

Banker's Academy BRIEFINGS

Maximizing Return on Investment of Your Core Banking System

By Dr. Linda Eagle

Banks and financial institutions rely on their core banking systems to support the entire enterprise. As with any technology, newer, faster and better products emerge over time. In order to stay competitive and support new products in a global marketplace, financial institutions must be prepared to invest their money, time and resources in implementing a new core banking system.

Today, the leading vendors in the industry include: *TEMENOS, Oracle Financial Services Software, Fidelity National Information Services, Tata Consultancy Services Financial Solutions (TCS FS), Misys, SunGard Ambit System Access, Fiserv, 3i Infotech, and Silverlake Axis*. These vendors provide premier banking system software, such as, T24, Flexcube, Microbanker, Finware, Finacle, FIS Alltel Systematics, Sanchez Profile, Advanced Commercial Banking System (ACBS), Kordoba, ALLprofits, MiSER, BancPac, BaNCS - TCS BaNCS, Equation; Bankmaster LAN, Bankmaster RS, MidasPlus, BankFusion, ICBS (International), Fiserv CBS (US); Basy/Metabank; Catapult, KASTLE, Silverlake Integrated Islamic Banking System (SIIBS), and many more.

Each of these systems is designed with superior customizability, integration and feature-sets, however, even the most advanced banking systems in the world will fail because of one simple issue.

70% of all Core Banking Systems Implementations Fail

With core banking system implementations costing between tens and hundreds of millions of dollars (USD) before they are done, there are no small failures, and yet a 2008 Banker's Academy survey found that, of banks having gone through a systems conversion within the past 3 years, slightly over 70% of both line and IT executives surveyed reported that they were "extremely" or "somewhat" dissatisfied with the new system!

Why? Was it missing features? No. Was it bugs or other technical problems? No. Was it implementation schedule? No (even though the average implementation runs 30% late). Was it cost? Not even that.

The No. 1 Reason Core Banking Systems Implementations Fail

By a factor of nearly three to one, banking executives reported the number one reason for their dissatisfaction with their new system was “employees not using the system properly.”

After millions of dollars of expense, years of planning, customization, testing and conversion, what was the single factor that undermined satisfaction with the system? **Lack of adequate training!**

Instead of benefiting from their new banking system and getting a rapid return on investment, these financial institutions neglected to provide adequate training for their employees and squandered their significant technology investment.

Barriers to Effective Training

Why do most system conversion projects not provide quality training? There are several reasons:

1) Cost of a Training Region.

Maintaining a separate training region within a major system can be extremely costly and many institutions balk at the additional expense.

2) Implementation Schedule.

Even on successful and on-time systems conversion projects, schedule is always a problem. Often systems are still being customized well into User Acceptance testing - leaving training to be developed in a very short window of time.

3) Lack of Expertise.

Banks are banks. Systems vendors are system vendors. Neither of them are training experts, and unfortunately most systems training shows that.

4) System Customization.

Banking Systems are customized for each institution and yet most vendors provide generic training programs and so students are not looking at screens and procedures that accurately reflect the system they have.

What Is the Answer?

Systems conversions can be a long and bumpy road. Whether you are implementing a new system due to a merger or acquisition, or you are simply upgrading your technology, systems conversion efforts consume your resources and your patience. But getting a new system up and running is only half the battle. The real challenge is giving your employees the training and practice they need to make the new system a success.

The answer is **System Simulation Training (SST)** from Banker's Academy.

SST is an eLearning simulation training model and methodology that can quickly get your employees up to speed on any system, even before the system is fully ready, without needing a costly training region!

Benefits of the **SST** approach include:

- Staff fully prepared even before rollout.
- Minimal training time needed.
- No training region necessary.
- Ongoing refresher and new-hire training.

