



# Fresh Starts: How to Pull Off a Dynamite DP Conversion

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In terms of technology projects, data processing conversion is undeniably the most ambitious and far-reaching endeavor that a credit union can engage in. It requires more resources than any other technology project, and has a significant impact on every single credit union employee – and the entire member base.

Unfortunately, horror stories about “bad” conversions are not uncommon. There is, however, good news. At Symitar® we have discovered that by making the effort to apply the appropriate resources and by following a few simple guidelines, every data processing conversion is a good conversion.

This white paper draws on the expertise of Symitar’s Implementations group and, even more importantly, it draws on the real-world experience of other credit unions – people like you who took the necessary measures to ensure that their conversions were, in a word, dynamite.

## Knowing When to Make a Move

The first question your credit union needs to answer is whether the time has come for a new data processing system. We find that these decisions are typically driven by a combination of two factors: a current technology platform that is impeding the growth or development of the credit union, and the degradation in service levels the current processor provides. The signs usually become obvious.

A third factor that can drive a core processor change is, unfortunately, a conversion that doesn’t fulfill its promises. For example, a newly developed system without a track record or adequate real world testing can cause unanticipated headaches. It is also not likely to offer as many features as more established cores. An institution cannot predict the need for new features and is left without an option if a business need arises.

Here are nine common signs that your credit union may be ready for a new data processing system:

1. **Front-line employees are dissatisfied with the current system.**
2. **Back-office employees find it difficult or impossible to meet the needs of the organization.**
3. **Third-party products are difficult or impossible to integrate, or your core processor charges you an excessive amount for that integration.**
4. **Support staff at the core processor has been cut back.**
5. **Your credit union is unable to deliver the products and services your members want and need because of your technology platform’s limitations.**
6. **Ownership of your core processor frequently changes hands.**
7. **Your credit union experiences significant downtime, which is exacerbated by unresponsive customer service from your core processor.**
8. **Your current core processor loses sight of the partnership nature of the relationship.**
9. **Technology mishaps result in negative publicity for your credit union.**

## The Selection Process

Symitar clients report a selection process that covers a wide range of scenarios. Some enjoy an abbreviated process because they know from the start what they want. Others employ a process that can only be described as exhaustive. Still others, not entirely comfortable with evaluating unfamiliar technology platforms, employ technology consultants. Regardless of where your credit union falls in this range, the most important consideration is making a decision that you are 100% comfortable with, and is backed by the entire executive team and board.

Theresa Taggart, VP of Information Technology at Sun East Federal Credit Union, provides an example by sharing some of the steps Sun East used to begin its selection process. “We met with each individual business unit,” says Taggart, “and created a specifications document. First the vendors answered our specifications, then we scheduled demos, and scored the vendors.”

Citadel Federal Credit Union reports a 15-month evaluation process in its search for a new system. The institution spent a great deal of time meeting with its internal management team to determine what aspects of a core system they considered the most important. They found that the two broad areas mattering most to them were functionality and customer service. With that in mind, the institution looked at many potential processors. CEO Jeff March said, “During our evaluation process, we looked at multiple alternatives because the core system is not something any credit union can afford to make the wrong decision on.”

Brian Berry, the CIO at Citadel FCU, adds this advice: “When evaluating core systems, we not only looked at the core itself, but also at a number of complementary products and services that surround the core.” In addition, he explained the importance of selecting a vendor that will continue to improve and update its product. “When looking for a new core system, it’s important to remember that you’re not just committing to today, you’re also committing to tomorrow,” said Berry. “Things change very quickly in this business. Credit unions need a partner like Symitar who’s willing to invest in the future.”

Visits to credit unions that use the prospective system is essential. Here are some tips for conducting successful site visits:

- **If possible, visit at least three different credit unions for each finalist.**
- **Bring a well-rounded and knowledgeable team with you.**
- **Validate the things you already know about the processor.**
- **Learn any new information that might be available.**
- **Observe the relationship between the employees and the core processor.**
- **Ask many questions.**

Request a complete customer list from the processor, and make random calls to credit unions that you didn’t visit. This will help ensure that you’re getting a complete and accurate picture.

