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INTEGRATED SOLUTION STREAMLINES PROCESS

Old National Bank turns to Keller Schroeder for expert systems integration, software development and support.

A lot of organizations talk about process improvement and aligning IT with business goals. Old National Bank is committed to both.

Founded in Evansville, Ind., in 1834, Old National has built its success on long-term relationships with customers. In today's competitive financial services market, that means not only providing highly valued banking, wealth management, insurance and brokerage services, but streamlining processes to create a high-quality customer experience.

Technology plays a key role, of course, and Old National turns to Keller Schroeder for assistance with many of its technology initiatives. Keller Schroeder shares Old National's commitment to process improvement: The firm's mission is to leverage technology tools and services to help customers meet their business objectives.

BACKGROUND: CONSUMER LOAN PROCESS REDESIGN

One of Old National's key process improvement initiatives involved the streamlining and automation of consumer loan origination. The bank wanted to transform a largely manual, paper-based process, making it more efficient and a better experience for the customer.

"There were a few components that were automated but there was re-keying of the same information at multiple points," said Gina Stuart, Executive Vice President, Retail Credit Risk Manager for Old National Bank. "We looked at every aspect of the process — from the time a customer walked in the door through the documentation piece, giving them money for their financing needs, putting the loan on our system, etc. — and decided that we needed an integrated software platform."

Old National first looked for packaged software solutions but couldn't find one that was flexible enough to meet its goals. The bank decided to leverage its longtime relationship with Keller Schroeder to create a platform that would support the process from end to end.

"Our goal with this initiative was to build a business process that was efficient for Old National Bank as opposed to taking an off-the-shelf application and building workflows around that," said Butch Schutte, Senior Vice President, Management Services, Old National Service Division. "We looked at several applications that were on the market at the time but felt they didn't give us what we were looking for. So we went to Keller Schroeder and talked to them about the possibility of building a custom application that also integrated existing software assets for credit decisioning, loan documentation, and our core banking system. They looked at the business requirements and proposed a solution that would deliver 100 percent of what we had defined."

SOLUTION HIGHLIGHTS

◆ Old National Bank partners with Keller Schroeder to create a software platform to streamline its loan origination process.

◆ Custom-built application provides greater flexibility than packaged software.

◆ Integration with existing line-of-business applications creates seamless end-to-end process.

◆ Ongoing enhancements deliver new functionality and ensure regulatory compliance.

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PROJECT DETAILS

Keller Schroeder worked with Old National Bank to break down every component of the process, then designed, developed, integrated, tested and implemented a platform that automates the entire loan process, front to back. A key requirement was that the application be user-friendly.

"We engaged not only their RPG iSeries programmers but their Java programmers because of the front-line view. We wanted this to be a Web-enabled application, not an RPG program that ran as a green-screen application," Schutte said.

Development teams worked together creating the prototype, followed by extensive testing and ultimately rollout of the product. Schutte's team learned to support the product internally, with Keller Schroeder providing programming support. Since then, the two organizations have worked together on several enhancements.

"We continue to work with Keller Schroeder to bring in new functionality and keep the system compliant with the latest regulations," Schutte said. "This solution has been such a good product for us that we have since worked with Keller Schroeder on a like solution for business loans."

PROJECT RESULTS

Old National Bank has been very satisfied with Keller Schroeder's work. The bank didn't have the programming resources in house to complete a project of this scope, and relied on Keller Schroeder for timely delivery and a high-quality result.

The project has also provided Old National Bank with several key business benefits. By eliminating manual keying of data, the application has enabled the bank to cut overhead while reducing the possibility for error in the loan process.

"We were able to maximize the efficiency and quality of the process across our loan origination, underwriting and documentation functional areas," Stuart said. "We also eliminated the errors that could happen each time something was re-keyed — even a small transposition can have a big impact."

More importantly, the application has created a better experience for both the customer and Old National Bank's front-line team.

"We can now close a loan same day,

which we never could do before. As a matter of fact, we can close a loan within an hour in some cases," said Stuart. "The solution really took a lot of time and paperwork out of the process and created a more consistent product. We're light years ahead of where we were before."

STRATEGIC BENEFITS

The consumer loan process redesign project also helped reinforce Old National's strategy to "right-source" its IT initiatives. The bank does things internally where it makes sense, and outsources those projects that might distract from its core business.

"The big question is, do you buy or do you build? From a strategy perspective, we've done both at Old National," Schutte said. "We're trying to go after the best of breed, to get the right tools to help us accomplish our goals. Keller Schroeder has been a part of that since 1992, when we decided to bring our core processing system in house. We needed a group of skilled AS/400 programmers to support and enhance that system, and Keller Schroeder provided those resources. The relationship grew from there.

"It's nice to have a partner who knows IT, who spends the time investing in skill sets and reinvesting in the proper training to keep those skill sets sharp. Keller Schroeder has a deep bench. They have numerous associates we can reach out to at any time. We have a small programming staff here, but I'm limited in the scope of skills, the amount of work they can take on at any given time, and in keeping them up-to-date with the right training and the right tools. We're a bank, not a programming company, so it's better for us to partner with those who have that as their forte. That's what Keller Schroeder does."

With $8.3 billion in assets, Old National Bancorp (www.oldnational.com) is the largest financial services bank holding company headquartered in Indiana and ranks among the top 100 banking companies in the U.S. The bank could choose most any technology firm, but prefers a partner with a local presence, proven expertise and a shared belief that technology is a means to an end and not the end itself.

"It's a comfort to know that we can reach out to Keller Schroeder at any time for expert help with our technology needs," Schutte said. "It's a great partnership."