

Case Study



Rayne State Bank and Trust Company

Using technology to achieve growth and efficiency in an ultra-competitive market

With more than 260 competitor locations within a 25-mile radius, Rayne State Bank and Trust Company needed to operate efficiently to thrive. Leveraging technology from Fiserv, the bank increased assets and profits, without adding staff.



Competing in the crowded financial services market in greater Lafayette, Louisiana, requires a creative business strategy. Seeking to simplify processes, enhance integration and productivity, and increase profits, Rayne State Bank and Trust Company turned to Fiserv and the Precision® bank platform.

A Strategic Payoff

Since converting to Precision in 2003, Rayne State Bank has produced some impressive numbers, including more than 50 percent growth in assets. Profitability improved as well. The bank posted its best year ever in 2007, when profits increased nearly sixfold compared with ten years earlier. Other positive results have included reduced costs, simplified operations, improved customer service, greater staff productivity, and enhanced competitive agility.

“The biggest value that Precision brings to us is flexibility. It’s easy to get information in and out of the system, and we can move quickly with established and prospective customers,” says Russell Henson, vice president of information systems at Rayne State Bank. “We’re generally able to deliver new products before other banks in our area.”



Banking, Pure and Simple.™



Client Profile

The \$230-million Rayne State Bank and Trust Company serves the banking needs of communities in Acadiana, a southern Louisiana region with a rich French culture and history. Since being chartered in 1943, the bank has grown steadily by investing in consumer, commercial and agricultural loans, as well as securities.

In 1994, the bank expanded beyond Acadia parish to become a competitor in nearby Lafayette, which is the retail, medical and educational services hub for a number of surrounding communities. Three of the bank’s six locations are now in Lafayette.



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Providing leading-edge services helps the bank attract and retain higher-quality commercial customers, such as small- to middle-market businesses and professionals. Unlike many of its competitors, the bank doesn't advertise any services as free. Instead, they prefer to win business by fair pricing and positive customer experiences.

Supporting the Bank's Staffing Plan

Henson credits the Precision suite's ease of use for supporting the bank's staffing strategy, which is to hire exceptional employees, retain them with higher salaries and a good work environment, and empower them with technology.

"With Fiserv, we can do more with less. We've maintained staff while increasing loan and deposit levels. Many of the functions that had been done manually are now automated, making it possible to do more work with fewer people," says Henson. "Precision is very simple to learn. It's user-friendly and flows well, making it easy for our staff to get the information they need."

Because Precision provides a complete view of all relationships each customer has with the bank, staff can provide prompt, personalized service, which is a Rayne State Bank hallmark.

"The Inquiry screens give us 90 percent of the information, and it's easy to drill down to find more, even every account tied to the customer," notes Henson. "Other systems give you one screen at a time, but Precision displays data in tabs, so you can look at different screens without having to backtrack."

Henson says the bank has scored several other personnel victories. Prior to converting to Precision, Rayne State Bank reorganized its back-office operations and shifted existing staff to other duties. That meant no additional staffing resources were needed — even though the bank transitioned from an outsourced processing environment with another vendor to in-house processing with Precision.

"In my 25 years of banking, I've been involved in five conversions, and the transition to Precision was the smoothest," says Henson. "The Fiserv team was here for about two weeks to make sure everyone was trained and all systems were working properly. They did an outstanding job."

Realizing Operational Efficiencies

Rayne State Bank has eliminated many manual processes through behind-the-scenes automation and by utilizing Precision's service-oriented architecture (SOA). The most advanced and scalable technology in the middleware market, Precision's enterprise service bus provides for seamless, real-time communication between the bank platform and ancillary applications.¹

The result of this integration, Henson notes, is the availability of up-to-the-second customer data at Rayne State Bank. "Precision helps us tie into the system very easily for ancillary applications. A major reason we decided to go with Fiserv is that they have the tools to do what we need in the future," he recalls.

¹Larry Fulton, The Forrester Wave™: Enterprise Service Buses, Q1 2009, Forrester Research, Inc., for Enterprise Architecture Professionals, January 26, 2009, pp. 10 – 11.

