



Customer: The Peoples Bank
Web Site: www.tponline.com
Customer Size: 120 employees
Country or Region: United States
Industry: Financial services
Partner: IPS-Sendero
Web site: www.ips-sendero.com

Customer Profile

Based in Winder, Georgia, The Peoples Bank is the largest community bank headquartered in Barrow County, with assets nearing U.S.\$390 million.

Software and Services

- Microsoft® server product portfolio
 - Windows Server® 2003 Standard Edition
 - Microsoft SQL Server™ 2005 Standard Edition
- Windows® XP Professional
- Technologies
 - Microsoft Internet Information Services 6.0
 - Microsoft .NET Framework 2.0
 - Microsoft SQL Server 2005 Reporting Services

For more information about other Microsoft customer successes, please visit:
www.microsoft.com/resources/casestudies

Bank Cuts Reporting Time by 50 Percent; Makes Better, More Profitable Decisions

“We’re clearly making decisions that translate into a stronger bottom line, thanks to the Vantage solution.”

Jeff Kraus, Chief Financial Officer, The Peoples Bank

The Peoples Bank in Winder, Georgia, was using spreadsheets for budgeting and planning. A switch to the Vantage solution from Microsoft® Gold Certified Partner IPS-Sendero, based on Microsoft technologies, has cut reporting time in half and enabled better monitoring and management by providing more accurate, more frequent reports. The bank can meet regulatory requirements more easily and make business decisions that increase profitability.

Business Needs

At The Peoples Bank in Winder, Georgia, they know that some things—such as customer service and community involvement—are best done the old-fashioned way. A dedication to traditional business values and practices has helped The Peoples Bank to become the largest community bank in Barrow County. A county fixture for 80 years, The Peoples Bank now has assets of U.S.\$390 million.

But some things shouldn’t be done the old-fashioned way, like budgeting and planning for a growing bank using nothing more than spreadsheet software. The bank knows that, too. With its spreadsheet-based system, budget numbers had to be aggregated

manually for a consolidated report, which was both time-consuming and prone to error. Annual budgeting was a six-week process.

The bank went without monthly budget updates because it couldn’t dedicate the time and resources on a monthly basis. That made it difficult to quickly identify underperforming areas. Preparing financial packages for review by the board of directors took two days each month.

Beyond that, the bank couldn’t use spreadsheets alone to conduct the balance sheet analysis so crucial to its planning and growth. With 62 percent of its revenues coming from loans, the bank had to know how those loans were performing and how

they might perform if interest rates were to suddenly change. That information wasn't just necessary for the bank's planning; it was also necessary to meet regulatory requirements. To obtain this information, the bank relied on an external, fee-based provider.

Because the bank had separate systems for budgeting/planning and asset-liability management, it maintained redundant databases, which presented the potential for inconsistent data. Without a single, consolidated view into data from a flexible reporting system, the bank wasn't able to use its data for optimal decision making.

Solution

The Peoples Bank has addressed all of those needs, thanks to the Vantage solution from IPS-Sendero, a Microsoft® Gold Certified Partner based in Norcross, Georgia. The Vantage solution provides a fully integrated solution for asset-liability management, budgeting and planning, performance measurement, and financial reporting. The solution is tailored to the financial services market, which IPS-Sendero has been serving for 20 years.

The solution's asset-liability management functionality enables the bank to maintain a full chart of accounts, detailed instrument-level attributes to model cash flows, and management assumptions about account growth and interest-rate trends. This functionality allows the bank to analyze current and future risk positions, and enables executives to test business strategies by simulating the impact of various interest-rate changes and other scenarios on net interest margin, income, and economic value.

Modeling and forecasting tools in Vantage enable bank executives to conduct "what-if" analyses for budgeting and planning, and the calculation engine automatically aggregates

center-level data to provide a comprehensive look at the bank's position. Executives can use standard reports included with Vantage as well as easily customize those reports using drop-down menus. For example, they rely on the "budget versus actual" report for both monthly and year-to-date reporting—and a few mouse-clicks enabled them to customize that report by adding the corresponding data for the prior year.

The solution runs in the same Microsoft-based environment that the bank already uses, including the Windows Server® 2003 operating system on the servers and the Windows® XP Professional operating system with Service Pack 2 on the desktops.

Because the solution is built on the Microsoft .NET Framework, IPS-Sendero developers can roll out enhancements quickly and cost-effectively, and The Peoples Bank can deploy those enhancements with equal speed and ease.

The solution runs on Microsoft SQL Server™ 2005 relational database software and relies on SQL Server Reporting Services 2005 for its reporting capabilities.

Benefits

Thanks to the IPS-Sendero Vantage solution, The Peoples Bank has cut budgeting and planning time in half. Annual budgets that formerly took six weeks to complete are now completed in three weeks. The process of assembling reports for the board, which formerly required two days per month, is now completed in two hours.

Reports aren't just faster, they're also more accurate, because the bank avoids manual aggregation and the need to reconcile redundant databases. The Vantage solution helps the bank save labor costs: Before, 20

percent of one staff member's time was devoted to report generation.

The Peoples Bank sees so much greater efficiency that it has been able to institute monthly budget updates that show progress against budgeted targets for each cost center and account. In this way, managers can address minor variations in performance before those variations become major ones.

The bank also is in the process of using the Vantage solution to conduct the asset-liability management analysis that it has been sending to an outside provider. Executives can conduct "what-if" analyses whenever they want, giving them faster and fuller information than they could receive before.

Because those analyses are readily available in Vantage, the bank gains the transparency into its decision-making process that it needs to meet regulatory requirements.

Reports and analysis aren't just faster and more cost-effective; they're also the foundation for better business decision making.

"We're clearly making decisions that translate into a stronger bottom line, thanks to the Vantage solution," says Jeff Kraus, Chief Financial Officer at The Peoples Bank. "How fast should we grow? Where should we grow? How long will it take to recoup the investment in a new branch? We've used Vantage to answer questions like this, and the results have helped to guide our branch expansions. The software gives us a better feel for how our decisions affect the bank and how we can make the bank more profitable."