

## Case Study



### The Fauquier Bank

\$570 million Fauquier Bank switched account processing providers and is on track to save a million dollars.

The Fauquier Bank in Warrenton, Virginia, faced conversion from a core system that had grown in complexity over more than a decade. Working together as partners, the bank, Harper McNeil, Inc. and Fiserv carried off a smooth conversion. But that was only the beginning of the story.



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When the bank chose to upgrade its core system in 2008, newly hired CIO Chip Register began looking for a partner that would treat the bank with the same kind of respect accorded to much larger banks.

He would be a tough negotiator, he would demand excellent execution, he would measure results post implementation, and he would deliver superior products and services at a lower cost. That's a tall order, but the bank managed to pull it off.

The project began with a careful half-year of due diligence. After that the bank committed \$500,000 (17% of the IT budget) to convert from its existing processor to Fiserv.

To help keep the project on track and all sides communicating, Register hired Harper McNeil, a consultant with core conversion expertise to work alongside the bank and Fiserv.

This commitment to communication kept the project on schedule, within budget, and relatively trouble free, he says. For instance, when the bank went live in June of 2009, it maintained uninterrupted EFT/ATM services and successfully completed night processing the first night after conversion.



#### Client Profile

The Fauquier Bank, located in Warrenton, Virginia, is a \$570 Million in assets bank that was chartered in 1902 and opened as The Fauquier National Bank of Warrenton. In 1994, The Fauquier National Bank became The Fauquier Bank, changing from a nationally chartered bank to a Virginia state bank, and in 1999 the parent company, Fauquier Bankshares, Inc., went public. Today, the bank has ten established branches including two new branches opened this year.

Fiserv is the global leader in financial services technology, driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management, and Business Intelligence & Optimization. Our solutions can help you improve efficiency, manage risk and grow your business.

Equally impressive have been the cost savings and customer acquisition since going live. By switching core providers Register expected cost savings to total about \$600,000 over the six-year contract. "The current environment at the time of our decision was a positive factor in that it provided us with a very favorable cost to complete the conversion."

After only six months the savings had exceeded expectations and may top \$1 million. For instance, by reducing four image and document management systems to one Fiserv system the bank is saving \$44,000 per year. Overall, in seven months following conversion, core processing costs were running eight percent less than under the previous contract. The bank is also on target to increase its EFT/ATM income by five percent this year thanks to operational efficiencies, a better product suite, and better defined contractual relationships.

What's more, customers like the new experience. The number of online retail customers has grown 29.8 percent since implementation, while the number of business customers online has jumped a remarkable 48.2 percent. New products and new functionality are part of the allure. An enhanced ACH product that allows for more self-service, a more efficient wire exchange product, and the introduction of BillPay have all resonated with customers.

Register says the cooperative experience with Fiserv since conversion has validated the bank's original decision. He's looking at expanding the relationship with additional services from Fiserv.

Register has this bit of parting advice for fellow community bankers: "They shouldn't act like small banks. They have the capacity to forge a strong relationship that's financially viable for both the bank and for Fiserv."

## Challenge

The bank felt that service from its current provider was an issue, and based on its desire to provide high quality service, it needed more integration. It was also concerned with efficiency and competitive pricing from its provider.

## Solution

The bank selected outsourced delivery of Premier® account processing and in-house check, report, and document imaging capabilities of Director™ for Premier. In addition, it chose Corporate Performance Management Solutions, the Fiserv Clearing Network, ATM Solutions, Financial Crime Risk Management Solutions, Mobile Solutions, Electronic Payment Solutions, and commercial and retail Online Banking Solutions.

## Proof Points

- Savings have exceeded expectations and may top \$1 million over the life of the contract
- Core processing costs are running 8% less than under the previous contract
- The bank is on target to increase its EFT/ATM income by five percent this year
- Online retail customers have grown 29.8 percent since implementation
- Online business customers online have grown 48.2 percent



**Fiserv, Inc.**  
255 Fiserv Drive  
Brookfield, WI 53045

800-872-7882  
262-879-5322  
getsolutions@fiserv.com  
www.fiserv.com

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For more information, please contact us at 800-872-7882 or visit [www.fiserv.com](http://www.fiserv.com)