshevlin@cmrstone.com