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The bank has discovered many other advantages by switching to Fiserv:

- The combination of Director™, an imaging and retrieval solution integrated to Precision, and a machine that folds mail and stuffs envelopes, has reduced the time needed for statement printing, which now requires just one part-time person, rather than three part-time employees.
- Fraud is reduced, as is teller time per transaction, because front-line staff can view signatures and identification when customers are visiting the teller station. Integration between Precision, Director and Integrated Teller™ for Precision makes this possible.
- An entirely manual process for handling commercial loan applications was automated, saving hours of work each week for the bank's loan secretaries.
- Executive officers can now conveniently access standard reports, and even write their own reports in Precision, rather than interrupting other staff activities and waiting for custom reports to be created.

"Our president absolutely loves Precision, because he can easily locate the information he needs directly from the system," adds Henson.

Reducing Costs

Precision's architecture is based on Progress OpenEdge®, a standards-based, integrated platform. OpenEdge features an advanced business language (ABL) for software development, and also incorporates an embedded relational database (RDBMS) into Precision. At Rayne State Bank, that means a lower cost of technology ownership.

"Overall, the Precision suite has helped reduce costs at our bank, due to the database and the platform used to develop Precision," says Henson.

Precision operates on an IBM pSeries server and AIX operating system, a combination that's resulted in cost efficiency for this Louisiana bank. "The hardware is much less expensive, which enables us to purchase faster systems at the same cost or less," Henson notes. "With this savings, we purchased a second system for business continuity purposes."

Contributing to Business Continuity

In 2005, Rayne State Bank experienced two near misses. In August, Hurricane Katrina hit to the east of Rayne, and a month later, Hurricane Rita walloped areas west of town. While some damage occurred at the bank, the more drastic impact on other communities spurred the organization to enhance its business continuity plans and procedures, including the establishment of its first-ever backup site, 100 miles to the north.

Not all financial institutions were as proactive as Rayne State Bank, and in March 2009, the Federal Financial Institution Examination Council (FFIEC) issued "Lessons Learned from Hurricane Katrina: Preparing Your Financial Institution for a Catastrophic Event." While pointing out that many banks' business continuity plans worked well, the report stated that "the unprecedented magnitude and duration of the effects of Hurricane Katrina caused major disruptions that exceeded the scope of disaster recovery and business continuity plans of some financial institutions. Many institutions had to adjust plans and improvise responses to successfully address unexpected complications."

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization, and leading the transformation of financial services technology to help our clients change the way financial services are delivered. Visit www.fiserv.com for a look at what's next, right now.

Among these “lessons learned” is one that resonates strongly with Rayne State Bank: “The location of any backup site can be critical to successful recovery efforts.” No matter the scale of future business interruptions, Henson is confident that their secondary location setup will speed and simplify recovery.

The comparatively low cost of the IBM® hardware platform and the option of spreading out the cost made it easier for the bank to set up a second location. According to Henson, “We can operate like a larger bank and set up our own disaster center. Fiserv provides us with Point-in-Time Replication for our Precision system, so if we have a business interruption, we can recover in two to three hours, instead of many days.”

Rayne State Bank’s convenient disaster recovery arrangement includes partnering with the fiber-optic company that connects the bank’s main operations center to its secondary location, which is in a building owned by the fiber-optic company. “They have their own generator, backup batteries and more. All we had to do was put a server rack in there and plug in, and we rent the space in square inches,” says Henson.

Partnering with Fiserv has proven beneficial to Rayne State Bank, and positions this organization to weather not just hurricanes, but challenges of every shape and size.

Connect With Us

For more information about the Precision bank platform from Fiserv, call 800-872-7882 or contact your account manager.



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Challenge

Facing a market with an abundance of financial institutions and hyper-competitive pricing, Rayne State Bank pursued a business strategy that uses technology to help boost efficiency, growth and profits.

Solution

The bank selected the Precision bank platform and a host of integrated solutions from Fiserv. Precision’s open architecture, flexibility, and ease of use were particularly attractive to the bank.

Proof Points

The Precision suite helped Rayne State Bank simplify processes and integrate systems, promoting enterprise-wide efficiency. Positive results include:

- Achieving the bank’s best profits ever, \$2.9 million, just a few years after migrating to Precision
- Increasing loan and deposit levels while maintaining staff
- Integrating ancillary systems and automating many previously manual processes
- Simplifying data access for the bank’s executives
- Enhancing business continuity by setting up a backup site and replicating data