



Small Business Case Study

Product Used: Dual-Core Intel® Xeon® processor technology, Intel® Centrino® processor technology
Company Size: 25-50 employees



Technology Puts Growth In The Bank At Mitchell & District Credit Union

Case Summary

Mitchell and District Credit Union has served the financial needs of its southwestern Ontario community for 45 years. When slowing growth and antiquated technology began to challenge staff three years ago, the credit union's new general manager knew the future depended on upgrading its systems, services and technology. Strategic Information Technology and Intel® paved the way to the future.

Challenge

A member-owned financial co-operative, Mitchell and District Credit Union (MDCU) provides an alternative to the chartered banks for the individuals and businesses in Perth and Huron Counties in Southwestern Ontario. With four branches and more than 30 staff, the credit union gives members access to all the specialized financial services they need, including chequing or savings accounts, business banking, mortgages, investments and online banking.

Three years ago, general manager Beth Bruesch was hired to help grow the credit union. At the time, it managed assets of approximately 62 million dollars for its 5,000 members, but growth in the previous few years had slowed and Bruesch was tasked with increasing visibility and membership.

One of the first challenges she encountered was technology. To Bruesch, it was like stepping back in time with banking software running on a 15 year old flat file system and tellers using ancient "dummy terminal" computers with phosphorus screens. To print reports, access information or even manage simple transactions, they had to enter numeric codes into the program's spooler.

"We had no flexibility. We couldn't easily pull reports and couldn't easily create new accounts or get member information," recalls Bruesch. To add a service like a new type of account, she would need to pay programmers and wait for months. "We couldn't even tell through our system if a member had multiple accounts, joint accounts or even loans easily and a teller had to look up each account separately, which took a lot of time."



“Technology is an enabler,” says MDCU’s Beth Breusch. “We are a member-focused organization and with the new technology in place, we can spend more time focusing on them.”

“There was no real network,” adds David Soegiarto, MDCU System Analyst. “While each branch had their own LAN, it wasn’t interconnected to the other branches except with e-mail.” Additionally, the branches connected to the actual banking system over a dial-up connection which Soegiarto admits presented some long term security concerns.

“There was no file sharing, no connection and no administration,” he says, noting to provide network support he’d have to travel to each site.

In addition to security, the credit union needed to be able to dynamically offer new services and market new products to customers, but with the 15 year old software program, they couldn’t even pull aggregated member data.

Breusch knew growth would be hampered by ancient technology and that the solution was to upgrade their systems from the desktop computers used by tellers to a network back office supported by a more powerful server environment.

Solution

Unlike other financial institutions, Breusch reports to a board and is accountable to her membership. That means taking a cautious approach to investments and capital expenditures. Staff reviewed all the options over a year and a half to make certain their choice would meet the members’ present and future needs.

“You look for cost savings but you also get what you pay for,” says Breusch. “It’s a big decision so you have to balance quality and long term reliability against cost.”

MDCU chose Strategic Information Technology*, a developer of real time banking software from Stouffville, Ontario, as the platform on which to build its 21st Century banking solution. Strategic Information Technology’s Portfolio Plus* software program breaks banking down into modules to allow clients to plug in specific services and add new modules as business evolves. With Portfolio Plus*, and a new operating environment built on Intel® processor technology, MDCU could move from information silos to

a modern technology infrastructure that was easy to use and added the flexibility needed to continue growing.

“Technology enables modern banking,” says Patrick Lannigan, vice president of marketing at Strategic Information Technology. “Banking is 24/7 and needs software designed to handle the integration required to link all aspects of a single transaction together from debits and deposits to online bill payment and investing.”

Thanks to technology like Portfolio Plus*, the time saving for staff is immense. “Everything is done in real time. Credit union members can buy something on a debit card and instantly see the transaction using their web banking interface,” adds Lannigan, noting the transaction volumes require powerful computer networks to remain responsive.

To make sure the software was installed on a reliable network, MDCU bought new HP* servers with Dual-Core Intel® Xeon® processor technology. This gave the credit union the speed it needed to deliver member information quickly to tellers, while supporting the growing demands of members using web banking.

“With Intel, you know that when you turn it on, it runs,” says Soegiarto. “The reviews on the system rated Intel at the top and we need a system that will keep working reliably. We’ve put it under some pressure and it handles it well!”

“Mitchell and District is not large but members need access to information every hour of every day. They need to have scalable technology to be responsive during peak demand and those demands are growing,” notes Lannigan.

