

WINNING TOGETHER: USERS, Clients Team up on Maestro

USERS has always been committed to partnering with our clients to develop technology solutions that respond to their needs. That commitment is evident in our tradition of investing significant resources toward the research and development of new technologies.

USERS continually maintains a balance between investing in the development of products to meet our clients' short-range needs and exploring the new technologies that can help address their broader, longer-range challenges.

In this spirit, Fiserv and its business unit, USERS, have made a strategic decision to devote substantial R&D resources to answer an industry-wide challenge: the lack of true integration between a typical credit union's many disparate systems. We are now investing in a solution that will significantly alter how these systems work — enabling them to integrate in ways that can deliver dramatic improvements throughout the enterprise.

THE CHALLENGE

Unlike the single monolithic systems that once handled all of a credit union's computing needs, today's credit unions depend on a constellation of unrelated systems from multiple suppliers. That environment, while providing a wide range of feature function applications, creates a number of challenges.

Financial institutions today aren't asking so much for new applications; they're asking for the many applications they already have to work together efficiently. (See chart on page 20 for more on this trend.)

"If you think about a typical business process in a credit union, it usually requires staff to touch multiple systems," explains Anne Ballard, USERS' Director of Strategic Projects. A prime example is the new member account opening process, which tends to involve multiple steps and systems for functions like OFAC compliance, credit checks, check ordering, ATM or credit card ordering, and many others.

The use of different applications that don't work the same or share a common database yields many challenges: waste and inefficiency (through redundant data entry, increased errors, or slower service); lost opportunities to retain or expand relationships (resulting from staff focusing on operational tasks instead of sales and service); and even member frustration and confusion (stemming from the fact that different channels don't always present



Anne Ballard
Director of Strategic
Projects, USERS

the same, consistent data to the member).

AN EMERGING SOLUTION

Overcoming these challenges demands the integration of the many different systems

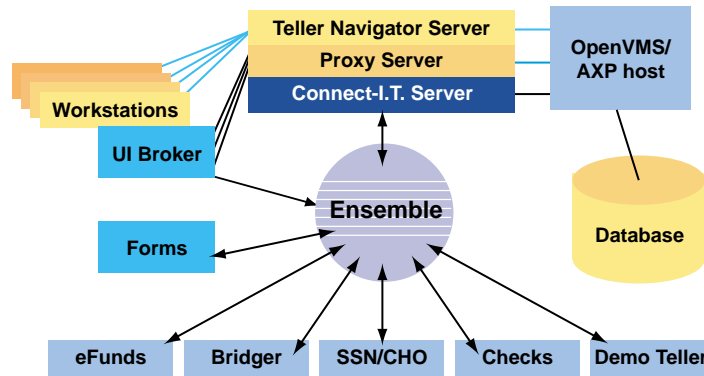
involved — a solution that's remained elusive. Eager to help our credit union clients achieve the enterprise-level integration they need, USERS embarked on a major strategic research project. Under Ballard's direction, this research effort is resulting in the ongoing development of a new integration solution: Maestro, featuring Ensemble.

Maestro is designed to orchestrate a credit union's many disparate systems, in order to facilitate and optimize its business processes. Ballard compares the role of this new integration solution to the role of a musical maestro: "Just as there is when an orchestra is tuning before a concert, there is dissonance among these separate systems. The real music doesn't occur until the maestro begins to orchestrate the individual instruments; likewise, true integration occurs when the Maestro product orchestrates the many unrelated systems in a credit union."

Maestro is based on the concept of Enterprise Application Integration (EAI),



MEMBER VERIFICATION, SIMPLIFIED



Verifying a member during an account opening typically involves many time-consuming steps. In its initial phase, Maestro is providing functionality that greatly simplifies and speeds the process – automatically guiding users through each step and integrating the required third-party solutions.

which enables the real-time, event-driven integration of application data, real-time reporting and analysis across multiple applications, and the automation and optimization of business processes.

Maestro will address the very challenges inherent in an enterprise with multiple systems — avoiding redundant work in order to improve efficiency, increasing accuracy, and presenting a single, complete view of the member. The solution will automatically guide staff through a business process, step-by-step, ensuring each is completed accurately and efficiently.

Ballard explains further, “Maestro allows the creation of new, composite business processes that combine both existing and new functionality with the availability of real-time data from different sources. As data is brought into the Maestro environment, it is transformed to a common format and made accessible to all of the connected applications.”

Recognizing that a powerful integration solution would require a powerful engine behind it, USERS selected the Ensemble solution from InterSystems as the underlying technology for Maestro. Ensemble allows developers to build and deploy solutions that integrate data across the enterprise, orchestrate business processes, and enhance the value of existing applications. In a recent

paper, International Data Corporation (IDC) applauded Ensemble as “a unique mix of technology not commonly found in today’s integration software, which unifies the data, process and application-centric integration worlds.”

