

CASE STUDY

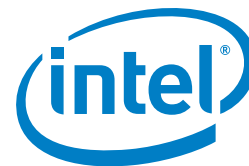
Intel® Xeon® X7500 Processor

Intel® Xeon® X5600 Processor

Intel® Core™ i7 Processor

Intel® Core™ i5 Processor

North Shore Credit Union



North Shore Credit Union Banks Success on Intel Foundation



"Innovation is a strategic part of our culture. We're in a very competitive area and status quo is not an option for us," says Cook. "To do this our staff has to have the best of tools to allow us to be innovative."

CHALLENGE

▪ **As a smaller financial institution**, North Shore Credit Union* (NSCU) focused its growth strategy on building deeper relationships with its members. Information silos and a lack of visibility into the complete customer relationship limited staff's ability to make informed decisions.

SOLUTION

▪ **Performance Drives Profitability:** With a new core banking system, expanded use of CRM and business intelligence to drive decision-making, NSCU depends on a secure, reliable network infrastructure, powered by Intel®-based PCs and servers, to give staff and customers 24/7 access to information they need.

IMPACT

- **HP* servers powered** by a mix of Intel® Xeon® X7500 and X5600 processors provide the security, reliability and responsiveness NSCU needs to run core banking, business intelligence and CRM systems 24/7.
- **In NSCU's branches**, which are likened to a "financial spa," staff use HP* desktop computers or HP EliteBook* notebooks powered by the Intel® Core™ processor family to enhance service delivery and increase "wallet share".
- **Server virtualization** eases testing and pre-production set up for seamless integration of new solutions.

Founded in 1941, North Shore Credit Union (NSCU) has modernized its approach to customer service and transformed its business to provide greater customer intimacy and holistic wealth management services.

Fred Cook, NSCU's CIO, says the move to develop deeper relationships with clients in high-value financial advisory and wealth management services drove the need for a more complete view of a client's relationship across the credit union's portfolio of services including banking, credit, loans, mortgages, mutual funds and insurance.

"Innovation is a strategic part of our culture. We're in a very competitive area and status quo is not an option

for us," says Cook. "Even though we're smaller than some of our peers and competitors, we are just as, or even more sophisticated in our approach, our products and services. To do this our staff has to have the best of tools to allow us to be innovative."

A little more than one year ago, NSCU adopted Temenos* as a core banking solution to handle day-to-day banking services. The credit union also expanded CRM use to get a 360 view of client relationships and optimized business intelligence to identify and protect relationships with top customers. For customers, the in-branch experience was modernized in a spa-like atmosphere enabled by technology to speed transactions with



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digital signatures, customer pictures in the CRM system to reduce fraud, and a cash recycler to eliminate the need for barriers between customers and staff. All these changes depended on Intel® Core™ i5 or Intel® Core™ i7 processors powering the desktop, and Intel® Xeon®-powered servers driving reliable access to core banking systems and information.

The result of the transformation has paid off. "When I joined at the end of 2003, the organization was \$600 million in assets and about 40,000 members. By the end of this year, we'll be about \$3 billion in assets and about 40,000 members, which is among the highest asset-staff ratios in our region" notes Cook.

To ease administration and continue to evolve their use of technology Cook says they look to balance IT investment with efficiency. To this end, Cook standardized on three models of personal computers customized to staff function from mobile solution to dependable desktop access, and HP* servers powered by Intel® Xeon® 7500 or Intel® Xeon® 5600 processors.

"We've consciously standardized our TCO on Intel with HP and Microsoft*. With consistency we can maximize our ROI and we've eliminated the guessing game. By choosing standard models and reliable hardware that works with the firmware and applications on top, we cut the time needed to look at the plumbing."

Financial Spa Opens Up

"We're what we would consider a financial boutique," says Cook. "If you come into one of our branches you get a more private banking feel."

"It's a whole different experience to the way it was in the past," says Cook. "There's no counter, no clutter with printers and papers. It's all very clean. When customers are brought to a teller, there is technology between them but no walls. It's not a very intimate feeling when you have people behind a wall."

