

## VBA Summer Internship Program – Capstone Project Options



Project Option #1	Description	Guiding Questions (please note not all questions need to be answered in your project)
<b>Fintech: Disruptor or Partner?</b>	<p>Since 2010, more than \$115 billion has been invested in fintech companies. Banks are having to determine whether they need to alter their digital strategy to adapt to the effects of the fintech movement. Fintech has the potential to be a disruptor to the traditional banking model, while at the same time, it could also serve as a channel to help banks create better, faster and cheaper services for their customers. There is opportunity for banks to take an open approach to innovation, but there are also challenges for banks as they work to adopt these changes.</p> <p>Research fintech and its impact on the banking industry and explain why you think it is a disruptor, a partner, or a combination of both. Support your argument with information on how banks can either compete or partner with fintech companies.</p>	<ul style="list-style-type: none"> <li>• <b>Suggested:</b> Select a specific fintech that you feel would benefit operations and productivity at your bank. What would be the immediate effects of incorporating this into the day to day business? What would be the long-term effects of adopting this new idea?</li> <li>• What are the biggest trends in banking technology?</li> <li>• How has fintech changed the way that customers interact with their banks?</li> <li>• In what ways can fintech enhance the products and services banks offer their customers?</li> <li>• What specific challenges are banks facing as a result of the fintech movement?</li> <li>• Which banks are embracing the change and moving forward with fintech partnerships and how?</li> <li>• What new jobs have been created at banks in response to fintech?</li> <li>• How has regulation kept up with the rapid growth in fintech companies? How does regulation compare between fintech companies and banks?</li> <li>• How are banks successfully competing against fintech companies?</li> <li>• <b>[any other information that the bank would like researched]</b></li> </ul>

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Project Option #2	Description	Guiding Questions (please note not all questions need to be answered in your project)
<p><b>Ideal Location for a New Bank Branch</b></p>	<p>Many banks are looking to expand their footprint in Virginia. Determining where to expand is a process that can take months, even years, to determine. Describe the bank's current footprint. Research a minimum of <b>[X]</b> locations in Virginia where your bank does not currently have a presence. Based on your research, determine where would be the optimal place to consider expanding to and opening a new branch.</p>	<p>Find the following information for each location you research <b>[customize this list to your bank's preferences]</b>.</p> <ul style="list-style-type: none"> <li>• Proximity to the bank's existing branches</li> <li>• Population and population trends over the last 20 years</li> <li>• Age breakdown of population</li> <li>• Economic standing of population <ul style="list-style-type: none"> <li>○ Household income</li> <li>○ Per capita income</li> <li>○ Poverty information</li> </ul> </li> <li>• Education of population</li> <li>• Employer data <ul style="list-style-type: none"> <li>○ Top industries in the area</li> <li>○ Largest employers in the area</li> </ul> </li> <li>• Real Estate <ul style="list-style-type: none"> <li>○ Types of homes</li> <li>○ Trends over the last year <ul style="list-style-type: none"> <li>▪ Sales price and trends</li> <li>▪ Home values</li> <li>▪ Number of sales</li> <li>▪ Price per square foot</li> </ul> </li> <li>○ Information about rental properties</li> </ul> </li> <li>• Bank competition in the area</li> <li>• Area attractions</li> <li>• <b>[any other information that the bank would like researched]</b></li> </ul>