With a solid network infrastructure supported by Dual-Core Intel Xeon processor technology, Soegiarto networked the branches using both hardwired and wireless technology, and interconnected the branches to the head office with a high speed Internet VPN connection. Each branch has a new firewall to increase security at all access points, and all desktop computers were upgraded to leverage the performance of Intel processor technology.

“The front line has to be productive so the desktop has



to deliver information as quickly as it is requested," he says. "I need a system I know will work. We can't have a system going down when a member is trying to transfer funds. With Intel, I get the performance and stability I need, at the price I can afford."

Key Advantages

The first advantage of the network has been increased security, and for Soegiarto it is also easing administration among all the locations. He can now access each branch remotely to troubleshoot or provide support, which is something he could never do with the old system. He used to spend a third of his day dealing with network issues, not including travel time, and today he can solve most issues in a few minutes. That allows him to focus on other important things such as software implementation and planning that will help the credit union to keep growing.

For Bruesch, the hardware and software upgrades provide peace of mind. "Your hardware should just work and now it does. You shouldn't have to think about it," she says, noting the upgrades provide an even more valuable service. "Technology is an enabler. We are a member-focused organization and with the new technology in place, we can spend more time focusing on them."

Instead of concentrating on plugging in the right codes and worrying about the multiple steps required for simple transactions such as balancing accounts, today transactions are completed in a few mouse clicks so tellers can lift their heads up and talk to our members. "We were so concerned about the processing part of our jobs that we couldn't focus on the needs of that member. That's all changed," says Bruesch. "We can now have conversations with our members. We're more relaxed and are able to deliver a whole new level of service."

Ease of use was one of the first tangible advantages to the new system. With little training, tellers can now process customer transactions faster and that means shorter lines. A new employee can also be up and running on the system with minimal formal training.

"The learning curve is amazingly short," says Bruesch. "The system does all the work in the background so tellers can focus on our members."

Setting The Stage For Growth

After three years, Bruesch has helped the credit union grow from 62 million dollars in assets to close to 74 million. With a solid network infrastructure running on Intel Xeon processor technology, and powerful Portfolio Plus* software that is easy to use, Bruesch can now create new and more advanced services for its members using Portfolio Plus* without waiting months for a programmer's help.

Bruesch is able to work faster and more efficiently. Without needing to program in codes to get information or spend hours waiting for reports, she can focus on more important things such as new services, researching new locations and spending more time with members.

"I can go into Portfolio Plus, set up the parameters, test it in the demo file and if I'm happy with it, put it out there," she says. "We are a small town institution but we have all the service and technology of a large institution, which gives us the best of both worlds."

Thanks to a server with the power needed to process member requests for information very quickly, MDCU was able to provide members with new services such as enhanced online banking features that adds more billers, and includes the ability to transfer funds to other financial institutions. New services like this one help retain members.

"New services and technology helps you attract new members, but it also helps you retain your existing members. They appreciate that the services you are providing are up to date and competitive with other financial institutions."

With power, scalability and the speed they need to handle increasing

demands, Soegiarto knows that Intel processors are delivering the services with the stability and responsiveness people want.

Database Breaks Down Information Silos

Portfolio Plus* integrates all aspects of the banking system so that when a member comes into a branch, any teller can see MDCU's relationship with that customer. Portfolio Plus' customer information file design puts the customer at the centre of the data and allows everyone at MDCU to easily manage every relationship. A new teller doesn't have to rely on notes from longer-standing employees or information from members themselves to help their customer. It's all served up in seconds thanks to Intel processors.

The centralization of all data is going to allow Bruesch to better manage her branches and her customers. At the branch level, she can now pull reports on the performance and efficiency of individual locations.

"With our old system it was like pulling teeth," says Bruesch, who also couldn't do market research or plan campaigns to launch new services because she couldn't roll up customer data to create profiles that identify service gaps that could be filled by the branch. "It is going to allow us to do more strategic marketing and target services to specific groups of customers. We couldn't do this before because we couldn't access the information."

The centralized database saves Bruesch time. She recently had to provide auditors with a membership report. Pulling the data from her old system required a print out that took three hours. The data from the new system was delivered to the auditors with a few mouse clicks.

Systems Working 24/7

Web banking, debit cards, point of sale machines and businesses run every hour of every day. This means that financial institutions need to be available and responsive around the clock.

Lannigan notes that in the past, transactions were typically batch processed usually once a day. Today everything is processed in real time. That means institutions need a network infrastructure that can not only communicate effectively inside the branch, but has solid connections to all of its third party partners like ATMs. It also has to communicate seamlessly and quickly with customers accessing their accounts through web banking.

