

CELENT



CASE STUDY

FIRST FOUNDATION: EXECUTING A CENTRAL BI & SERVICE DELIVERY FRAMEWORK

WINNER OF CELENT MODEL BANK 2020 EMPLOYEE
ENABLEMENT AWARD

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This is an authorized reprint of a Celent case study. Although the reprint was prepared for Fiserv, the analysis has not been changed. For more information, please contact info@celent.com

CASE STUDY AT A GLANCE

FINANCIAL INSTITUTION	First Foundation Bank
INITIATIVE	Central Business Intelligence and Service Delivery Framework: "The Vault"
SYNOPSIS	<p>Poised for significant growth, First Foundation Bank needed to transform cumbersome, manual, and siloed systems and processes to ensure that processes could accommodate an influx of new customers and employees. With future acquisition and organic growth part of its long-term goals, the bank needed to take advantage of automation and technology to sustain collaboration and excellent customer service.</p> <p>The Vault is a business intelligence delivery framework that supports automated processing of client and internal service requests, collaboration for scaling Change Management, Project Management, Product Management, Risk Management, and Data/Content Management. It supports centralized team workspaces that let it track and resolve issues, post announcements, distribute critical alerts, and effectively govern enterprise communications.</p>
TIMELINES	<ul style="list-style-type: none">• Initial scoping completed January 2017• First live pilot deployed in February 2018
KEY BENEFITS	<ul style="list-style-type: none">• The bank has automated over 75% of its highest-volume processes and completely overhauled its intranet.• The Vault is staged to integrate AI and robotic utilities to bridge gaps in hands-off processing. Clients and employees enjoy an enterprise delivery platform that leverages data to auto fill forms, drive automation, and electronically deliver services to clients.• Grew assets by 78% while employee count grew by only 40%.
KEY VENDORS	Fiserv, Microsoft, Nintex, DocuSign

CELENT PERSPECTIVE

The Vault is an impressive example of using tried and true technology in new ways to deliver business results. This isn't cutting-edge innovation, but when viewed as a way to change the fundamental operations of the bank by focusing on how employees do their work and deliver an improved customer experience, its implementation is extraordinarily effective. Celent observes six takeaways for other banks to learn from.

- A smaller bank can achieve impressive results.
- It relies on partners to deliver those results.
- Leadership and communication are critical to managing change.
- Data primacy is a driver behind many decisions.
- Partnering effectively is essential for success.
- Other smaller banks can transform too!

DETAILED DESCRIPTION

Introduction

First Foundation Bank is a \$6.3 billion asset institution focused on private wealth management, personal banking, and business banking. Founded in 1990 and headquartered in Irvine, California, it has ambitious growth plans, particularly through M&A. Its challenge was to transform cumbersome, manual, and siloed systems and processes to accommodate an influx of new customers and new employees. With future acquisition and organic growth part of its long-term goals, it needed to upgrade its automation and technology to sustain collaboration and excellent customer service.

Table 1: First Foundation Bank Snapshot

FIRST FOUNDATION BANK	
YEAR FOUNDED	1990
REVENUE	\$212 million (12 months ending Dec. 2019)
ASSETS	\$6.3 billion (December 2019)
GEOGRAPHICAL PRESENCE	Headquartered in Irvine, CA, with branches in California, Nevada, and Hawaii; seeking to expand footprint.
EMPLOYEES	500
OTHER KEY METRICS	Three lines of business: Personal, Private, and Business Banking; Private Wealth Management; Trust Services. \$5.2 billion deposits, \$4.2 billion AUM; \$840 million in trust assets under advisement.
RELEVANT TECHNOLOGIES AND VENDORS	Implemented the VAULT, a central employee portal, using technology from Fiserv, Microsoft, and Nintex. The bank's core is Fiserv Precision.

