

Core Conversions: Don't Overlook Statements

A White Paper From



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No matter the size of the credit union or the sophistication of its IT staff, a core data processing conversion is a major undertaking. In addition to the core platform itself, many credit unions take advantage of the opportunity to also upgrade other ancillary systems, such as online banking and credit card processing. While all these changes are intended to improve the user experience for both members and employees, each system change adds another layer of complexity to the overall process.

As such, it's not uncommon for a credit union undertaking a core conversion to take an "If it ain't broke, don't fix it" approach to statement processing. If the incumbent statement processor's service has been good and pricing is acceptable, why change one more system that doesn't really need to be changed?

Unfortunately, it's often not that simple and straightforward.

Four Credit Unions, Four Stories, One Outcome

This paper tells the stories of four credit unions:

- Penn East FCU of Scranton, Pennsylvania (\$175M assets; 22,000 members)
- People First FCU of Allentown, Pennsylvania (\$565M assets; 72,000 members)
- Plus4 CU of Houston, Texas (\$120M assets; 18,000 members)
- University of Hawai'i FCU of Honolulu, Hawaii (\$610M assets; 29,000 members)

Each of these credit unions headed into their respective data processing conversions intent on keeping their current statement vendors. However, at varying times in the conversion process, each one decided to migrate their statement processing to Xpress Data, Inc.

University of Hawai'i FCU: Getting a Head Start

At University of Hawai'i FCU, many of their service contracts co-terminated, so it seemed wise to evaluate all vendor relationships, including their statement vendor.

"We didn't have any problems with our previous vendor," said Travis Bow, the credit union's Vice President of Member Support, "but we were aware that the incumbent didn't have any experience with our new data processor. We weren't necessarily comfortable being the first to implement a new interface."

"The old vendor wanted to charge us to integrate to our new core platform, which would have increased our cost significantly. They eventually realized that this wasn't the best approach for anyone involved, but by then, we were already leaning toward XDI."

XDI stood out from the very beginning. "Even their proposal was straightforward and easy to understand," he said. "That's unusual in the statement business." He further added that XDI employees were easier to work with and the process of migrating over had a very "smooth flow" to it.

Post conversion, Bow was also pleased to discover that his monthly expense for statement processing had gone down with XDI.

"XDI really knows how to keep costs down. They're experts at optimizing our statements so that we use the absolute minimum amount of paper possible."

"We haven't had many issues, but when we've needed it, customer service has been very responsive," he continued. "In retrospect, the only thing I would have done differently is to move to XDI sooner."

People First FCU: Reading the Warning Signs

“We had planned to continue using the same statement processor,” said Susan Phillips, Vice President/CIO at People First FCU. “We didn’t want to spend time setting up one more new process if we didn’t need to.”

The credit union began working with the incumbent vendor, but over time, it became apparent that the project wasn’t on track.

“They seemed confused by the new core vendor’s XML statement format,” said Phillips. “We decided that for the benefit of our members, it would be smarter to go with a proven vendor.” So about six months prior to the data processing conversion, the credit union abandoned the idea of sticking with the current vendor and contracted with XDI.

“When you’re in the middle of a data processing conversion, you have a million things to do. XDI’s experience made this piece of the process much easier than it would have otherwise been.”

Reflecting on the experience, Phillips said, “We were lucky because we decided to switch to XDI with plenty of time before the DP conversion. I think the lesson learned here is to look at all your statement options and determine whether your old vendor can handle your new data processor.”

Penn East FCU: The Conversion is When?

“At no time during the data processing conversion did we consider switching statement vendors,” said Brad Gebert, IT Manager at Penn East FCU. Gebert provided the incumbent vendor with all the necessary specs and, although that vendor had never worked with XML statement output, they assured him that they would figure it out.

“We had a long relationship with this vendor and a year to go before the conversion. It just made sense to keep this one thing the same.”

Just before Christmas of 2015, the vendor informed Gebert that they wouldn’t be able to accommodate the new data format after all. The data processing conversion was scheduled for January 1. Somewhat panicked, he pressed the vendor to reconsider.

The vendor decided that since they wouldn’t need to process statements from the new format until the end of January, they could take advantage of the credit union’s live environment and get it figured out in plenty of time. Then on January 20, the vendor backed out *for a second time*.

“We had no way of printing our January statements,” said Gebert. He immediately contacted five statement vendors with experience on the credit union’s new core platform, but XDI was the early and obvious choice.

“XDI told me that they were very busy, so it might take a couple of days to get our sample statements done,” said Gebert. “I got a good laugh out of that. We contacted XDI on January 28, and January statements were in the mail February 3.” The net result was that members received their January statements two days sooner than they would have with the old vendor.

“There were honestly no red flags,” said Gebert of the former vendor’s efforts. “If there had been, we would have certainly reacted. My advice to other credit unions: Don’t trust *anybody* unless you can see it.”

Plus4 CU: It's Never too Late

Like Penn East FCU, Plus4 CU intended to stay with its current statement vendor when it converted its core platform.

"We didn't want to convert any more than necessary," said Teri Edenfield, Plus4 FCU's Vice President of Operations. "We were converting data processing and credit cards on the same day, so we wanted to keep things as simple as possible." One way to help with that was by keeping the same statement vendor.

The vendor assured Edenfield that everything was ready to go, but that was not the case.

"After we had already converted our core, our statement vendor called to say they wouldn't be able to process our statements," said Edenfield. "We were blindsided." This news came just a few days before month end.

The credit union's new core provider suggested that Edenfield contact XDI. It was the right decision.

"I can't say enough about XDI's conversion team," said Edenfield. "They held our hands and we got those first statements out in a very reasonable amount of time. I'm sure members never knew there was a problem."

Cautionary Tales with Happy Endings

Each of these four credit unions chose to move to XDI at different times during the core conversion process, and all four are now very happy to be XDI customers. They enjoy better service and a lower overall cost to process statements. Any credit union considering a core conversion is well-advised to include a statement vendor evaluation in the process.



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