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Project Option #3	Description	Guiding Questions (please note not all questions need to be answered in your project)
<p><b>Banks and Social Media: How to Use these Platforms to Engage, Retain and Attract Customers</b></p>	<p>As of the first quarter of 2020, Facebook had 2.45 billion monthly active users. Instagram – 1 billion. LinkedIn – 500 million. Twitter – 330 million. People watch more than 1 billion hours of YouTube videos per day. If banks want to reach their customers quickly and frequently, social media is a great place to do so.</p> <p>Some banks in Virginia are relatively new to the social media world. While it can be a very easy platform to share information, there are many precautions that banks must take to protect their brand. Research your bank's approach to a social media presence. Determine ways that the bank can increase social media use and strategies that could ultimately engage and retain current customers while attracting new customers.</p>	<ul style="list-style-type: none"> <li>• Which social media platforms is the bank currently using? Does the bank have a social media policy?</li> <li>• What challenges do banks face on social media? Where can problems occur?</li> <li>• Which new platform(s) would the bank like to explore?</li> <li>• What is something the bank would like to use social media for but hasn't? What are the reservations?</li> <li>• Suggest a new social media campaign that the bank could use to promote a specific product, event, special rate, etc.</li> <li>• What are the bank's current customers' social media preferences? Consider polling customers as they visit the branches.</li> <li>• How can the bank cross-promote current campaigns on all social media channels, along with other forms of advertising? How could the bank adjust current advertising methods to make it more social media compatible?</li> <li>• Where else should the bank consider promoting its social media platforms?</li> <li>• Look at other Virginia banks' social media presence. What are the competitors doing well? How could you incorporate similar strategies at your bank?</li> <li>• <b>[any other information that the bank would like researched]</b></li> </ul>

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Project Option #4	Description	Guiding Questions (please note not all questions need to be answered in your project)
<p><b>Attracting the Next Generation as Customers and Employees</b></p> <p><i>*For this project option, banks can have the intern focus on either one or both of the topics listed above.</i></p>	<p>There were 76 million people born between the years 1946 and 1964, the traditional window of the baby boomer generation. Boomers will retire over a 19-year period at a rate of almost 11,000 people a day. The millennial generation is set to surpass the baby boomers as the nation's largest living adult generation this year, according to the latest information from the U.S. Census Bureau.</p> <p>The younger generations present a different type of customer to banks. Their banking preferences are very different from some of the other generations. They are also heavy users of peer-to-peer (P2P) apps. Banks have had to change and update many products and services to appeal to these new customers and trends in banking.</p> <p>As more and more boomers retire, an increasingly hot topic in many Virginia banks is succession planning. Banks are looking to the next generation to step up into leadership roles. There will be a dynamic shift in leadership over the next 10-15 years in the Virginia banking industry. Many banks are not only concerned about attracting young talent, but also keeping that talent in the industry.</p> <p>Research how banks are evolving to attract to this new generation of customers and employees.</p>	<p><b>Next Generation of Customers:</b></p> <ul style="list-style-type: none"> <li>• What are the current trends in banking preferences? How do generations differ in their preferences?</li> <li>• Explore the world of P2P transactions. What has made this such an appealing option for payments? How are banks entering this world of P2P payments? What are the risks for the customers and the banks with these types of platforms?</li> <li>• In what ways has your bank changed their products and services to appeal to younger generations? What changes have been well received? What changes did not have the desired effect?</li> <li>• What are some of the misconceptions about the younger generation? Consider your own banking preferences. Do banks still have a long way to go or are they in line with the needs of their younger customers?</li> <li>• How has your perception of banking changed as a result of your time working at the bank?</li> <li>• <b>[any other information that the bank would like researched]</b></li> </ul> <p><i>*See next page for guiding questions for attracting the next generation as employees.</i></p>

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<p><b>Attracting the Next Generation as Customers and Employees</b></p> <p><i>*For this project option, banks can have the intern focus on either one or both of the topics listed above.</i></p>		<p><b>Next Generation of Employees:</b></p> <ul style="list-style-type: none"> <li>• How can banks better show possible banking career paths to college students and recent graduates?</li> <li>• How does your bank support emerging leaders? What training opportunities, focus groups or programs are available to this group to develop talent?</li> <li>• What incentives does your bank offer in terms of years of service? How are people rewarded for years they've stayed with the bank? What are some ideas that your bank could incorporate that would appeal to the younger generation?</li> <li>• What other opportunities are available to young professionals in the banking industry in Virginia? How can they connect and network with other bankers in Virginia?</li> <li>• If you were a recruiter for your bank, how would you make your bank stand out against the competition? What are some new strategies that would "disrupt" the current ways of attracting new employees?</li> <li>• What are some of the misconceptions about the younger generation and what they're looking for in an employer?</li> <li>• <b>[any other information that the bank would like researched]</b></li> </ul>

