

Client Success

Scoring a Trifecta

American Savings Bank Scores Big with Core Banking Technology Makeover

Seeking to grow its customer base and revenue, American Savings Bank elected to upgrade its core banking system while consolidating various technology banking platforms to D+H. In addition to capitalizing on new market opportunities, the bank saw substantial savings to its bottom line: a 26 percent reduction in total cost of ownership of these different solutions. Customers are very pleased with the new enhanced experiences and services, and bank employees are more efficient and engaged.

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Jack Kuntz
CEO and President
American Savings Bank

Though running behind the scenes, core banking systems are a competitive differentiator for all community banks – and it is no different for American Savings Bank. When banking veteran, Jack Kuntz, joined American Savings Bank as CEO and president in 2013, his strategic vision included revamping the bank’s core banking system. This was

Organization Profile

American Savings Bank

HEADQUARTERS: Portsmouth, Ohio

LOCATIONS: 7 locations in Southern Ohio and Northern Kentucky

BANKING SERVICES: Commercial and consumer banking

FOUNDED: 1892

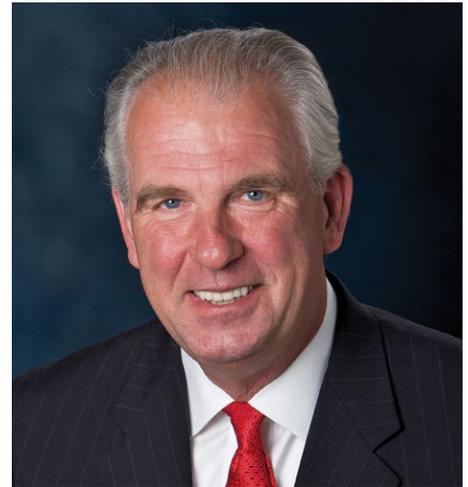
SLOGAN: “We Serve.”

ASSETS: \$253 million



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important, because Kuntz wanted to expand the bank’s consumer operations while also ramping up its commercial business.

As part of its business transformation and expansion strategy, American Savings Bank acquired another savings and loan in Cincinnati with the majority of its business consisting of commercial and consumer lending. “We believe the big banks aren’t interested in smaller commercial loans,” Kuntz related. “They simply don’t feel there are sufficient margins on those loans. However, these community businesses are at the core of who we serve.”

Capitalizing on a New Business Opportunity

To capitalize on this business opportunity, Kuntz recognized the need to rethink the bank’s technology infrastructure – not just the core banking system but other aspects as well such as Internet banking, loan origination systems and mobile banking. “The prior core banking solution that we had was a very traditional savings and loan system,” Kuntz said. “It was focused on consumer applications, and it didn’t address all of our needs on the commercial banking side.”

To lead the charge for American Savings Bank, Kuntz turned to Sherri Collins, senior vice president of Corporate Development for the bank. “It was a huge undertaking that spanned nearly two years – from building requirements, to evaluating and vetting solutions, to choosing a solution provider, to the actual implementation,” Collins related.

After scoping out its requirements, Kuntz and Collins went in search of a new solution. They boiled the list down to four different providers – one of which was D+H. Recognizing the importance of getting broader buy-

D+H and American Savings Bank

Challenges

- Capture new commercial banking opportunities
- Streamline operational processes through consolidated technology infrastructure
- Deliver better customer experiences through feature-rich, intuitive technologies

D+H Solution

- PhoenixEFE[®] Core as the core banking system
- DepositPro[®] for deposit document printing and compliance
- LaserPro[®] Commercial Lending and Consumer Lending
- Cavion[®] Internet Banking, Bill Pay and Voice Banking
- D+H Mobile Banking App

Business Outcomes

- Lowered technology infrastructure TCO 26%
- Enabling expansion of rapidly growing commercial banking business
- New mobile app reduced IT support calls
- Bank tellers are more efficient
- Customers have better experiences – in-branch and self-service
- Proactive risk and compliance management



in from employees, those who would use the new applications on the front line with customers, Kuntz and Collins included them in the evaluation and selection process from the very start. “We brought together a team representing all facets of our business,” Collins explained. “In addition to the valuable insights and recommendations they brought to the table, this approach generated organizational engagement and investment.”