Source: First Foundation Bank

First Foundation sought to create a more nimble and scalable enterprise technology stack that could support rapid growth. Its vision was to build a dynamic environment to promote standardized service delivery to both clients and employees. First Foundation leveraged integration and new technology to scale its service delivery and overall business intelligence by improving enterprise data and process accessibility and integrating banking processes and business support applications.

Opportunity

In 2016 First Foundation found itself in a situation common to many smaller banks. At \$4 billion in assets, it had to grow, but it couldn't simply use the same technology that had supported its success since 1990. To fulfill its ambitions of organic growth and acquisitions, First Foundation's management knew that it had to radically restructure its approach to data management, employee collaboration, and the assimilation of new customers and colleagues.

The challenges will sound familiar to many banks. Too many critical processes were manual and paper driven, which caused delays in service to clients and also exposed the bank to increasing risk as it grew larger. The bank tracked customer requests through email, which required numerous redundant emails and offered no real time insight into the status of the

requests. Email-based processes created challenges for both customer service and audit. Processes were person-dependent, so the absence of an individual could hold up processing of a request. Processes also required excessive documentation, which was a drain on employee time and consumed network bandwidth and storage. There was no way to objectively assess employee performance, or to understand and then correct bottlenecks and inefficiencies. Serving customers involved working in various applications. After all steps were completed to process the customer request, related documents had to be manually archived.

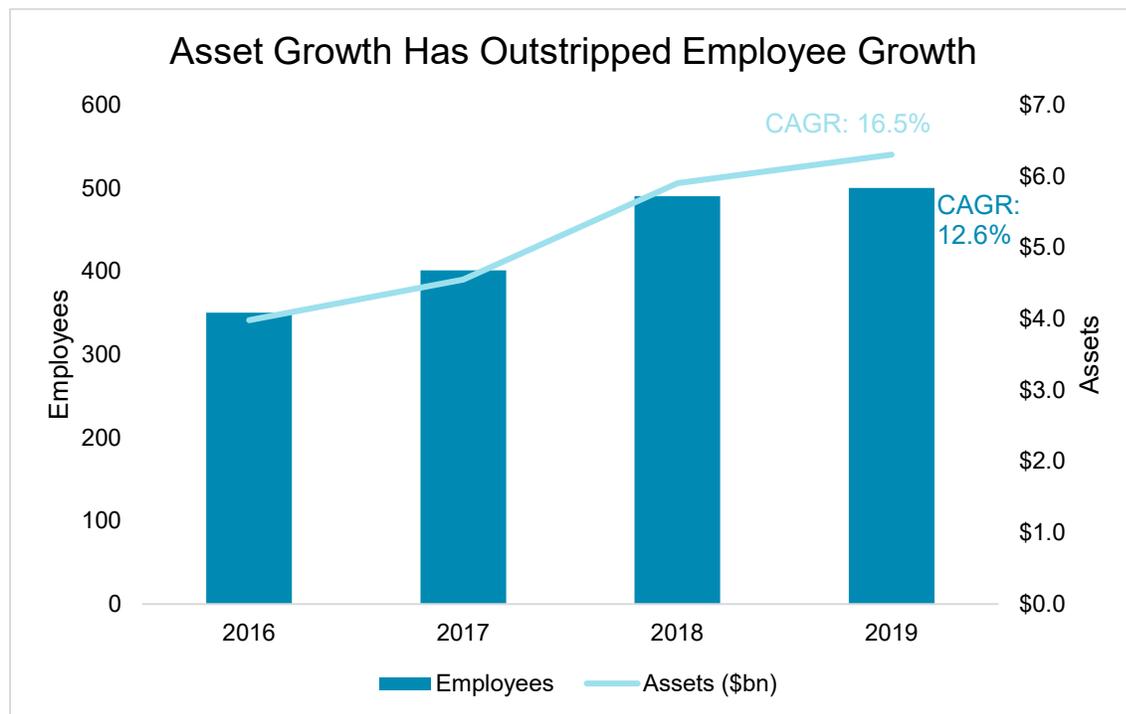
At the beginning of 2017, senior management rolled out a plan to deliver a more nimble and scalable enterprise technology environment to support its growth goals. This dynamic environment would standardize service delivery to both clients and employees. Chief Operating Officer Lindsay Lawrence focused the team on integrating new technology to improve access to enterprise data and to integrate banking processes with business support applications.

The bank knew that it didn't have the resources internally to deliver on its ambitious product, so it relied heavily on two trusted partners, Fiserv and Microsoft, to provide their own technologies and integrate theirs and others' into First Foundation's technology stack.

Solution: *The Vault*

The result was a bank-wide collaboration platform and portal that supports both external functions (commercial services, branch operations, card maintenance, audit, and compliance) and internal functions (business intelligence, project management, document management, searches, and employee services). The Vault has helped First Foundation increase its assets per employee significantly (Figure 1).

Figure 1: First Foundation Asset and Employee Growth

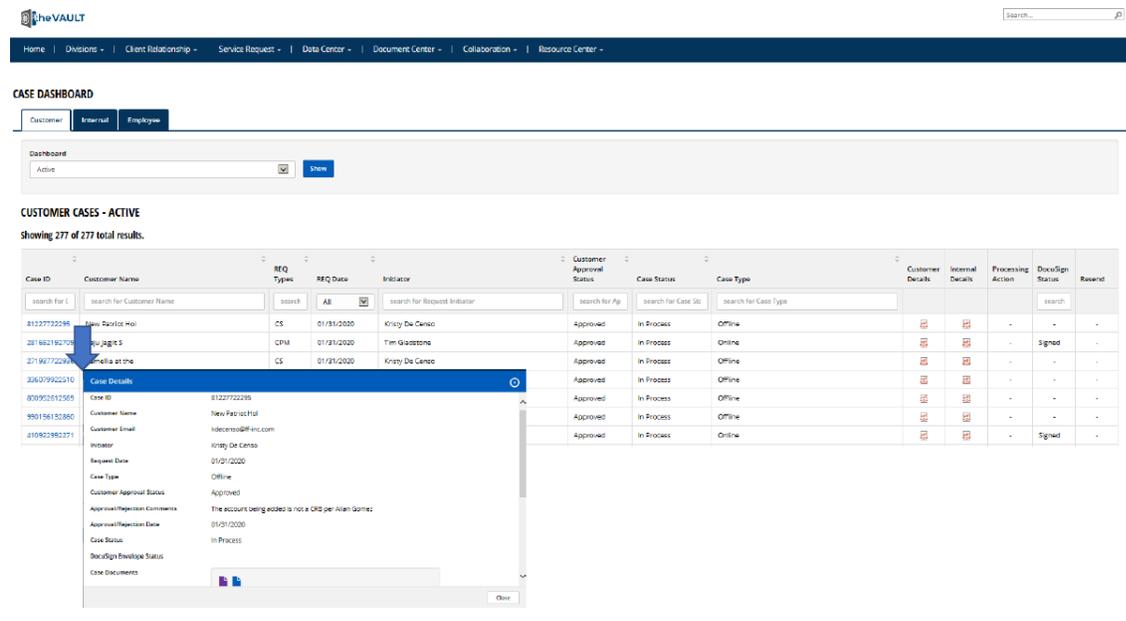


Sources: First Foundation Bank; Celent analysis

The Vault is a business intelligence delivery framework that supports automated processing of client and internal service requests, together with collaboration for scaling Change Management, Project Management, Product Management, Risk Management, and Data/Content Management. It also supports centralized team workspaces to more effectively

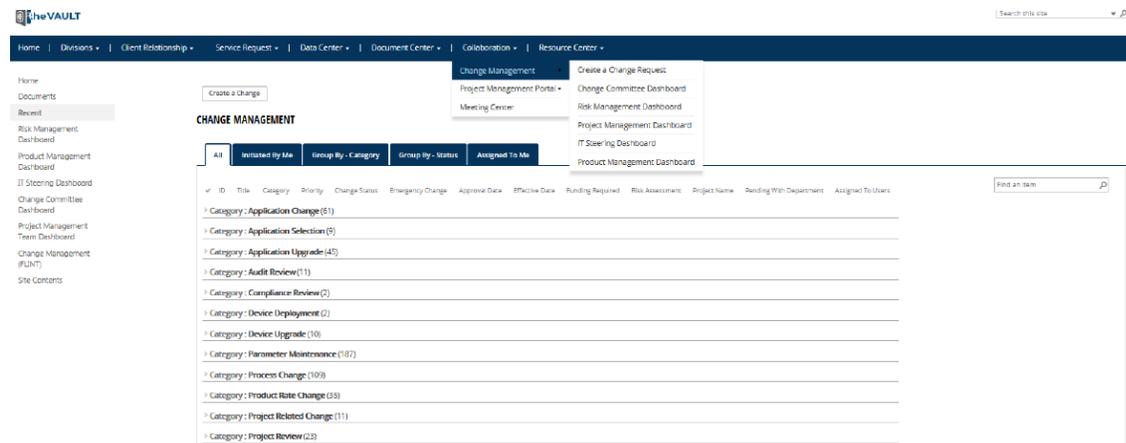
track and resolve issues; post announcements and critical alerts; and provide general enterprise communication governance. Figure 2 and Figure 3 show screenshots from The Vault.

Figure 2: Service Request: Case Monitoring



Source: First Foundation Bank

Figure 3: Collaboration



Source: First Foundation Bank

The initial scope was completed in January 2017, and the first live pilot was deployed in February 2018. Improvements and additions are ongoing.

As COO Lawrence told us, “The Vault is now as important to our staff as email. It is the foundation of everything we do.”

Implementation

Developing The Vault was a complex enterprise-level technology and change-management initiative with many integration and application touchpoints. Senior leadership had to examine processes across the bank and determine how to change them to deliver a more resilient business service model — automating existing processes would not suffice. It required

substantial changes for staff in how they communicate, interact, collaborate, and perform their jobs. The team devoted a significant amount of time upfront on requirements design for sites, forms, automated workflows, servicing, and reporting dashboards. Importantly, the team also tested the prototype with the business units to ensure they were engaged in the design and development. First Foundation converted three acquired financial institutions during the implementation of this initiative, nearly tripling its number of branches. While it may seem to be common sense, First Foundation emphasized to us the team’s extraordinary commitment to the initiative and how critical effective teamwork was to its success.

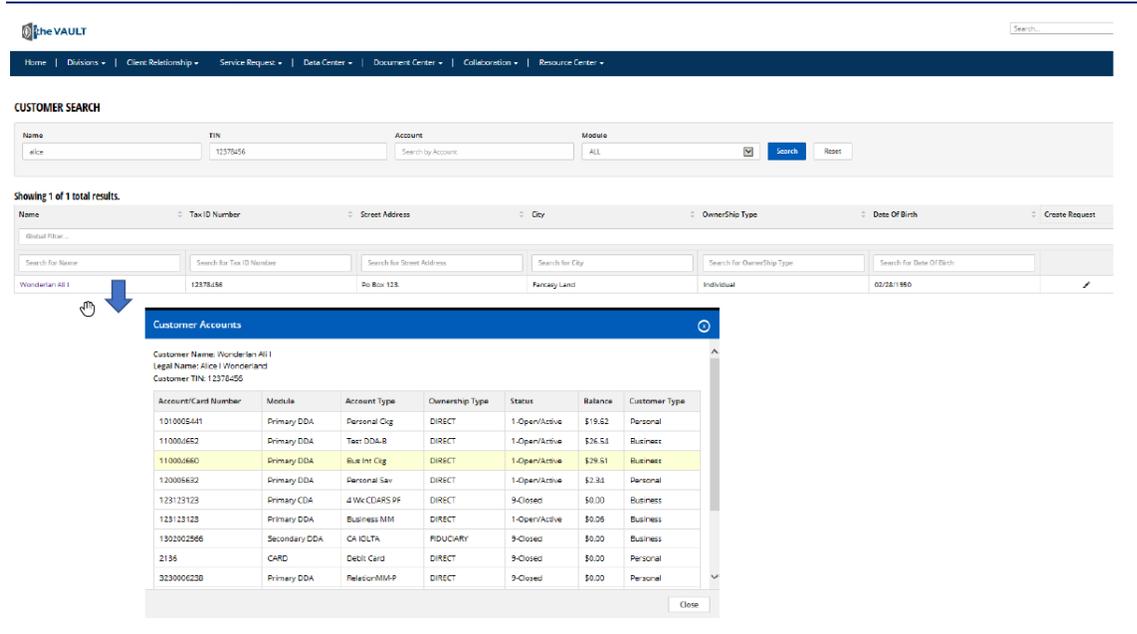
The bank appointed Jami DeHaven to create and lead a new team to deliver the initiative, the Enterprise Delivery Services business unit. It encompasses business intelligence delivery services and core delivery services departments. The team collaborated with numerous internal departments and leveraged Business Technology Services and Sentry¹ from Fiserv teams for the development of the business intelligence delivery framework and integration.

To deliver this seamless employee experience, the bank had to apply changes to technology, processes, and culture. Members questioned and improved everything at every level. This required commitment from leadership and support from partners like Fiserv and Microsoft. The initiative not only created a leading-edge framework that serves as a solid foundation for further growth, it also strengthened the team’s *esprit de corp* in ways that will continue to yield benefits.

Functionality

The Vault’s framework eliminates the silos separating the business processing and client-servicing applications to create a more seamless experience for staff and clients. The Vault also shares data with the financial institution’s other holding groups and systems (i.e., three loan origination systems (LOS), wealth management, etc.). The Vault was also staged to integrate AI and robotic utilities to bridge gaps in hands-off processing. Clients and employees enjoy an enterprise delivery platform that leverages data to autofill forms, drive automation, and electronically service clients. Searching for a customer, for example, is now trivial (Figure 4).

Figure 4: Service Request: Customer Search



Source: First Foundation Bank

¹ An infrastructure solution for services regarding network, hosting, security, unified communications, and hardware/software lifecycle management.

In the past, making rate adjustments was a manual process that took weeks. Now, there is a specific project site on The Vault devoted to rate adjustments, and the adjustments are completed in hours. Every task has gotten more efficient, and staff continues to find additional benefits. Creating a service request is now very straightforward, for example (Figure 5).

Figure 5: Service Request: Create Case

CREATE SERVICE REQUEST

Service Request Type: Customer Profile Maintenance Choose
 Customer Profile Maintenance Choose
 Address Change Choose
 Contact Information Choose
 Profile Information Choose

Selected Service Requests

Service Request Type	Sub Service Request Type	Action
Customer Profile Maintenance	Address Change	<input type="checkbox"/>

Customer Service Request

Requester Information

Request Date	Case ID	Requester	Branch/Dept	Phone	Email
03/08/2020	12376456	Jenni DeHaven		(949) 238-2010	jdehaven@finc.com

Customer Profile

Customer	TIN	Active Accts	Email	Print Phone	Mailing Address	Primary Residence
Alice Wonderland	12376456	7	Rbeids@finc.com	(949) 677-1692	Po Box 123, Fantasy Land, CA 12345	18101 Von Karmen Ave Suite 750, Irvine, CA 92612

Administrators

Send An Email	Name	Tax ID Number	Email	Relationship Code	Action
No Online Admin available!					

Customer Verification

Who made the request?	How was the request made?	Validation 1	Validation 2
Options: Choose	Options: Choose	Options: Choose Value from system	Options: Choose Value from system
		Comments	Comments

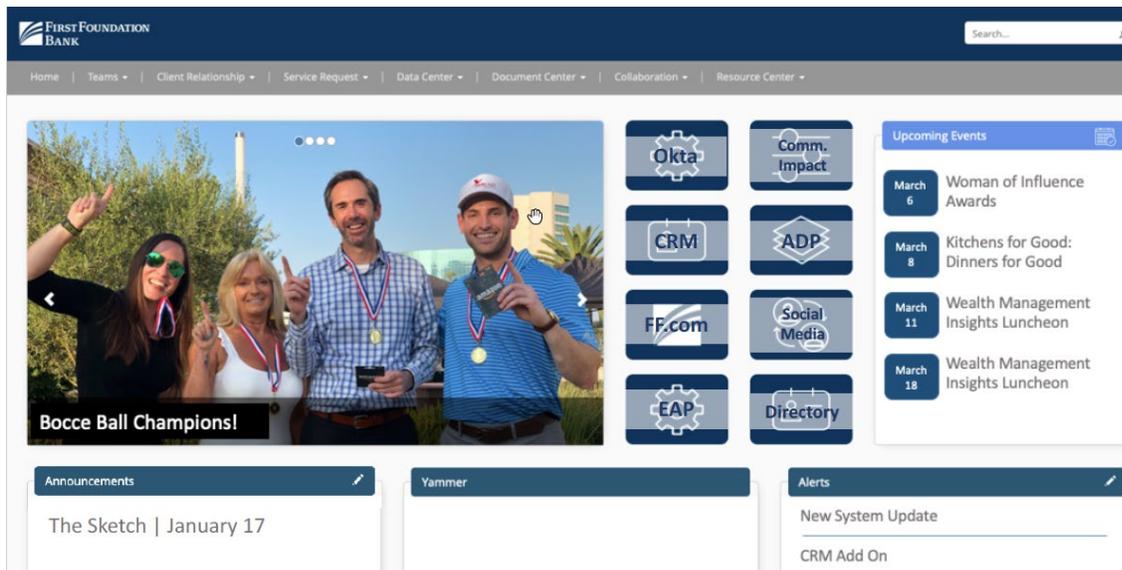
Source: First Foundation Bank

The ability to give complex client relationships automated case and issue management lets the bank gain more business from these clients. It has also reduced the burden on clients themselves by eliminating manual efforts to execute bank service request processes (no more manual forms for each account service request).

Internal communications have also improved.

- Post-acquisition, newly acquired employees were able to read updates about the merger in The Vault.
- The finance team moved off a spreadsheet system to create reports for senior leadership in the new framework.
- Employees are encouraged to do “everything” through The Vault. Even birthdays for employees were pushed there (instead of the spreadsheet that used to be mailed around). See Figure 6.

Figure 6: VAULT: Intranet Home Page



Source: First Foundation Bank

Technology

The Vault is an amalgam of various technology solutions from various vendors. The most important solutions are shown in Table 2.

Table 2: Technologies Used

PROVIDER	SOLUTION
MICROSOFT	<ul style="list-style-type: none"> SharePoint Azure Dynamics CRM Outlook
FISERV	<ul style="list-style-type: none"> Precision (core system) Director (enterprise content management and workflow) Performance Data Warehouse Sentry
NINTEX	Process management and automation platform for workflows and forms
DOCUSIGN	Electronic Signatures