It's more intimate but it's also more secure. "The engineered flow in our

branches is a level 4 on the FBI* scale, which is their highest rating for anti robbery," says Cook, adding that when members arrive they're greeted by a concierge and taken to tellers located in pods, allowing 360° access. From each HP computer, staff can view a summary of the member complete with a picture, which can be pulled up so customers are greeted by name.

"Our whole approach is about managing an engineered experience for customers. CRM helps our staff effectively work with customers in all points of contact," says Cook, noting they revamped internal process at the transactional level to drive out operational slack, increase efficiency, reduce administration and use technology powered by Intel to handle routine transactions, freeing up staff to handle transaction "exceptions".

"We've gone to e-signatures, electronic content, and screen wizards so that while the teller conducts a transaction, the business wizard completes the electronic form in the background," says Cook. "Our ability to auto-reuse information has saved NSCU over \$64,000 a year in cost savings along with reducing branch retail staff administration time during this process by approximately 20 to 30 percent."

Customer Knowledge Cuts Churn

Using business intelligence and an enterprise CRM system hosted on HP servers with powerful Intel® Xeon® 7500 processors, NSCU staff can quickly pull up customer data, see the entire relationship from accounts to credit products and insurance, and serve each customer better, not just the ones that yell the loudest.

"Our approach has reduced 'churn' which in our industry is around 25%, meaning they hang onto 75% of customers long term," says Cook, noting churn means customers do some business with you (like term accounts) then leave. "North Shore's (retention) is sitting around mid to low 90s."

With information at their fingertips, thanks to their laptop or desktop

computers powered by the Intel® Core™ processor family, staff can deliver on the “outside the bank thinking” that differentiates NSCU.

“Processing power is tied to efficiencies and being effective in business processes,” adds Cook. “We’re a knowledge-based organization and so absolutely we are always looking to get the optimal return on the technology we buy.”

Innovation In Core Banking

Integral to NSCU’s innovative approach has been the adoption of Temenos T24*, a new retail core banking system. NSCU was the first company to roll out T24 on a Microsoft SQL Server* platform. The system manages all account data and transactional information and needs dependable network infrastructure which Cook gets by standardizing on Intel, HP and Microsoft.

“It needs to connect seamlessly to all the self-serve channels whether that’s Internet banking, mobile banking, point of sale, or ATMs,” says Cook, noting the Temenos-Microsoft combination also allows easier integration with other third-party solutions including CRM, mobile banking and web banking software.

“To be competitive, we need business agility to select off-the-shelf solutions that allow North Shore to deliver on our value proposition” says Cook. “I get to go to the cabinet and pick which flavours I want to see in CRM, enterprise content management or business intelligence, and it all works together. That’s a huge bonus for us and lets us be more agile and competitive.”

Virtualization Speeds Testing

With integrated systems and a move to leverage technologies to better serve clients, Cook uses virtualization to build and test new environments before they hit mainstream use.

“There’s a move to virtual world where larger processing power is shared among multiple applications, but high-density computing requires load balancing and application compatibility,” says Cook. “As we’ve been upgrading and moving into that strategy, we’ve been investing in more robust processing power. More systems on fewer machines is the ultimate goal but some applications don’t behave well in those situations so you have to make sure they’re going to play well together in the same sand box.”

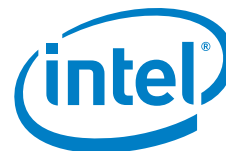
For NSCU’s quality assurance testing, virtualization allows the IT team to bring up different environments and optimize performance before a new solution hits full production. This speeds flawless product deployment while minimizing customer impacts.

“We can ramp things up and tear them down quickly, which is a huge bonus for us.”

ABOUT NORTH SHORE CREDIT UNION

From Burnaby and downtown Vancouver to Whistler, Squamish and Pemberton, North Shore Credit Union’s 11 branches provide banking, loans, investments and insurance services to 40,000 members, with \$2.4 billion in assets under administration. Its subsidiaries include United Mortgage Group*, North Shore Capital Corporation*, North Shore Leasing Ltd.* and Pacific Spirit Properties Ltd.*

SOLUTION PROVIDED BY:



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