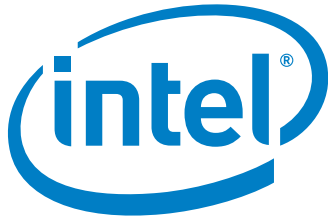
According to Bruesch, rural members depend on web banking to manage their bills, businesses and many day-to-day transactions. This on-demand service is critical to her members who don't want to have to drive into town every time they need something.

Before upgrading their network, MDCU shared a server with a few other credit unions which slowed down during peak demand times. Today, ATM and all point of sale debit transactions rely on the reliable uptime of MDCU's new HP* servers powered by Dual-Core Intel Xeon processor technology. Online banking demands are supported by a rack-mounted Dell server with Intel Xeon processor technology and high speed fiber optic connection to the Internet to ensure every transaction is processed fast and members are happier.

"I also now have the ability to dynamically update things like bank rates, and customers have fast access to their accounts, which is something they depend on," says Bruesch.

Banking Un-tethered

With four branches under her management, Bruesch opted to work on a wireless notebook to give her the mobility she needed to support all her locations. Her notebook PC, with integrated wireless technology, is easily configured thanks to Intel® Centrino® processor technology. As a result, Bruesch is able to quickly connect to her branch's wireless network and access the information she needs to help clients whether she's sitting in her office, or responding to a quick customer inquiry from the staff room.



"We take security very seriously and implemented sophisticated measures to protect our data. Because of that, we can use wireless, which allows us flexibility to grow and gives me the mobility I need," says Bruesch. "I really need wireless. It's the first thing I asked for when I arrived and I depend on it."

Software Developer Banks On Intel

Within the offices of Strategic Information Technology*, developers depend on Intel to give them the processing power they need to build sophisticated banking modules for their clients.

"Each new product endures a lot of testing and development work before it ever goes to a customer," says Lannigan. With developers using high speed Dell OptiPlex* Intel® Core 2 Duo® processor technology in their desktop computers and Dell PowerEdge* servers with Dual-Core and Quad-Core Intel Xeon processor technology supporting its network, Strategic Information Technology can run multiple virtual environments and test software without straining network resources.

Since customers use different system configurations, Strategic Information Technology's staff needs to be able to replicate every possible environment quickly to support clients. "By flicking on a few software switches, we can replicate what our customer is using and run tests using generic data," says Lannigan, who notes advancements in virtualization tools have allowed them to run different environments simultaneously, which speeds development.

"We could have anywhere from 30 to 40 environments or virtual worlds to simulate the client environment running at any time. We need to emulate our customers and have the information accessible," he says. "That means we need servers that can handle the demands of our more than 80 staff. Overall performance is what impressed us with Intel."

In addition to development, Strategic Information Technology depends on a work request system to effectively manage customer help requests and software changes. From within the system,

developers can easily pull up the older version of the software to troubleshoot an issue for a client who is still using that version.

"This is priceless," says Lannigan. "I don't know what we would do without it. When a customer calls with a challenge on an older version of our software, we can pull up archive code and fix the problem. Our customers are happy because we can fix their problems faster."

Future Uses

Within the branches, Bruesch is already looking ahead to new services and technology to increase the speed of service while improving efficiency. Since she now can aggregate client data, she can target new marketing campaigns aimed at specific groups of customers, such as new home owners' line of credit for first time home buyers, or RESP programs for families. With access to better reporting, she can also monitor branch efficiencies as it relates to the cost of doing business, and will allow her to add staff or reassign resources to make the best use of all personnel.

In addition, since credit unions view education as a critical part of their job, Bruesch would like to open student credit unions at local schools. With financial education rarely covered in schools, it will help teach students about financial management, planning and budgeting. And, Bruesch notes, with high speed Internet connections at the schools and powerful notebooks with Intel® Centrino® Duo processor technology, students can experience real time transactions from any school office.

Bruesch also sees an opportunity to expand local services to support under-served areas of the county, and offering drive-through facilities. With a solid network with Intel at the core, MDCU has the power it needs to add new services for members, and open new branches that will be inter-connected on a single network and able to share relevant data.

Soegiarto says that a priority for MDCU will be adding fiber optic Internet connections at each branch to support their internal wireless networks. In addition to continuing his efforts to ensure the network is scalable and secure, Soegiarto plans to add servers in every branch to speed in-branch data back-up while increasing redundancy. Soegiarto estimates this change will allow almost real-time processing of backups, which is critical for business continuity.

"We want to make sure things are scalable and can handle growth," he says, noting that he'd like to add more servers with dual core or quad core processor technology to their network as growth continues.



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