

Case Study

Highland Bank

Increasing Efficiency with Innovative Products and Outsourced Services from Fiserv

Seeking to increase efficiencies, reduce costs and deliver exceptional customer service, long-time Premier® client Highland Bank made the switch to outsourced processing, relieving management of the oversight that accompanies an in-house system.



Highland Bank serves the financial needs of businesses, their owners and key employees. As an organization that consistently looks to improve efficiencies for its own operations, and for its business customers, Highland Bank recently decided to switch from in-house to outsourced processing, managed by the Fiserv Midwest Region data center in Des Moines, Iowa.

“Since the move to outsourcing, Highland Bank has streamlined processes, redefined positions and restructured our backroom support positions,” according to Molly Heruth, director of support services for the bank. “The enhanced flexibility and expertise now available to us has improved our internal operations, as well as our service levels.”

Client Profile

Based in Bloomington, Minnesota, Highland Bank is an independent, family-owned community bank that focuses on meeting the financial needs of small and mid-sized businesses. With assets of \$568 million, Highland Bank has eight locations in the greater Twin Cities area.

Committed to the prosperity of its customers, communities, employees and shareholders, the organization has evolved into a primarily commercial bank, consistently ranking among the top 10 Minnesota banks for lending by the Small Business Administration.



Realizing the Benefits

A long-time processor on Premier, Highland Bank carefully examined the cost of ownership for in-house versus outsourced processing before making the change. The bank's aging hardware platform, escalating regulatory requirements, and the costs involved in creating a redundant environment for disaster recovery made a strong case for outsourcing.

According to John Gill, chief financial officer for Highland Bank, an internal analysis showed that the organization stands to save nearly \$500,000 in hard costs alone over the first six years of their outsourcing

relationship with Fiserv. “We will also realize soft cost savings in the form of increased efficiencies and effectiveness, which are just as important,” says Gill.

The difficulty of maintaining the technical expertise needed for in-house processing and the ease of leveraging an outsourced turnkey solution were key factors for Highland Bank. The migration to outsourcing enabled the bank to eliminate 12 positions through attrition, downsizing and reassignment of staff.

Enhanced Customer Service

Highland Bank has turned its full attention to providing the highest levels of customer service, because Fiserv administers required regulatory controls, security, redundancy and oversight. “We’re now able to completely focus on banking,” says Gill, adding that the controlled environment provided by Fiserv is essential to meeting the highest levels of security.

The ability to reduce personnel, hardware, ancillary and occupancy costs adds value to Highland Bank’s partnership with Fiserv, as does the financial services provider’s level of expertise, professionalism and responsiveness. “Fiserv helps us be competitive in our marketplace through improved features and functionality,” says Gill. “We know that Fiserv has a genuine interest in our success.”

Challenge

Highland Bank sought to realize increased efficiencies and cost reductions through outsourcing while retaining the robust features and functionality of the Premier solution from Fiserv. Outdated hardware and burgeoning compliance, security and disaster recovery preparation demands proved to be a distraction from providing the highest levels of customer service.

Solution

Freeing the bank’s staff to concentrate on delivering best-in-class service to its commercial and consumer customers, Highland Bank chose to operate as an outsourced client processed on Premier by the Fiserv data center in Des Moines, Iowa.

Proof Points

Highland Bank utilizes the Premier bank platform and its partnership with Fiserv to achieve the following:

- An efficient, reliable and controlled account processing environment that provides the highest levels of accuracy and security
- \$500,000 in estimated savings over the first six years of its outsourcing partnership with Fiserv
- Streamlined backroom processes and the ability to offer experienced employees additional career opportunities
- The ability to compete with larger banks by utilizing innovative products and services

