

Provident Bank Standardizes Relationship Management Processes

Challenge

Provident Bank has grown substantially in a short period of time. Over the last few years, it acquired three financial institutions, so it now has lenders with different backgrounds using disparate processes and different core systems. During 2004 alone, the bank's loan portfolio tripled in size.

The bank needed a place where it could consolidate its business customer-related data and a technology solution to make its business lending processes consistent.

Because its technology solutions were not ideally suited, bank lenders were required to track loan exception and collateral requirements manually. This manual process was not only inefficient; but also created a much greater likelihood for errors. Often a loan closer would pull a file prior to closing and spend a great deal of time determining what documentation was required. Unfortunately, errors in appraisals or other documents were often not found until that point, which resulted in delays for the customer. Also, lenders needed to look up an entire relationship from the bank's core database to prepare a credit write-up. Since

"...it was critical to have the support of senior management"

- Rachael Bauco, Assistant Vice President

relationships were not tied, this investigation was very time-consuming and lenders were required to keep track of all deposits and loans for a relationship using their own, often manual, strategies.

"We were looking for a solution that addressed loan pricing, statement spreading, pipeline management, loan portfolio management, and tickler and collateral management," said Rachael Bauco, Assistant Vice President at Provident Bank.

"We looked at other solutions – in fact did due diligence during much of 2005. We engaged all departments that were affected by the solution to participate in the entire process, including the product review prior to purchase. This ensured that all affected users were committed to the project's success from the start. In addition, it was critical to have the support of senior management at every step in the process.

"We were using another Baker Hill product, so we included the company in our due diligence. Baker Hill's OnePoint had all the pieces

that we were looking for, so we chose it. We implemented the system in the fourth quarter of 2006."

Solution

OnePoint is a fully integrated business banking relationship management platform that helps a financial institution's lending team cover more ground by working together. OnePoint was the first customer relationship management (CRM) solution designed specifically for the business banking team. From the first contact with a prospect through the approval process, administration and management reporting, OnePoint facilitates the movement of information by streamlining the workflow throughout the entire lending process.

With OnePoint, the entire team has a common view into a customer's total relationship and its impact on the financial institution. Data is shared, communications are improved, administration is streamlined and senior management gets a complete picture of the sales pipeline.

PROFILE

CLIENT

Founded in 1888, Provident Bank (Nasdaq: PBNY) is a full-service community bank that offers a wide range of financial products and services with local decision making, a personalized focus on customer needs and a unique, in-depth understanding of the New York marketplace. Headquartered in Montebello, NY, Provident Bank, with over \$2.8 billion in assets, is an independent community bank. With almost 600 employees, it operates 32 branches that serve the Hudson Valley region of New York and one branch in Bergen County, New Jersey that operates under the name Towncenter Bank. The Bank also offers deposit services to municipalities located in the State of New York through Provident Bank's wholly owned subsidiary, Provident Municipal Bank, and investment services through our affiliate, Hudson Valley Investment Advisors LLC. The Bank's title insurance affiliate, Hardenburgh Abstract Company of Orange County, Inc., is located in Goshen, NY. The bank offers a complete line of commercial, retail and investment management and trust services. Its commercial loan portfolio is over \$700 million.

CHALLENGE

Provident Bank acquired three financial institutions between 2003 and 2005 and grew substantially. It sought a system that would standardize its relationship management processes.

SOLUTION

OnePoint® SALES, REACT, STAN, PRICE and Advisory, Client and Education Services

RESULTS

Improved customer service; allowed lenders more selling time; improved communication between all departments.

OnePoint consists of four integrated modules that handle specific tasks: sales automation (SALES); collateral and exception management (REACT); credit risk management (STAN); and profitability and pricing (PRICE). These modules work together to streamline operations and make customer relationships more easily accessible, while bringing the sales team together to focus on customer needs and the impact of the relationship on the financial institution.

The bank decided to implement all four OnePoint modules, in addition to doing a full tickler conversion, so the entire project took nine months. This large project required substantial work from each of the bank's team members – work performed in addition to their regular job functions. "We were fortunate to have dedicated team members as well as support from the Baker Hill project manager and team to help us stay focused on the tasks at hand," noted Bauco.

The bank's project team included a project manager, in addition to its OnePoint Administrator. The project manager provided weekly updates to the executive project sponsor and monthly updates to senior management. Quarterly updates, including product demonstrations, were given to the board of directors. These steps were all important to ensure that all areas of the bank knew the project status (and could start to take ownership of the project), and that the board understood the benefits that the bank was receiving for its investment.

Results

Provident Bank reports that the implementation of OnePoint has provided these benefits:

- Improved customer service.
- Streamlined workflow with administrative work converted to the administrative group (previously done by lenders).
- Greater focus on sales, with system giving the lenders more time to sell and work with customers and prospects.
- Improved communication among all departments involved in the loan process.

"Three of the most important results that we realized from using OnePoint came from automating our tickler system, improving communication between our lenders and loan closers, and now having the ability to manage our lenders' portfolios easily," said Bauco

OnePoint's REACT tickler solution has provided the bank with the ability to monitor important reporting requirements from its customers. The tracking reports ensure that the bank's lenders know when an annual review is due and what financial statements are required to complete that task. Ultimately, the bank anticipates that having this in place will allow the bank to further enhance the credit quality of its loan portfolio. The bank will also be able to identify potential losses more quickly since it will be aware of deteriorating credit quality at an earlier stage.

The bank has improved communications between

its lenders and loan closers. The closers are now able to easily determine what documents are needed and when they are due. The lenders also have access to this information, ensuring that both departments are aware of outstanding issues prior to closing. In addition to improved management of closing documents, the OnePoint solution allows Provident Bank staff to track collateral and financial statements efficiently, and to conduct annual reviews in far less time.

The OnePoint solution has also provided bank management with outstandings and exposure information on relationships at the "click of a button". Now management has the ability to tie relationships and determine relationship exposure. A lender can pull up one page and have all outstandings and exposure, including ACH and letters of credit, available on the same page. A lender's portfolio can be easily managed and monitored by his/her managers; sales reports also provide detail about the effectiveness of a lender's sales process.

"Using the PRICE module, our lenders can also price our loans at the relationship level – easily and consistently. We're now very clear about which deals will be profitable and which we should pass up," Bauco said.

What's next for Provident Bank? "We know that this is a constantly evolving solution. We want to refine the pricing system and build standard credit memos into the solution. Doing both will further enhance the advan-

tages of the solution to us."

Bauco concluded, "We are extremely proud to call Baker Hill one of our partners. All of the company's employees are extremely professional and courteous. They helped us through a tough project; they made it easy."

Baker Hill, An Experian Company

Baker Hill delivers solutions that address business process needs, and works as a trusted adviser to its clients. Baker Hill understands sales, lending and portfolio management processes, knows how to implement technology to enable those processes and has a long history of client success from which to mine best practices. More than 1,200 financial institutions and credit grantors in all industry segments have drawn on Baker Hill's business and process expertise and have chosen its relationship management, credit origination and portfolio risk management solutions as their enabling technologies.



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