Case Study

AMOCO Federal Credit Union
Credit Union Implements Nautilus Workflow Client to Improve the Efficiency and Effectiveness of Its Contracts Management Process

AMOCO Federal Credit Union has been in business for more than 70 years. When this thriving credit union needed to retool its contracts management process, it turned to Nautilus® Workflow Client from Fiserv.

Originally chartered to serve the financial needs of the employees of the Pan American Refining Corporation of Texas City, AMOCO has grown to serve a large, diversified membership located throughout the country. The team at AMOCO realized that while the contracts management process was correct in theory, in practice it presented some challenges.

Manual Processing Causes Risk

When contracts were received they were to be forwarded to the compliance department where they would be scanned into a third-party contract management system. The system would then send out notices when contracts were coming up for renewal. However, in reality, many contracts were not making it to the compliance team. They were being stored in employees' desks, creating several risks.

First, renewal notices were not being issued and contracts were automatically renewing, so AMOCO was missing opportunities to change vendors and negotiate rates. In addition, contracts stored in employees' desks create disaster-recovery vulnerability, which was top of mind for AMOCO executives. And last, since the contracts weren't all making it into the central repository, if someone needed to access a contract to review terms, for example, the contracts were often difficult to locate.

To address these issues, the AMOCO team decided to implement Nautilus Workflow for Contract Management. The organization had previously invested in Nautilus technology so it made sense both from an economic and systems perspective to leverage an existing solution and expand upon it with Workflow for Contract Management.

Client Profile
- Asset size $760 million
- 9 branches
- 77,000 members

AMOCO Federal Credit Union is a member-owned cooperative organization. AMOCO's mission is to serve and satisfy its members, and it has done just that for more than 77 years. AMOCO strives to provide the best products and services available to its members by offering low loan rates and little to no fees.

AMOCO uses XP2® from Fiserv for account processing, and the tight integration with Nautilus makes accessing and using documents much easier and more efficient for its users.

Building the Contract Management Workflow

Using Nautilus Workflow Client, there are now three key elements to the AMOCO Federal Credit Union contract management workflow:

- Due diligence

- Executed contracts

- Expiration alerts

For both the due diligence and executed contracts steps, a contract enters the relevant phase of the contract life cycle and the system checks for the relevant content. If it cannot find what it is checking for, it sends out an alert until the information it is seeking is located. Otherwise, the contract continues to the next stage of the process.

For expiration alerts, the contract enters this step in the life cycle and the system checks for the relevant content and routes the contract to the appropriate queue. The contract stays in the queue until it reaches the date to send the notice. When the date is reached, the system then routes the contract to the next queue to send an alert to the responsible employee the following month. The employee has three options to respond:

- Yes, we will be staying with the vendor, in which case the contract routes to the end of the life cycle

- No, we will be leaving the vendor, which then presents a new vendor form to be filled out

- Maybe, in which case the contract will continue sending alerts out monthly

Alerts are issued based on when each contract requires that the vendor receive notice, not the contract expiration date.

If AMOCO decides to leave a particular vendor, the system then automatically searches for related contracts with that vendor, so all relevant contracts are canceled. The new vendor form also acts as a placeholder for the new executed contract, searching for it to come into the system and replace the stand-in form. If AMOCO chooses to stay with a vendor, the system automatically checks for an updated contract.

Challenge

Much of AMOCO Federal Credit Union's contract management process relied on manual processing, some of which wasn't happening in an efficient manner. Renewal notices were not being issued and contracts were automatically renewing, so AMOCO was missing opportunities to change vendors and negotiate rates. Further, many of its contracts were being physically stored in employees' desks, which was a major red flag in terms of disaster recovery and made contract reviews extremely challenging.

Solution

To improve the effectiveness and efficiency of its contract management process, AMOCO implemented Nautilus Workflow Client from Fiserv.

Proof Points

With Nautilus Workflow Client implemented, AMOCO has seen vast improvement to its contract management process, including:

- Contracts are now all in one place, eliminating the disaster recovery risk and enabling easy access to the contracts when needed

- Alerts are going out on time

- Countersigned contracts and due diligence are being turned in correctly

- The organization has significantly reduced its risk of contracts automatically renewing

- The workflow is flexible and continual improvements can be made over time with little effort or rework

The AMOCO Records and Retention Manager spent roughly four months building and testing the new workflow. An important lesson learned is that everything doesn't have to be built into a single life cycle. Using a different life cycle to tackle each item you process is often the best way to go.

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For more information about Nautilus Workflow Client, call 800-872-7882, email getsolutions@fiserv.com or visit www.fiserv.com.