D+H Selected for Three Reasons

Ultimately, after a lengthy evaluation of the four technology solutions, the cross-functional team selected D+H. There were three primary factors that went into the decision. The first was the need for a solution that addressed both the bank’s consumer and commercial requirements. “The other solutions had strengths for either consumer banking or commercial banking – but not both,” Kuntz commented. One area that was a major pain point with the prior solution that only D+H solved was memo posts (or batch processing). “The ability to have both memo post and real-time availability on a product or application level was essential,” he added.

“Commercial customers come into a branch with a ‘bag’ full of cash and checks to deposit every day,” Kurtz explained. “In each instance, we input the aggregate amount into our system and push that sum into the customer’s account. With a memo post, which we get with D+H, we are able to give that customer a confirmation that the funds are in her or his account. However, those funds don’t become available for withdrawal at the ATM until we’ve proofed the deposit after the customer left the bank. In the case of our legacy core banking system and the other three solutions we evaluated, that memo post with the corresponding proof wasn’t available. This means customers could make a deposit and turn around and withdraw that money from the ATM before we proofed the deposit. This presented a serious risk to us.”

The overarching importance of addressing both commercial and consumer banking requirements cannot be underestimated. “It was not an either-or scenario,” Kuntz elaborated. “Without a solution that robustly satisfied our requirements on both sides, it would have created a nightmare in the back office. We ultimately would have needed to opt out of one of the businesses.”

The second reason American Savings Bank selected D+H was about past relationships and experiences. Prior to coming to American Savings Bank, Kuntz served as the CEO of Intrieve, Inc., a company acquired by D+H. “D+H is very customer focused and its technologies are topnotch,” Kuntz noted. “Being in the bank technology business for 22 years, I have unique insight on providers.” At the same time, personal relationships and loyalty are very important to Kuntz. Beyond former employees, on whom Kuntz places much trust, he also gives significant heed to providers with whom he previously worked.

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The final factor that American Savings Bank used to make its decision was price. “In addition to the core banking system migration, we collapsed other banking applications onto the D+H platform,” Kuntz said. “This additional investment in D+H gave us more leverage when it came to negotiating on price. It also gives me ‘one throat to choke’ rather than trying to coordinate the activities of multiple vendors – from implementation to ongoing support.”

“Our operations are more efficient, we’re able to deliver a better customer experience, and we’re paying less money. This is what I call a trifecta.”

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A New Technology Infrastructure to the Core

After making a final decision in the fall of 2014 to go with D+H, Collins went to work, putting together an implementation roadmap with associated milestones, proactively flying out to meet with the D+H implementation services team, and rallying each of the different cross-functional stakeholders at the bank. “Replacing your core banking systems and migrating the bulk of your banking application infrastructure to a next-generation platform is as big of an undertaking that a bank can do,” Kuntz remarked. “This was a huge success for the bank, and immense credit goes to Sherri (Collins) for her strategic direction and tactical execution.”

D+H’s PhoenixEFE Core went live in October 2015. Its multi-channel approach enables American Savings Bank to deliver real-time transaction processing and account servicing through a single engine that can be accessed through self-service, branch or the back office. “We improved operational productivity and customer experience while reducing risks,” Kuntz says. “Everything now runs through PhoenixEFE Core, which serves as our system of record for every transaction – whether account, savings or loan related.”

The Cavion® suite of self-service consumer and commercial banking solutions was another building block that American

Savings Bank put into place. “Customers have responded positively to the new Cavion solutions,” Collins reported. Cavion pieces the bank put into place include Internet Banking, Bill Pay and Voice Banking. “It is a much more robust self-service banking platform than what we had before,” Collins added.

DepositPro® has been highly anticipated by branch tellers—specifically the single sign-on (SSO) capabilities. “Our tellers will no longer need to log out of one system and log in to another,” Collins said. “They often would need to sign in and out of applications during a customer interaction to make a deposit, order checks, among other customer service functions. This was unproductive and frustrating, and had a negative impact on customer experience.”

To manage origination for consumer and commercial loans, American Savings Bank implemented LaserPro® Consumer Lending and LaserPro Commercial Lending. “We’re able to manage the end-to-end loan origination process with the LaserPro solutions, and all of these activities integrate seamlessly with PhoenixEFE Core,” Kuntz said. “We’re able to quickly and easily process loans from both individual consumers and businesses with the knowledge that we’re compliant with all of the different regulations that are out there.”

