

## **Beyond the Platform: A Core Built for Partnerships, Not Just Processing**

### *CU\*BASE Core Case Study with Lesco FCU*

From processing transactions and balancing accounts to storing member data and making loan decisions, every single piece of credit union operations hinges on *one* thing – a core processing system. When viewed through this lens, it's almost an understatement to say that the core system is *the most crucial component* of these community-driven financial institutions.

At the same time, a core solution is also the biggest expense and most complex system a credit union utilizes. That presents the true dichotomy credit unions are faced with when the time comes to choose whether to renew a contract or start looking for a new core. And it's that very choice Pennsylvania-based institution, Lesco Federal Credit Union (Latrobe, Pa., \$98 million), had to face when their core contract was up and they learned their platform through Fiserv was going to be sunsetted.

### **The Search for a Core**

"The core system is the nervous system, the brain – everything that we really rely on to operate. It's critical," said Neal Fenton, CEO of Lesco FCU.

With that in mind, the credit union began their search for another core option. The marketplace can be an overly saturated and overwhelming place, with core providers ranging from big names – like Fiserv and Jack Henry – to smaller organizations. "It was a very competitive process. Since we had been on Fiserv forever, we really had no feel for what was out there," said Fenton.

After doing ample research and due diligence, the credit union identified their top candidates. "We narrowed it down to three core data providers," said Fenton. "Fiserv was one, because that was our existing one. CU\*Answers was a new one, along with ShareTech. We did a pretty good, extensive review of all the platforms with our staff, and we found that we felt the best of everything was with CU\*Answers and CU\*BASE."

### **Making the Call**

CU\*BASE is a core solution owned by CU\*Answers, a credit union service organization (CUSO). Lesco FCU joined the CU\*BASE core through CUaxis, a core community created through the partnership between CU\*Answers, Vizo Financial and MY CU Services.

For the team at Lesco FCU, there were four big components that impacted their decision to move forward with CUaxis and the CU\*BASE core: the cost, the conversion process, the level of support and the provider's reputation.

#### *Cost*

A core solution is a large expense for any credit union, but particularly for small and mid-sized institutions. And as a necessary piece of the puzzle for daily operations, core processing is a high priority item in any credit union's budget considerations.

"The system is technically equivalent, if not better, than the competition. But their price point is way lower. The cost savings is significant," said Fenton.

Not only was the credit union pleased to see that the CU\*BASE system was going to be a much more cost-effective solution for their bottom line, but they were also made aware of the rationale behind the

associated price tag. “The costs are much more transparent. They gave us a history of the costs and everything, so you know that they’re doing their due diligence in offering the CU\*BASE product, yet really considering the cost.”

### *Conversion*

To Fenton and the Lesco FCU team, the conversion process and implementation of CU\*BASE also proved to be a reasonable experience, considering the extensive time and resource commitment that comes along with such an undertaking.

“As far as the implementation, there’s no way around it – it’s a very challenging experience. But I think, in general, CU\*Answers’ approach in terms of a core conversion is pretty good,” expressed Fenton. “There’s a lot of upfront training and information as you’re coming into the conversion. The conversion week, you have a team there.”

Core conversions are complicated in nature, but with the dedication of the CUaxis team, Lesco FCU was able to make the transition to the CU\*BASE system with minimal disruption.

“They kind of differentiated themselves in the marketplace by offering to take all your calls to a call center. That was big for us because then our member service reps could concentrate on in-lobby transactions with the team from CU\*Answers and CUaxis helping them.”

### *Support*

And the support Lesco FCU experienced during the conversion process was only the tip of the iceberg. As a core solution backed by the cooperative partnership between Vizo Financial, MY CU Services and CU\*Answers, CU\*BASE has a plethora of support resources available to users 24/7/365, including on-demand training, access to exclusive educational opportunities, group buying power and an entire community of credit unions also utilizing the system. All of these avenues of support are designed to give credit unions a competitive edge in the tempestuous financial industry.

### *Provider Reputation*

But there was another factor that contributed to their choice – the good name of the core provider themselves. With CU\*BASE already being utilized by over 350 credit unions ranging in assets from under \$1 million to more than \$1 billion, CU\*Answers has a solid foothold in the credit union movement.

“The other thing that kind of turned the tide for us is that fact that CU\*Answers is a CUSO,” shared Fenton. “They understand that mission and that aspect of doing business, and that was an advantage. It wasn’t just like they’re a CUSO – they talk the talk. In everything they do, they have their credit unions in mind.”

Add to that, the names of Vizo Financial and MY CU Services – two other well-known entities in the credit union world – and the entire CUaxis team carries a strong reputation for service, innovation, expertise and reliability.

“It’s very apparent that they are continuously improving, so that’s only going to benefit us,” said Fenton. “CU\*Answers is always looking to keep the CU\*BASE core system state-of-the-art, and that certainly helps us compete with the big boys out there.”

### *Additional Benefits*

For Lesco FCU, all of these factors – and more – were imperative in choosing a core system to help the credit union achieve not just their typical operational tasks, but also their overall growth, relevance and sustainability. Aside from their main considerations, Lesco FCU gained additional benefits from choosing CU\*BASE as its core.

“The CU\*BASE system integrates with our online banking and the mobile app. Prior to that, ours was kind of fragmented and segmented and we were getting charged a lot for integration,” Fenton explained. “But now, CU\*BASE has the total package with the It’s Me 24/7 online banking and mobile app, and that’s probably one of the biggest things we’ve seen.”

Another improvement for Lesco FCU was the depth and power of reporting capabilities through CU\*BASE. “It’s very powerful and very extensive both on the reporting side as well as data mining and giving you information about your members and tendencies in terms of the marketing world,” said Fenton.

### **A Partnership for the Present and Future**

CU\*BASE may be a core system, but for Lesco FCU, it’s more than that. It became a stepping stone to building a partnership beyond the typical credit union-core provider relationship.

“CUaxis transforms themselves from a third-party vendor to a partner,” said Fenton. “It’s different from just a third-party vendor that is there for that transactional relationship because they are so helpful and because they have our operations in mind.”

Fenton and his team continue to enjoy the quality of service and opportunities for collaboration with the CUaxis team, as well as the flexibility, modern technology and efficiency of the CU\*BASE solution – a position that will serve their operations and member experience well into the future.