

US Bank Business Equipment Finance Group Manages Portfolio Expansion with InfoLease and IDS Services

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| Type: | Bank-owned Financing Organization |
| Segment: | Expansion of small-to-middle ticket presence |
| Challenge: | Convert large acquired portfolio to InfoLease system enabling stable, comprehensive management |
| Primary Solution: | Project partnership with IDS Professional Services |

With the purchase of Lyons Financial in 2000, US Bank acquired a business specializing in small- to mid-ticket office equipment leasing contracts – and subsequently formed the subsidiary US Bank Business Equipment Finance Group, based in Marshall, Minn. While the purchase represented strategic growth for US Bank, the company now faced growing pains – namely, how to convert more than 100,000 contracts from a self-developed lease accounting system to a more stable, comprehensive solution.

“There are many unique aspects to our business,” explains Michael Rizzo, president of US Bank Business Equipment Finance Group.

“For this particular conversion, we required a high level of automation and integration with eight other applications.”

It seemed natural to call upon International Decision Systems (IDS), the developers and providers of InfoLease® – a complete lease/loan accounting system for managing portfolios, tracking assets and handling accounts. After all,

US Bank was a long-time IDS customer. However, Rizzo wanted to make absolutely sure this was the best possible decision. “We did our due diligence and considered other possibilities,” he says. “We ultimately chose IDS because of our familiarity with the performance of InfoLease. We always felt that InfoLease was a good, strong product.”

Initially, Rizzo and his US Bank team identified 28 specific enhancements their existing InfoLease system needed to efficiently manage the new business produced by the acquisition. As the

IDS and US Bank team delved into the details, however, it became clear that the scope of the project was much greater than that. US Bank eventually requested

nearly 100 customizations (many of them proprietary) – turning the project into a complex endeavor encompassing nearly two years of programming, development, and services.

Everyone plays a part

How does a company accomplish a seamless conversion involving tens of thousands of contracts and hundreds of system users in three locations –



SUCCESS STORY



without significant down time? US Bank and IDS agreed that communication was critical to the project’s success. The two companies agreed to hold formal monthly meetings during which project managers presented status reports to top executives at both companies. The meetings covered all aspects of the implementation, including data conversion, programming enhancements, and on-going support. “Everyone on our team – from the business unit to the development team and myself – had a counterpart at IDS they could call at any given point during the project,” Rizzo adds.

“From top executives on through their organization, IDS placed a high level of focus on our project and together we maintained a strong mutual desire to stay on track,” Rizzo says.

Cindy Smith, US Bank development services group manager, points to the integrity of all project consultations. “I value the fact that IDS was very honest about the risks associated with actions we proposed or requested,” she asserts. “During our project, IDS had the courage to make recommendations that sometimes weren’t what we wanted to hear. I really value this honesty, and the way they kept our best interests in focus.”

Indeed, the quantity and quality of communication were integral to the project’s success; however, talking alone wasn’t going to transfer those awaiting contracts into an efficient system meeting all Rizzo’s needs. At one point, Smith’s projected duration for getting the contract data converted and merged with US Bank’s systems was 10 days – a much longer shutdown than the operation could accept.

Smith and her team worked closely with IDS Professional Services and programmers to find ways to streamline the conversion. They ran weekend “dress rehearsals” and held meetings afterward to discuss what was learned and how to resolve problems that cropped up. “Because of our timeline, we needed to maximize regular work hours for testing activities with the business line, so our test runs tended to be on weekends,” Smith recalls. “The IDS people were excellent – they worked around this very demanding schedule. I know we weren’t the only client they were supporting at the time, but they always made us feel like we were.”

A “watch list” served as another essential tool to keep the project moving on schedule. Unresolved technical issues were placed on that working list and twice a week were

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submitted to IDS project manager Frank Gritner. "Frank was very in tune with our plans and would help us assess each item's urgency," Smith explains. "He would then leverage the appropriate department at IDS to get things done for us."

After 13 months of identifying, developing and testing approximately 100 InfoLease enhancements, the IDS and US Bank teams knew they were ready for the conversion, slated for Thanksgiving weekend, 2003. By looking for opportunities to pre-convert or move steps in the process, the teams found ways to reduce the entire conversion time from the originally projected 10 days to four, with the InfoLease conversion taking about 45 hours of run time. "For us, it was basically all hands on deck that weekend," Rizzo says. "Fortunately, IDS has a fully staffed conversion team that goes into action to assist with the process."

After the Big Event

Once that weekend's celebration feasts and conversion runs faded to memories, the IDS Professional Services staff remained. "After our Thanksgiving weekend conversion, IDS stayed on the case. They were on call for us throughout December, if not 24/7, very close to that," Rizzo states. "Even today, I remain impressed with their total responsiveness and willingness to assist with any performance, application or other technical issue."

Today, InfoLease allows Rizzo's team of 450 employees to efficiently manage back-office operations such as accounting, accounts receivable, asset tracking, reporting and contract administration. "With InfoLease, we now service those 100,000 contracts efficiently, and I'm very pleased," Rizzo concludes.

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