



Case study featuring St. Mary's Bank:

How the Nation's First Credit Union
Took the Technological Lead with
Core-Integrated ITMs

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Background

Headquartered in Manchester, New Hampshire and with 10 branch locations throughout the Granite State, St. Mary's Bank is a full-service credit union whose singular mission is to serve its members' ongoing financial and mortgage needs.

Established in 1908 and with an exceptionally strong presence in Southern New Hampshire, St. Mary's Bank complements traditional banking services with customized financial planning for area families, individuals and small business owners. Like many US credit unions, St. Mary's has successfully nurtured and grown its membership over time. And in order to fulfill demand it has opened several branches over the past 10 years and expanded its ATM and ITM footprint. Ultimately, as a member-centric institution, St. Mary's has led the way across the board in providing progressive products, services and technology - all in service to member needs.



Business Objectives

As the country's very first credit union, St. Mary's Bank has had a front-row seat in witnessing the technological advancements that have fundamentally revolutionized the banking industry. From installing its first telephone in the early 1900s to rolling out ATMs shortly after their invention, keeping up with the 'technological joneses' is part of what has enabled St. Mary's Bank to grow its membership.

Interactive teller machines are the latest innovation, offering all of the capabilities that an ATM does and then some, including the ability to deal directly with a video teller when transactions become too complicated or if the member just wants to say hello. ITMs also increase efficiency for branch staff and reduce operational expenses.

In keeping with its pioneering status, St. Mary's Bank was an early adopter of ITMs, rolling out its first terminals in 2019, believing the technology would help members receive the high-tech, high-touch experience they wanted and deserved.

This was all part of the institution's strategic approach to branch transformation.



The Stakeholders

Given the financial, cultural and business process implications of technology adoption, St. Mary's tasked a diverse and capable group with identifying the right branch solution. Led by Leo Simard, Senior Vice President, Director of Retail Sales and Member Experience, the project team included representation from many different areas of the credit union including Retail, Marketing, Electronic & Deposit Operations, Finance, IT, Facilities, Risk Management and the Member Contact Center.

Loan Servicing also stepped in as the team aspired to manage loan payments with ITMs.





The Decision Making Process

St. Mary's Bank was decidedly focused on 'doing things right' and dedicated time to learning from others in the industry. During their discovery process, decision makers noted that some early ITM adopters spoke of consumer resistance due to lack of familiarity with the interface. Positioned next to the teller lines by these institutions, the ITMs' placement made it far too easy to opt for the familiar. Lesson learned.

Other credit unions, meanwhile, decided to opt for ITMs that were not integrated with the core, only to find that doing so prevented members from taking full advantage of all the capabilities that an ITM offers, such as bill pay, new account opening, cardless transactions and the ability to self-manage an expansive menu of customized transactions 24 hours a day, seven days a week.

This option also created a reliance on video tellers and necessitated duplicate entry during business center office hours and relegated ITMs to ATM performance during the hours when video tellers were offline. The takeaway for St. Mary's Bank: core integration was critical to optimizing their return on investment. They wanted to deliver more for their members.

The Solution

Team leader, Leo Simard noted that core integration was deemed to be an essential component of their final ITM selection.

“What we really wanted was a full transaction set for our members,” Simard explained. “We wanted to go beyond just the withdrawal and deposit.”

That’s when Simard discovered the fully integrated ITM solutions from Hyosung America and Convergent. For the team, it came down to one of two vendors, but after observing the Hyosung America ITMs in action, it quickly became one.

Intuitive in design and sleek in structure, the MX800 and 7800 Series supported a broad spectrum of traditional and customized banking transactions and allowed for a ‘self-service first’ approach given intuitive and core integrated technology with high-capacity cash dispensing capability.





The Implementation

As with any technology of magnitude, ITM adoption has a learning curve. Lack of familiarity is ultimately what created resistance for other FIs. Therefore, Simard and his team prioritized training and exposure for both St. Mary's Bank personnel and members.

"Through vendor and internal training, we held one-on-one sessions with employees and guided them through the experience both for self-serve transactions and remote teller assisted transactions," Simard recounted. "For our members, we provided in-person assistance for each new ITM deployment to educate members about the capabilities of our ITMs and guided them through the transaction process. Video tellers also helped members become comfortable with the technology." Drawings and incentives further accelerated adoption. He noted that Convergent was a valuable support throughout this process, ensuring a more seamless transition.

Simard further pointed out that the integration itself went flawlessly and really helped to differentiate ITMs from ATMs, showing customers how they're truly the next generation of self-service technology. St. Mary's Bank has the 7800 Series set up for drive-thru customers, while the MX8800 is in-branch.

"From planning to rollout, the project went very smoothly," Simard said.



The Results

“We have had significant, positive feedback from members who have used the machines. Based on this, our investment in the technology is giving us an improved member experience.” And the ITMs are now in two locations with strategic placement apart from the teller line.

Simard acknowledged that while the technology remains a novelty, things are off to a great start and he’s looking forward to gaining additional insight that will inform both how his team and his members can maximize all that ITMs have to offer. Convergent is helping them identify what’s possible.

“Of course, when it comes to integrations, every environment is a little different,” Simard said. “So even though it [ITMs] is something that is fully integrated, there might be something unique about your particular environment that needs to be tweaked or customized. [Convergent] has worked with us through all of that.”

The influx of commercial use of the ITMs somewhat caught the credit union by surprise, but the technology has managed both consumer and commercial demand with success. Members of all sorts are adopting the technology and “loving it”. And non-members (employees of commercial clients) are increasingly drawn to the credit union.

While the institution is still assessing things on a more scientific basis, Simard has a gut feeling that well over 80% of transactions are done without teller assistance, thus supporting efficiencies.

What Comes Next

ITMs are an integral part of the credit union's branch and ATM strategies. While not yet fully deployed across the branch network, Simard said St. Mary's Bank will continue to look for opportunities to replace existing ATMs with ITMs and will integrate the technology into new branch builds.

To that end, he noted that **"it is nice to know that we can get ourselves into a smaller footprint if it's just a retail branch"** having implemented the technology in a 2000 square foot facility (versus the 3500 square foot norm).





Industry Advice

When asked what advice he'd offer to other institutions contemplating an ITM solution, Simard had a lot to say. "What I found was the initial cost of integrated solutions has typically been the hurdle," he noted. "The implementation of ITM technology needs to be part of a long-term, broad scale strategy in order to justify the investment."

That said, he recommends that others "Invest in the integration to provide full feature functionality to members (or customers)." And he recommended that in order to get there successfully, they:

- **Take their time and get it right.**
- **Include all necessary business areas in their decision making and implementation team.**
- **Establish, test and document detailed processes for optimal results**
- **Partner with someone you know and trust.**

With regard to the latter, Simard commented that "Our relationship with Convergent has been long-standing and I have to say that they have never disappointed me."



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