With more and more of its customers wanting to use their mobile devices, American Savings Bank sought to upgrade its mobile





banking capabilities at the same time as it tackled these other technology infrastructure projects. “Our previous mobile app wasn’t intuitive and lacked in feature and functionality,” Kuntz said. “For example, customers couldn’t take a picture of a check, something most other banks in the area offered their customers. They also didn’t have the ability to turn-off their debit or credit cards when ‘purportedly’ losing them with a simple click or tap but then reactivate them in the same manner in the event they later found them.”

“We’re quite pleased with the D+H Mobile Banking App,” Collins commented. “We’ve seen adoption rates per download increase since rolling it out last fall.” And because the app is much easier to use than the prior mobile app, the operations department has seen a drop in incoming support calls from customers. These hours can be reallocated to technology innovation or other initiatives that grow revenue.

A Look Forward

While Kuntz lets his team come up for air over the next few months, he plans to recommence the technology transformation later this summer by instituting additional products and features from D+H. “For example, the General Ledger system from our prior provider ran runs on Oracle Financials, which is the mainstay for some of the largest companies in the world,” he noted. “But that doesn’t mean the solution is right of us.” Kuntz and his executive team previously received a financial statement on the 10th of every month reflecting the performance of the preceding

month. “This is rearview mirror management,” he said. “I want to see daily accruals and statements so that I can proactively manage the business and anticipate potential opportunities and potholes. With the General Ledger features in PhoenixEFE Core to be launched later this year, we will gain this frequency level of reporting.”

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With the different D+H solutions live for only a few months, American Savings Bank is still compiling all of the resulting business metrics. But Kuntz is certain that the bank has scored what he describes as a “trifecta.” By simply consolidating the prior hodgepodge of technology solutions underneath the D+H umbrella, the bank realized a 26 percent reduction in total cost of ownership. “Our operations are more efficient, we’re able to deliver a better customer experience and we’re paying less money,” he summed up. “It doesn’t get any better than that.”

Solutions Summary

+PhoenixEFE®

core

Phoenix Extended Financial Enterprise (PhoenixEFE) is an integrated enterprise software platform that brings together a proven, real-time core processing solution with the company's market-leading specialized applications. The result is a technology foundation that helps your institution manage risk proactively, offer competitive products, improve efficiency and deliver a superior customer experience.

+DepositPro®

Every day, thousands of customer service representatives depend on DepositPro to efficiently open new consumer and commercial accounts. For over 20 years, DepositPro has produced and perfected deposit document printing and compliance, while providing workflow tools to address the myriad of tasks required in opening a new account. From streamlined document production to full service "extra touches" that make your customer feel like more than just a number, DepositPro handles every transaction with ease.

+Cavion®

internet banking

Cavion Internet Banking provides a multi-layered application service provider (ASP) solution that is cost effective and ultra secure.

Built-in security, such as multi-factor authentication, protects the end user's identity, making it safe, while continuing ease-of-use for users who want to access their accounts and other valued information, such as check images and statements, 24/7.

+LaserPro®

commercial lending

More than 3,200 lenders nationwide depend on LaserPro for compliant loan documents. LaserPro delivers the latest technology and efficiency for multiple loan types for lenders of all sizes. For 25 years, the solution has continued to evolve to support the thousands of lenders who use it to remain compliant with state or federal law.

Well known for its ability to handle the full range of transaction types – from the most streamlined and simple consumer loans to sophisticated commercial loans – LaserPro delivers consistent, professional looking documents wherever and however you do business. LaserPro includes modules to better support the origination and processing phases of consumer and mortgage lending, thus streamlining the loan process with compliance from origination and processing to closing. At the heart of LaserPro is its legal and compliance knowledge base, supported by a Network Counsel that consists of attorneys from all 50 states. LaserPro provides true 50-state lending capability, allowing you to make loans in, and take collateral from, any U.S. location.

+LaserPro®

consumer lending

+Mobile Banking App

The D+H Mobile Banking App provides a mobile-first, intuitive user interface designed to help you grow cross sales and deliver superior service across every mobile touchpoint. User feature favorites such as card management and PicturePay combined with a simple-to-use, easy-to-understand user interface will make your institution stand out. The Mobile Banking App can be completely customized by each financial institution to match its brand guidelines and identity. The result is a series of positive experiences for the account holder, that leave an impression that ultimately creates engagement and increases usage.

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