SST successfully prepares students to use any new system with its unique Observe-Practice-Demonstrate model:

- **Observe** - Participants are introduced to the workflow, steps, screens and documents associated with the procedure.
- **Practice** - Participants perform the steps of the procedure in a realistic, simulated environment with a step-by-step guide.
- **Demonstrate** - Participants prove mastery of the procedure by handling common business scenarios while still getting immediate feedback on their keystrokes and mouse clicks.

The training is self-paced with students becoming familiar with the new application in a non-threatening, simulated environment that looks and feels like the real system. And **SST** is fully customized for your system - with your screens, your scenarios and your procedures.

Increase Employee Confidence and Motivation

Using a new banking system can be scary and intimidating for employees at a financial institution, as they are directly responsible for using it on a daily basis. In order to properly use the system and accurately process transactions, employees must first have an introduction to what it is and a clear understanding of how to use it.

By receiving proper training, associates will practice and learn all aspects of the system in a self-paced, safe and non-threatening learning environment that looks and feels like the real system. Through the use of motivating, challenging and interactive content, activities, exercises and hands-on practice of system functionality, employees will be more confident about using the new system. These interactive exercises will enable employees to gain a new understanding of their job responsibilities and will equip them with the knowledge and skills that they need to excel in performing their tasks every day.

Providing training that is customized to each job position at the bank will also help employees to feel confident about using the new system on a daily basis. Targeted, comprehensive and customized training will help employees in every area of the bank to confidently and efficiently use any system out there.

Maintain Customer Experience

During the conversion to a new system, it is important to keep every customer's banking experience consistent. Financial institutions should conduct a seamless transfer to a new system while maintaining an optimal customer experience. Customers should not be able to sense that a transition at their bank is even occurring, or be able to notice any bumps in the road during the transfer.

System Simulation Training produces knowledgeable, proficient employees who provide reassurance to customers - customers who will return based on their positive experiences at the bank. If customers are continually satisfied with their banking experience they will likely tell their family and friends, resulting in even more business for the bank.

Reduce Risk

Training for employees on the new banking system provides numerous benefits, including reducing risk at the bank. Knowledgeable and confident employees will make fewer mistakes and costly errors. And unlike classroom training, each session is identical so you can be confident in the consistency of the training. A team of employees who are all receiving consistent, quality training will help to make the conversion to a new system seamless and risk-free

Certification

System Simulation Training also allows you to objectively assess each individual's preparedness for using the new system in front of customers. Using proprietary tracking technology, the training counts each mouse click and each keypress during each simulated transaction and provides a score on how efficiently and accurately the student was able to complete the exercise. Based on that, and what score you decide should represent adequate mastery, the students are presented with a Banker's Academy certificate of achievement and your administrators can generate reports showing who is ready for conversion!

The Cost?

Training for employees on a new banking system, however, does not have to be a large expenditure. By providing eLearning training to its employees, a financial institution will eliminate the need for costly and time-consuming in-house training. eLearning eliminates or greatly reduces the cost of travel, instructor time, materials and lost work days. And eLearning gives you a program that can be used for refresher training and new-hire training as well at no additional cost!

Final Word

In order to offer its customers the best services available, banks and financial institutions need to stay up-to-date on the newest technologies available - no matter what the cost. However, regardless of how advanced, high-tech or costly these systems are, they will fail without proper training for employees. In order for a financial institution to get its money's worth and reap the many long-term benefits that these systems can provide, Systems Simulation Training is the obvious choice.



Dr. Linda Eagle is Founder & President of The Edcomm Group Banker's Academy—a 22-year-old education and consulting firm dedicated to serving Banks, Credit Unions, Money Services Businesses and all areas of the Global Financial Community with thousands of generic and customized training programs in areas such as BSA/AML, Regulatory Compliance, Teller Training, Systems Training, Sales and Service Training, and many more.

Edcomm Group Banker's Academy is headquartered in New York, NY. For more information, email linda.eagle@edcomm.com or call 888.433.2666/+1.212.631.9400.