

# vision to value



GIVING YOU ONE VIEW

## S1 IBS Solutions Help South Central Bancshares of Kentucky Unify Five Banks on Common Platform and Improve Customer Satisfaction

South Central Bank consists of five different entities in five Kentucky communities: Elizabethtown, Owensboro, Bowling Green, Glasgow, and Tompkinsville. The banks, which are owned by South Central Bancshares of Kentucky, Inc., have total assets of about \$800 million. Their forte is agricultural lending, ranging from farm real estate loans to lines of credit for crop and livestock production, in addition to commercial and residential real estate lending.

Until recently, the affiliated banks shared few things other than name and ownership, including having different logos and different missions. According to Larry Bailey, director of information and communications technologies, South Central Bancshares of Kentucky sought ways to improve customer service and compete locally. That required getting all five banks on a common technology platform to enable new products and services. South Central Bancshares turned to S1 for help in implementing its strategy of introducing a strong, unified technological foundation for its semi-autonomous banks.

### A United Front

Bailey refers to the S1 IBS solutions as the “technology glue” that enabled the holding company to bring all of the banks together on a single online banking platform as well as the catalyst to provide a united look and feel across all of its five autonomously run institutions. The parent company wanted to be able to offer the same online services at market specific prices across all of its affiliates and the S1 solutions enabled them to deliver this seamless online banking solution. If customers or employees move to another bank in the South Central group, they will be using the same platform and a familiar-looking Web site.

“The major impact from getting each of our five banks onto the same platform with S1 IBS products is the enhanced ability to share resources between banks,” said Bailey. “By having the same system at each bank, we only need to have our staff trained on how to manage one IBS platform, which in turn helps our staff assist each other in operational questions and managing the system.”

South Central Bank has also found a novel use for the S1 Customer Center Web solution. