

Case Study



Flagstar Bank

Fifth Largest Savings Bank Achieves Better Control Over Its Currency Supply With Integrated Currency Manager™

Greater transparency of information across branches, better forecasting and easier reporting help Flagstar Bank optimize its cash balances and orders, resulting in greater efficiency and lower costs.



With 100 branches across Michigan, Flagstar Bank is responsible for servicing hundreds of thousands of customers, which includes having cash available when and where they need it. Balancing the cost of supplying cash to customers while keeping up with peak cash demand and controlling cash balances can be challenging, especially if the organization lacks visibility into its cash supply chain as was the case for Flagstar.

“We were having a difficult time accessing and viewing the information to determine if a branch had ordered cash, or needed to order cash,” said Meghan Nye, cash and card services administrator, Flagstar Bank. “The reporting capabilities were extremely limited as well. Our inability to properly forecast cash orders and balances resulted in a high number of costly emergency or late orders.”

Additionally, poor forecasting led Flagstar’s branches to order too far in advance, overstocking currency to avoid outages. This also was a costly situation for Flagstar as the excess funds could not be used to generate interest income.



Client Profile

Headquartered in Troy, MI, Flagstar Bank is a full-service bank with 100 branches across Michigan. Chartered in 1987 as a federal savings bank, today Flagstar has assets of \$13.7 billion. Flagstar is the largest banking company headquartered in Michigan and the fifth largest savings bank in the country.

Greater Transparency of Information Lowers Costs

Flagstar set out to find a solution that would provide:

- An easier tool for bank employees to use
- Better reporting and forecasting
- Greater transparency of information
- Ability to share information with multiple parties within the bank
- Flexibility to accommodate a variety of branches

The decision came down to Integrated Currency Manager from Fiserv or an in-house solution.

“Choosing Integrated Currency Manager over an in-house solution was a no-brainer for me. All I needed to rollout Integrated Currency Manager to all of our branches was three Flagstar resources and 45 days,” said Nye. “It would have been at least a year, and significantly more resources, to develop an in-house solution. And the cost to host the service with Fiserv versus in house was comparable.”

Flagstar is using Integrated Currency Manager at all 100 of its branches and will be implementing the solution across its ATM network, commercial cash vaults and ATM cash values for a total 250 cash points.

Ease of Use Increases Branch Adoption and Usage

“Integrated Currency Manager has been very easy for our branch staff to learn and use,” said Nye. “We were able to roll out the solution to the branches using a series of

WebEx tutorials to train branches through each phase of implementation. We also were able to create an online manual using the information Fiserv provided, including step-by-step instructions and screen shots.”

Integrated Currency Manager is designed with an intuitive user interface that is straightforward and easy to use. In Flagstar’s case, this has enabled branch employees to perform analyst work, alleviating some of the workload from management, allowing them to focus on other functions and priorities.

“Our previous solution was confusing, but with Integrated Currency Manager, our branches find it easy to log in and access their orders and they understand the flow of information and where it is coming from,” said Nye. “Our analysts also find it simple to view and understand the information in the system and to enter adjustments as needed. Because they understand the information better, they are able to ask the right questions and obtain the correct information from the branches to build more accurate forecasts.”

Greater Transparency of Information Lowers Costs

With Integrated Currency Manager, the entire Flagstar enterprise has insight into:

- What branches need to place orders
- If a branch has approved a cash order
- What changes have been made
- If an order has been placed either for cash delivery or for cash to be shipped from the branch

Better Reporting and Forecasting Streamline Operations

This transparency of information has improved communication between management and branch operations and the number of late and emergency orders has been reduced.

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"I would definitely recommend Integrated Currency Manager to other financial institutions. The amount of transparency we have gained with Integrated Currency Manager that we are able to share with so many parties within the bank has been phenomenal."

Meghan Nye
Cash and Card Services Administrator,
Flagstar Bank

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"The level of transparency we gained by switching to Integrated Currency Manager has been a significant benefit," said Nye. "It is very easy for management to see whether or not a branch has acknowledged the need for a cash delivery or a ship out. As such, we know when a branch does not truly need a late or emergency order, which has helped us reduce these costly orders."

Flagstar's regional operations managers are able to view the same information so it is easier for management to question the need for a late or emergency order. Instead of blindly filling the order as in the past, the branch must provide a business case for an unnecessary late or emergency order.

Additionally, because branches are more cognizant of how much cash is in their location, they have been able to reduce their cash transfer fees.

Flexibility to Meet Diverse Needs

"One of the biggest advantages of Integrated Currency Manager was the flexibility to accommodate the needs of 100 different branches, in diverse geographical areas, with vast differences in the amount of commercial activity as well as withdrawal and deposit activity," said Nye. "The ability to share information across all of our cash points and to easily create reporting to meet the needs of multiple business areas and management levels has helped to streamline our currency supply operations and improve our forecasting abilities."

The reporting capabilities of Integrated Currency Manager provide Flagstar management with valuable coaching opportunities for branch operations managers; for example, management can tell when a branch is consistently failing to review its orders. In return, the branches are able to provide management with better feedback and forecasting.

Combining comprehensive forecasting functionality with historical utilization trends and known local events, Integrated Currency Manager helps Flagstar easily manage its enterprise currency requirements. The result is optimized currency holdings and reduced expenses – with maximized currency availability for its customers. And with more accurate forecasting, Flagstar has been able to eliminate unnecessary over or under inventories of currency, ensuring its cash points are properly stocked and available for customer use. The result is greater customer satisfaction, better use of its cash and lower costs.

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For more information about Integrated Currency Manager, call 800-872-7882, email getsolutions@fiserv.com or visit www.fiserv.com.

Challenge

A lack of visibility into its cash supply chain and poor forecasting was causing a high number of costly emergency or late orders and too much cash on hand.

Solution

Flagstar selected the hosted version of Integrated Currency Manager for its capabilities, reporting, speed of deployment and flexibility to meet the diverse needs of its branch network.

Proof Points

- Enterprise-wide visibility into cash supply chain helped to streamline operations and planning
- Reduction in emergency and late cash orders
- Quick and easy deployment in 45 days on hosted solution
- Improved branch cash management and reduction in cash transfer fees
- Improved accuracy in forecasting and better balance of cash supply and availability
- Easier reporting to fulfill the needs of multiple business areas and management levels
- Ease of use and online access to cash orders by the branch
- Improved operational efficiency and lower costs



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