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Project Option #5	Description	Guiding Questions (please note not all questions need to be answered in your project)
<p><b>Banks: The Cornerstone of the Community</b></p>	<p>Banks play a dynamic role in their communities. They drive growth, help revitalize neighborhoods and businesses, and enable millions of Virginians to achieve their goals, from buying a new car or house to paying for an education and creating a secure retirement. The engagement of bankers at all levels — with families, businesses, government and non-profit organizations — is key to the growth and strength of vibrant communities.</p> <p>According to 2018 data, bankers in Virginia served 8.9 million customers, completed 229,463 hours of community service, and made new home loans that totaled \$18.7 billion.</p> <p>The Community Reinvestment Act (CRA) is a law intended to encourage financial institutions to help meet the credit needs of the communities in which they serve, including low- and moderate- income (LMI) neighborhoods, consistent with safe and sound banking operations. Each year, banks are required to provide detailed data and share examples of their practices through a series of tests. Banks are given a CRA rating based on the results of these tests.</p> <p>Research the ways that banks in Virginia support the communities they serve.</p>	<ul style="list-style-type: none"> <li>• In what ways is your bank already supporting the community? What are the top three community programs/initiatives that they are involved with?</li> <li>• What is a new community program/effort that your bank could consider?</li> <li>• How does your bank track community service? Are there improvements that could be made to that tracking method?</li> <li>• Which department(s) spearhead community involvement? Who participates in community events/projects?</li> <li>• How do banks market their community involvement/support after the fact?</li> <li>• Does your bank have a CRA officer? Who manages CRA at your bank?</li> <li>• How do banks receive CRA credit? How do banks determine what qualifies for CRA credit?</li> <li>• What challenges do banks face in working with LMI communities?</li> <li>• What challenges does your bank face with CRA exams?</li> <li>• Is your bank involved with financial literacy in the community? What programs do they participate in? What programs could they consider participating in and how would those new programs support LMI communities?</li> <li>• <b>[any other information that the bank would like researched]</b></li> </ul>

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Project Option #6	Description	Guiding Questions (please note not all questions need to be answered in your project)
<p><b>The Bank of the Future</b></p>	<p>According to research done by Goldman Sachs, the “bank of the future” is based on three trends: a shift from offline to online banking, growing consumer trust for digital-first platforms and consumers’ desire for personalization and tailored product experiences.</p> <p>More and more consumers are wanting digital channels for all of their needs, especially their financial needs. Today, 80% of consumers say they are more likely to do business with a company that offers a personalized experience and are more willing to trust digital platforms than ever before.</p> <p>How is your bank adapting to this new digitally focused experience for your customers? In what ways does your bank make customers’ experiences personalized? What recommendations do you have for your bank to ultimately attract new customers and retain current customers?</p> <p>In this project, you will explore the idea of the “bank of future.”</p>	<ul style="list-style-type: none"> <li>• What factors are still drawing customers to use bank branches? Consider surveying regular customers of your bank’s branches.</li> <li>• What services/products/transactions are most common at your bank’s branches? Which are least common? Consider surveying branch managers.</li> <li>• What role does the bank branch play in the digital world?</li> <li>• Do digital technologies potentially eliminate the banker or can they help them?</li> <li>• What new jobs have been created at banks in response to digital technologies? What positions do you see being developed in the near future? What positions should your bank focus on in terms of hiring over the next 1-3 years?</li> <li>• How do digital technologies affect in-person experiences? How do these technologies change the setting where those experiences happen?</li> <li>• What data, analytics, dashboards, etc. are being under-utilized at your bank? What type of information is available from the digital technologies that your bank has embraced but is not being shared with branch staff?</li> <li>• What are some trends in new branch construction and location selection?</li> <li>• What changes has your bank made in the last 5-10 years to keep up with the ever-changing world of digital technologies? What changes have been most successful? What recommendations do you have for consideration over the next five years?</li> <li>• In what ways does your bank make customers’ experiences personalized? What recommendations do you have for your bank to ultimately attract new customers and retain current customers?</li> <li>• <b>[any other information that the bank would like researched]</b></li> </ul>