Source: First Foundation Bank

Results, Lessons Learned, and Future Plans

Results

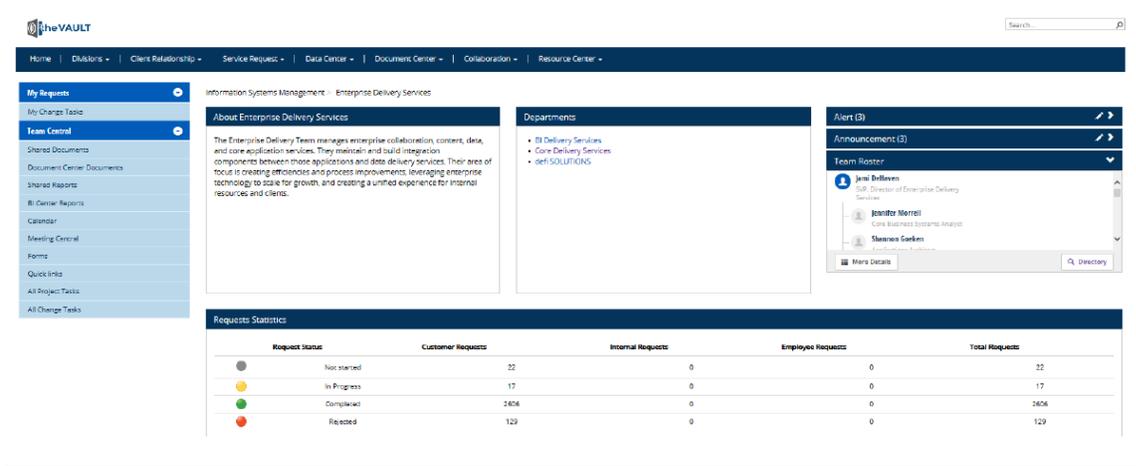
This initiative was transformative for the bank on multiple levels. A central repository of information produces accurate reporting across the enterprise, at any location, for any individual or team. The bank has automated more than 75% of the highest-volume processes and completely overhauled its internal intranet. It leverages The Vault to provide a more dynamic environment, effectively deploy changes, measure their risk, and more consistently deploy project management methodologies. From the start of this initiative to September 2019, assets

grew by 78% while employee count grew by only 40% because of efficiencies and automation. As First Foundation grows it no longer needs to proportionally add staff resources.

The framework has automated manual processes and allowed the bank to repurpose the efforts of 15 staff to more critical and fulfilling objectives. Ninety-nine percent of internal processes were updated and enhanced to work at optimal efficiency in the new environment. Approximately 50% of weekly/daily management reports are now in SharePoint, with the goal of 100% by Q1 2020. The implementation team scrutinized everything, leaving nothing untouched. The mantra was, don't settle for good, go for great.

Risk management is now more efficient and accurate. With the processes and automation in place, audits, FDIC reviews, or any other risk control requirements are accommodated without resource disruption (Figure 7 shows an example of a Manager's workspace).

