



Client Case Study



Client Profile

Company Highlights:

- Serving members in Eau Claire and surrounding communities for over 40 years
- Almost \$700 million in assets
- Ranked 7th in the nation in member business loans

Challenge:

- Selection of optimal core processing system to support strategic initiatives while allowing employees of RCU to focus on day-to-day job responsibilities

Cornerstone Service Utilized:

- System selection/conversion
 - Technology assessment
 - Needs analysis
 - RFP and vendor selection
 - Contract negotiation
 - Program management

Benefits:

- Custom designed RFP requiring minimal hands on from RCU
- Objective 3rd party insight applied to multiple vendors
- Optimized contract negotiation
- Smooth data conversion

Royal Credit Union

Success Story: System Selection/Conversion Oversight

Successful Business Loan Group Helps Drive System Selection for RCU

About Royal Credit Union

Royal Credit Union (RCU) is headquartered in Eau Claire, Wisconsin. With more than 100,000 members and assets of nearly \$700 million, RCU is one of the largest credit unions in the state. RCU is an active community member and supports local businesses of all sizes with a successful business loan group that is a model in the credit union market.

Changing Technology Environment Leads to Core System Assessment

When RCU decided to assess core data processing alternatives, several elements were at play. RCU's current vendor had announced a platform migration. RCU was interested in moving to a more open system with robust capabilities for handling business lending and deposit functionality. And, RCU recognized that its initiatives to continue providing comprehensive support for employees and business members could best be realized with state-of-the-art technology.

For assistance in evaluating its options, RCU turned to Cornerstone Advisors. The decision to utilize Cornerstone's services was based on its familiarity with RCU's existing as well as competitor systems and its depth of experience in providing system selection services.

"The selection of a core data processing system is one of the most significant financial investments RCU will make over the next five years," said Jim Watts, CIO, Royal Credit Union. "For a decision of this magnitude, we felt the input of an objective, third party was critical. Cornerstone performs dozens of these engagements in any given year. The expertise they've developed as a result was an important factor in our decision to work with them."

"Faced with an existing core system scheduled to undergo a platform migration and given RCU's desire to continue to nurture and grow its business program, RCU took a pragmatic and practical approach to what was ultimately a strategic opportunity," said Scott Sommer, President & CEO of Cornerstone. "RCU's management was aware of both the risks and rewards of serving commercial clients and understood the need for careful planning supported by appropriate systems to stay competitive and grow in this line of business."

Strategic, Business, Technology Objectives Drive Decision

Using its proprietary vendor selection process, Cornerstone worked with RCU to complete a comprehensive series of activities:

- **Project plan preparation** to accommodate RCU staffing levels and strategic issues
- **Information definition requirements** in keeping with RCU business objectives
- **Technical specification development** guided by technology infrastructure/standards recommendations
- **Technology assessment** focusing on areas with opportunities for improved productivity and service quality
- **Preparation and release of RFP** including selection of vendors
- **Vendor response assessment** including clarification of vendor issues and questions
- **Finalist selection** using a weighted selection criteria
- **User presentations coordination** including demos, completion of scoring sheets, reference checks
- **Contract negotiations** based on Cornerstone's proprietary database of information on the vendor market

Work commenced in May and by August RCU had selected a vendor. "There was a lot at stake for RCU in this decision," said Scott Hodgins, Senior Director, Cornerstone. "By identifying and understanding RCU's strategic needs and matching individual vendors and products against these, we helped make the selection process more objective and straightforward. RCU was able to make educated comparisons between the various products and identify the one that most closely met their needs."

"Cornerstone's guidance and support was important throughout all stages of the project," noted Watts. "During the selection process, Cornerstone spoke firsthand about market and technology trends and what they had seen in terms of peer credit union selections. When it came time to present the final decision to the board of directors, Cornerstone's methodical and well-documented approach gave an additional degree of confidence. The insight Cornerstone provided during contract negotiations was beneficial, with the result being a favorable contract both in terms of pricing and issue resolution. When it came time to implement the system, Cornerstone helped us apply a disciplined project methodology to manage all the bits and pieces of the data conversion... and there were a lot of moving parts. Consequently, the conversion went very well. Cornerstone fulfilled their mission of providing a proven methodology and guiding us toward a successful conversion. In fact, we've now engaged them to assist with and provide oversight for redesigning our business continuity plan."

About Royal Credit Union

Royal Credit Union (RCU) was organized in April 1964 to serve employees of Uniroyal and their families. In November 1972, the Wisconsin Commission of Credit Unions gave RCU permission to add other employee groups to its membership and for the next two years, additional groups were added until there was a total of 27 groups. With the growth experienced by being able to serve more people, RCU applied for and was granted a community charter. RCU's current charter provides it with a field of membership that includes people who live or work in Eau Claire, Chippewa, Barron, Buffalo, Burnett, Clark, Dunn, Jackson, Marathon, Pierce, Pepin, Polk, Rusk, St. Croix, Taylor, Trempealeau, Washburn and Wood counties in western Wisconsin. Membership has grown rapidly from the original 100 Uniroyal employees and RCU is now one of the largest credit unions in the state of Wisconsin.

About Cornerstone Advisors

Cornerstone Advisors provides a wide spectrum of advisory services to banks and credit unions nationwide, including Best Practice Banking, Strategic Planning, Process Improvement, Technology Assessment and Planning, System Selection, Contract Negotiation, Program Management, and Merger Integration for financial institutions nationwide. Cornerstone publishes *GonzoBanker* and *The Cornerstone Report: Benchmarks and Best Practices for Mid-Size Banks*.

Cornerstone Advisors, Inc.
 4725 N. Scottsdale Road, Suite 250
 Scottsdale, AZ 85251
 480.423.2030
 www.crnstone.com