## Assembling Your Conversion Team

A data processing conversion may be a technology project, but a dynamite conversion has more to do with the people than the technology. If you assemble the right team and commit the appropriate resources, your success is virtually inevitable.

The cornerstone of a successful conversion team is having a strong Project Sponsor and an engaged Project Manager. The **Project Sponsor** is a key advocate for the project who keeps the conversion aligned with the business goals of the organization. Ideally, this person is well positioned in the organization to iron out conflict, remove obstacles to progress, and act as an escalation route if project objectives are not being met. The Project Sponsor needs to be more than an overseer – it should be someone who has the influence and authority to make conversion decisions in case things come to an impasse.

A strong **Project Manager** is someone who is able to coordinate and manage activities across multiple departments as well as manage change-related issues during the implementation process. The project manager is able to see the big picture, be detailed oriented, prioritize between issues, assess risk, and communicate effectively across the entire organization. In smaller organizations, it’s not unusual that one person holds the roles of both project sponsor and project manager.

The next step is identifying the subject matter experts, or SMEs, who will be responsible for the various topical areas of the conversion. This means allocating resources from every department in the credit union. Keep in mind, however, that the best SME may not necessarily come from the ranks of management. Jon Guepe, Senior Vice President of Administration at Apple Federal Credit Union, gave this advice: “I used functional people who I knew were not at the highest levels of their

departments but were the best-equipped to know how the current software functioned and would be quick to learn how the new software works." Even though you will need a core of SMEs on the conversion team, it is essential that any employee who may be able to make a relevant contribution is given the opportunity to do so.

Every credit union is different, and so every conversion is different. But generally speaking, you should consider the following individuals for your conversion team. We recommend one or more SMEs to address:

**Account types, shares, share drafts, certificates, IRAs, and club accounts**

**Loans, loan types, insurance postings, and collections**

**Certificate penalties, fees, overdraft protection, and analyzing and reviewing prior and planned custom programming**

**Collections, ACH, payroll, share draft, and other third-party files (sent from or received at the credit union)**

**IT department support for credit union operations, network connectivity, back office, hardware compatibility, configuration, and connectivity issues**

**ATM, debit, and in-house credit cards (if applicable)**

**Accounting processes (chart of accounts, asset and liability management, accounts payable, call report) and set up.**

You may also want up to six trainers to learn the system and perform staff training.

## Preparing for Conversion

If you have decided to move to a new data processing system, you are obviously dissatisfied with the old system. At this point, the natural inclination is to allow your disenchantment with your current system to foster neglect. However, if you want to pull off a truly dynamite conversion, now is the time to become intimately familiar with your current system, especially how it works and where the data resides. The more you know about your system, the easier it will be to duplicate the things you like for your new system, and change what you don't like.

One of the most important activities a client can do before conversion is to review and understand all of the user-defined settings and processes on the current system. Determining which fields are actually used and for what purpose prior to starting the conversion process will position a credit union for success.

This is where knowing your current system pays off. The cleaner you make your current database, the cleaner your new database will be, resulting in a smoother conversion. It also makes sense to review and document any custom processes and provide this information to your new processor.

Another key to your preparations is determining which processes are satisfactory in their current state and which ones can be improved by moving to a new technology platform.

During the time prior to conversion, you will also need to become familiar with your new system. It's essential that you take all necessary testing of your new system very seriously.

## Building Employee Support

Your employees' perception of your current processor will have some influence on how you communicate the change to the employees. Apple FCU's Guepe gives an example of differing perceptions. "I think the teller and some of the people in the branches probably were satisfied with the solution we had in place," he said. "But as you got higher in the ranks, to the mid-level department managers and then the VPs, they realized the need. Many times we'd be sitting down in a strategy meeting or a what-if meeting and would want to do something or implement something and we didn't have the ability or

capability to do it with our former processor. We knew that we needed another solution.”

This is why it's so important to communicate clearly and build support. You need to articulate the reasons for the change, making sure your employees understand how the new system will benefit the credit union, its employees, and most importantly, its members. Regardless of the specific approach you take, your goal should be to build excitement. One of the best ways to build employee enthusiasm is with thorough training.