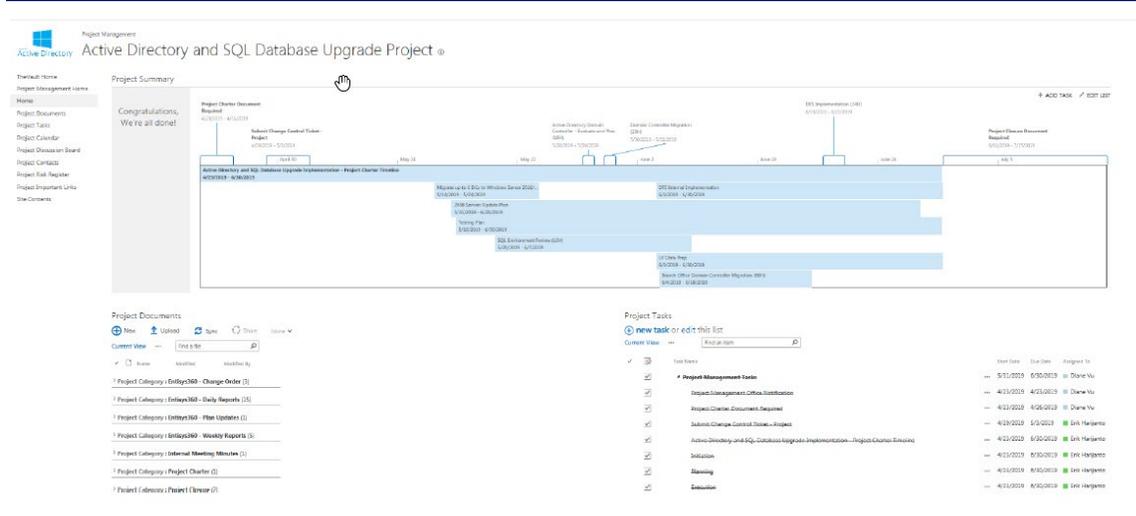
Figure 7: TEAM Workspace: Manager Site



Source: First Foundation Bank

Clients receive faster service and turnaround times because everything streams through the enterprise framework — clean, fast, and consistent automated workflows. The bank has grown relationships because of its elevated service, a direct result of creating this framework and business service layer.

Figure 8: Project Management Site



Source: First Foundation Bank

Lessons Learned

Four lessons stood out during our discussion with First Foundation.

- **Choosing a key leverage point — employees — gave the bank a singular point of focus**
First Foundation explicitly recognized that improving the ability of the employees to do their jobs well would have positive ripple effects throughout the bank and give customers a better experience.
- **Demonstrating senior management commitment and involvement signalled the importance of the initiative**
The importance of executive leadership is consistently cited as a driver of project success across change implementations. It's a cliché for a reason: it's true. The bank's executive team demonstrated its commitment to the project and consistently communicated to staff.
- **Communicating consistently generated enthusiasm and maintained momentum**
It wasn't only the c-suite that communicated; the project management team had a weekly cadence of newsletters (distributed via The Vault). Even if there was nothing to report, the newsletter came out because colleagues had come to expect it.
- **Finding a trusted partner and establishing a good working relationship effectively augmented the bank's capabilities**
Effective partnering was critical for First Foundation. It would not have been able to undertake this transformation on its own, even if it had simply purchased solutions from Microsoft, Fiserv, and others. Fiserv's ability to provide the technical resources to collaborate with the internal BI team was instrumental in effecting change. The Fiserv and the First Foundation Bank BI teams collaborated to select the technology stack to scale and provide the critical foundation and integration strategy necessary to support the business intelligence delivery framework.

Celent observes that finding the right partner and establishing the right kind of working relationship is one of the greatest contributors to successful implementations for smaller banks. Managing partnerships is a skill in and of itself, one that many institutions have not needed to practice much. We predict that one differentiator of future Model Bank winners will be their ability to effectively manage an ecosystem of technology and business partners.

Future Plans

First Foundation plans to continue to improve and expand its digital offerings now that it has the enterprise framework and integrated business service layer to support an elevated digital customer experience. Adding Commercial CenterSM from Fiserv will be one offering for complex business clients. Originate Deposits from Fiserv for online account opening will be another addition that provides instant access to the online channel to attract new accountholders.

The bank also plans to add Robotic Process Automation (RPA) with an AI plug-in, and will create hooks for automation components to be layered into the SharePoint handoff through critical Fiserv applications using the Blue Prism application.

Finally, First Foundation has created an enterprise data warehouse that incorporates data from multiple sources and uses SharePoint as an information distribution and administration mechanism across the organization. This universal data warehouse has a Microsoft SQL back end. One element of the overall stack is a new data warehouse solution from Fiserv, for which First Foundation served as a beta client. Whereas 90% of the bank's applications are hosted in the Fiserv cloud, its enterprise data warehouse will soon be moving to Azure.

Using a tested set of technologies in an integrated way has let First Foundation improve its efficiency and effectiveness and position itself for the future. While this new environment won't garner headlines for the most futuristic solution, it's an impactful implementation well deserving of a Celent Model Bank Award.