

WINDOWS®

IN FINANCIAL SERVICES

the magazine for Microsoft® in the financial enterprise

From Credit Union to Bank with the Latest Bank Systems

It's something of a truism in financial services that credit unions have been the leaders in taking a holistic view of their customers - leaders in both thought and in execution. After all, customer relationship management (CRM) becomes something more than just a hollow phrase when your customers are also your members and owners.



So it probably shouldn't be a surprise that when Rainier Pacific, a community credit union founded in 1932, became Rainier Pacific Savings Bank in 2001, it brought along the best of their successful credit union approach to serving the customer, rather than merely pushing products. Customers still act like they own the place. Every year, the bank sends out an eight-page survey to its customers. This past year, a rather high 16 percent of them filled out the whole thing and mailed it back. Employees at the bank, who pay careful attention to the results (about 20 percent of their variable compensation is tied to customer satisfaction), claim that the most common reason new customers offer for moving to Rainier Pacific is word of mouth.

Eighteen months ago, Rainier decided that its holistic approach to customers required something more sophisticated than personal balance sheets that had been maintained on sheets of paper. It hired a consultant and sent out RFPs. The bank wanted a core banking system

and a CRM system that would provide the tools for helping customers meet their financial goals.

According to Dalen Harrison, vice president with responsibility for the retail delivery network, "The bank has three questions we ask each of our customers. Who are you? Financially speaking, where are you? And, where do you want to go?"

"We started looking for a CRM system that would support our Web presence," recalled Carol Thomas, Rainier Pacific's project manager for the new banking system. "Our proprietary database just wasn't giving us the access to the data we needed, so we set out to look for a core banking system and a CRM vendor."

As might be expected from people with the cooperative outlook of a credit union mindset, Rainier Pacific wanted vendors who would partner with the institution in the same way that the institution partners with its customers.

"We had them come in and do the usual dog-and-pony vendor show," said Thomas. "Then we rated them. As we got down to the two finalists, we began asking if the vendors were interested in developing a true partnership. One of the two had an approach that if a customer asked for something, they might respond. Their organization was much more basic core banking than visionary." The other company was Fincentric. Based in Vancouver, they were known both

for core banking and wealth management systems built on a Microsoft platform. With a view of banking that went beyond mere checking and savings accounts to encompass a customer's entire financial profile, Fincentric appeared to be a good fit for a bank offering banking, investments and insurance.

Rainier Pacific selected Fincentric for its core banking platform. In turn, Fincentric recommended AIT for customer relationship management.

"We were already walking down the path with another CRM vendor, but we turned on a dime and went with AIT," said Thomas. "Both vendors work on Microsoft SQL Server, a very open standard and we felt this approach was very visionary."

After a year of working on implementation with the two firms, Rainier Pacific still thinks so.

"We went live with the first phase of AIT's Portrait CRM solution and the Fincentric Enterprise Server, which can take information from our legacy banking and securities systems and direct it wherever it needs to be, which in this case is in Portrait," explained Thomas. Fincentric's core banking system will go live at the bank in the third quarter of 2003. Staff at the bank look forward to making the changeover complete. "When it came to making changes in the old system, our hands were tied," said Thomas.

With 11 branches, a call center and approximately \$500 million in assets, Rainier Pacific is intent on being a bank, not an IT development shop. Both

Fincentric and AIT's Portrait come with development tools that allow the bank to enhance the software without writing code. As Thomas explained, that is saving them time today and they expect to save even more time when the next release comes out and the bank can install the new version without rewriting it to accommodate their own peculiar code.

Fincentric also supports a range of services, like the Visa credit card, that Rainier Pacific offers its customers.

"We found a lot of the core banking systems we looked at didn't have that," said Thomas. Fincentric also supports real-time banking. When a customer logs onto the bank's Web site and transfers money to his checking account, the funds move immediately.

"It's real time and that changes the customer experience," Thomas said. Fincentric allows the bank to line checking, savings, CDs, IRAs, real estate loans, credit cards, securities and insurance through its enterprise server to provide a complete view of the customer's assets and liabilities with the bank.

Technology isn't driving change at

Rainier Pacific. Instead, technology is catching up to a sophisticated banking practice that has been around for years.

"The way we sell and the way we consult were firmly embedded before we went looking for technology," said Thomas. "It's just that before this, customer profiles were on paper. Now, they're in the system. This new technology enhances the way we do business."

"Rainier Pacific is probably the only non-money center back in the US that has adopted a strategy around a full financial services shopping mall built on a customer-centric approach," said Mike Cardiff, Fincentric's president and CEO. "One reason that credit unions are so well positioned to take advantage of the change in financial services today, from product companies to customer-centric advisors, is that they tend to have extremely close, trusting relationships with their customers. They're not as removed as the traditional bank or broker." Community banks also have a similar opportunity to build on their strong relationships with their customers, he added.

Rainierpac.com

Thomas said the bank didn't much care what technology it acquired, as long as the system was on open standards, permitting bank staff to access the data they needed to provide their customers with service.

"To us, it really didn't matter if it was Microsoft, Sun or Oracle." But the bank did know that it needed to move away from transactions on a mainframe to achieve the comprehensive, real-time information it needed to offer in-depth financial services to its customer base.

"Banks are trying to balance transaction mainframes and customer relationship management," she added. Now that Rainier is moving toward a full Microsoft-based core banking system, other banks that have considered pulling the plug on their mainframes or service bureaus, but are nervous, have contacted her.

"I can feel their fear," said Thomas, who admits to having experienced sleepless nights during the project. "But they're really up against the wall with their legacy systems." **M**



Fincentric Corporation
200-13571 Commerce Parkway
Richmond, British Columbia, Canada V6V 2R2

Tel: 604.278.6470
Fax: 604.214.4900

info@fincentric.com
www.fincentric.com