

BACKGROUND

- The bank had been processing in in-house mode with the same core processor for 25 years and wanted to review other major vendor options for both in-house and outsourced processing.
- The bank's plans for growth required a system that would meet both immediate and long term system requirements.
- Being located near a major city, the bank needed competitive consumer and commercial electronic delivery services for internet banking and cash management.
- They desired to retain their current third party loan document platform and debit card processor.
- Executive management had major concerns regarding their current IT security and disaster recovery capabilities being maintained at or above industry standards.

RPI SYSTEM SELECTION Project Summary & Benefit Overview

[region] West Coast
[assets] \$600 Million

[RESULTS]

- * Reduced selected vendor contract costs by **12%** compared to initial proposal, as well as negotiated caps on annual increases.
- * Negotiated considerable discounts on software modules that the bank planned to implement in the future.
- * Favorably addressed the concerns about IT security and disaster recovery through vendor selection
- * Secured a significantly more favorable contract with penalties for not meeting SLAs
- * Augmented the bank's staff with a third party that has industry knowledge and significant depth in designing and managing IT networks.

APPROACH

- Interviewed key staff members in each department to identify gaps the current system did not address to determine whether they were due to lack of system knowledge/training or system ability deficiencies
- Created detailed list of capabilities where the existing systems fell short in meeting staff and process efficiency or failed to provide competitive internet/cash management services for customers.
- Developed and sent a RFP (request for proposal) to several major core vendors to obtain their response to specific identified system gaps.
- Analyzed responses to the RFP and assisted bank in narrowing the list of vendors to two finalists that made on-site presentations of system capabilities.
- Negotiated a bank-favorable contract with the selected vendor for more competitive fees and SLAs (service level agreements), including penalties if the vendor did not meet them.

RECOMMENDATIONS

- Develop detailed RFP that defines immediate and long term goals to obtain competitive proposals from multiple vendors
- Move from an in-house processing mode to an outsourced mode to address concerns about IT security and disaster recovery
- Outsource network management to a major vendor with significant experience in the financial industry
- Provided our recommendations on proposed fees versus more competitive market rates.
- Recommended numerous changes to agreement that were more favorable to the bank versus the vendor.