Jeff March at Citadel FCU also reports that employee participation throughout the process was helpful. “Nearly one-third of our organization was directly involved in the conversion process,” he said, “and being involved allowed for everyone to see hands-on how they were going to be affected at a granular level.”

Taggart at Sun East FCU: “We told our staff that the conversion would impact the entire organization and that we would no longer have experts – we would all be learning the new system. Our theme events helped our staff through the conversion processes, as it added some fun events to our workday.”

Many credit unions report success in greater employee acceptance by making the conversion fun and including games or competitions. The bottom line is communication. The more you communicate to your employees – and the more creative and effective you make that communication – the better off everyone is. You will encounter less employee resistance and, come conversion day, your entire staff will hit the ground running.

## Top 10 Tips for a Successful Conversion

Above all, conversion is a team effort, and that team consists of our implementation experts and those employees you identify as experts on how your particular credit union does business. Below is a list of the top 10 steps you can take to ensure that your conversion is a resounding success, courtesy of Symitar's Implementations group.

- 1. Review and document user-defined settings.** To make the conversion process smoother, take the time to review all of the custom settings and data in your current core database. Determine where the user-defined fields reside and what, if anything, you are doing with that data.
- 2. Review and document your current processes.** Make sure you understand all processes and jobs that are running on your current system to properly duplicate them in the new system. Compile a list of all of the processes and jobs you currently run, along with instructions supporting each process.
- 3. Identify your reporting and e-form needs as soon as possible.** Create an inventory of all reports you use daily, weekly, monthly, quarterly, or yearly, including board reports. Determining which reports are essential during your first week live and which reports you no longer use can save you valuable programming hours. Create an inventory of the forms you currently use in your lending area and attempt to get the latest copies in .IFD format from your vendor. Create a list of all letters and notices you produce on your system and any other documentation you send to your members.
- 4. Learn as much as you can about your third-party vendor requirements.** Contact all of your third-party vendors to gain a clear understanding about how they interface with your core processor and if anything will change after conversion. Document your findings in a spreadsheet and include information such as the vendor's name and technical contact information, your SME, and a method of interface with your current processor. Review your contract expiration dates and determine whether you will be switching or adding any new vendors during your conversion.
- 5. Define your core conversion team and identify roles and responsibilities.** Typical core conversion SMEs will need to represent the areas listed under “Assembling Your Conversion Team” in this paper. The actual number of SMEs, of course, depends on your contract and the size of your credit union.
- 6. Set up regular internal status meetings and hold team members accountable for conversion progress.** We recommend weekly meetings. Because of tight deadlines, executive management should be aware of all delays and assist with moving unresolved items to resolution.

**7. Work toward realistic expectations.** The main goal of implementations is to ensure that your data are correctly converted and that you will be able to function seamlessly during your first day on the new system. Do not try to accomplish everything at once. Consider postponing implementation of more complicated products until after you have learned your new system. You may find that some features you were going to implement already exist in the new core and will not require custom programming.

**8. Pay attention to specification gathering and user acceptance testing.** Ensure that your most knowledgeable experts participate in the specification gathering process. Have your custom specifications reviewed by a senior expert to ensure accuracy. Spend time testing completed programs and ensure that you received positive responses from the actual employees who will be using the programs on the daily basis.

**9. Keep the lines of communication open.** Letting the Implementation team know about your challenges sooner rather than later will help it determine the appropriate solutions to keep the project on track.

**10. Make the conversion fun.** Some credit unions choose to adopt a theme for their conversion process. For example, some clients use popular television shows such as "Survivor." Other clients allow conversion team members to earn rewards based on various accomplishments, such as completing surveys or training.

### The Voice of Experience

The knowledge we have gained in implementing more than 700 data processing cores gives us confidence that these tips will make your conversion smoother and faster. Our many clients will testify that although conversion is not simple, it can be done in a methodical, comprehensive way that streamlines the process and moves your credit union forward. A conversion is a major event in an institution's history, and a major team effort will not only ensure success, but create a more cohesive and effective organization.