“Because each credit union’s processes are unique, Maestro is not the kind of standard software to which most clients are accustomed,” Ballard explains. Each implementation will involve a custom project, with functionality and components delivered to match the credit union’s specific business processes. The project is quickly moving from the recently-completed proof-of-concept phase, to its

current early field test with two beta partner sites, and expanding to a broader pilot in 2005.

FROM CONCEPT TO REALITY

The Maestro project is a true collaborative effort of USERS and our clients, with two credit unions working hand-in-hand with USERS on the initial phase: University

Federal Credit Union (Austin, TX, \$600 million, 98,500 members) and Fort Knox Federal Credit Union (Fort Knox, KY, \$420 million, 68,500 members).

A greater focus on member relationships is a major goal of the initiative for University Federal. “We have an aggressive sales culture; as we ask our FSRs to do more, all the

systems they have to touch create redundant work, taking their focus away from the relationship,” says Vince McConnell, Senior Manager of Direct Delivery. “Short-term, we want to speed and simplify processes. Long-term, we want our FSRs to have the time to focus on sales, instead of operations.”



Bill Rissel
CEO,
Fort Knox Federal
Credit Union



Don Rogers
VP of Information
Services, Fort Knox
Federal Credit Union

For Fort Knox, the ability to eliminate waste and inefficiency proved a major draw to the project. “As a credit union with a high-volume, low-income membership, we have to focus on ways to reduce expenses,” says CEO Bill Rissel. “We felt the Maestro concept could help us do that in many areas.”

The two credit unions have worked closely with Ballard and her development team throughout the initial phase — identifying their needs, reviewing designs, and participating in weekly calls. “The Maestro team has been great about listening to our needs and understanding how we work,” McConnell says. “That’s what’s driving this product: the unique business processes of each credit union.”

FIRST PHASE

This summer, University Federal took delivery of initial functionality that focuses on the member verification portion of the

account opening process, which involves interaction with third parties for steps like OFAC compliance and verifying the integrity of the social security number. A subsequent phase of account opening will focus on the fulfillment end, automating the ordering of checks, debit cards, and credit cards, while coordinating the lending activity required by various account types.



Michael Hintz
VP/Chief Technology
Officer, University FCU

“I’m delighted with the functionality we’ve seen so far,” McConnell says. “Over time, Maestro could revolutionize how we work. My nirvana is that we’ll spend less time training on processes and more time on sales, which could have a huge impact on our business.”

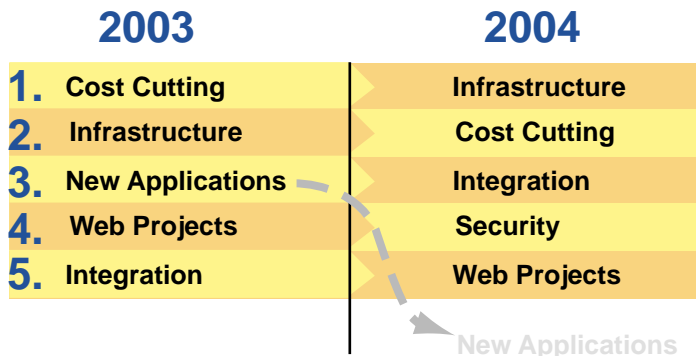
VP/CTO Michael Hintz is equally enthusiastic. “Based on what we’ve seen, we believe Maestro can make a serious dent in the challenges we face due to the many disparate systems our staff interacts with,” he says. “It’s a big step toward giving us a member-centric, 360° view, which will give our staff more time to focus on the member.”

Fort Knox was taking delivery of the same functionality as of press time, with similar expectations. “We’re eager to see the process flow from one step to the next, even for steps that involve a third party like check card ordering, which is very inefficient,” says Don Rogers, VP of Information Services. “We especially like the fact that our staff can’t move forward without completing certain required steps, like OFAC checking. We also expect they’ll spend less time inputting data and more time with the member.”

In 2005, USERS will begin opening the Maestro project to a larger pilot group that will participate in the design and testing of additional functionality. If your credit union is interested, please contact Anne Ballard at 1-800-523-7282, ext. 1223 for more details.



**INTEGRATION
TAKES CENTER
STAGE**



In terms of IT spending priorities, integration is moving further up the list — a trend that the Maestro initiative directly responds to. Data from International Data Corporation (IDC) shows that in 2003, IT spending focused on cost-cutting measures, infrastructure investment, and new applications, while integration lagged behind as fifth on the priority list. A year later, the development of new applications has fallen off the list, as organizations are focusing more resources on making their existing system assets work together better through integration — the mission of Maestro.

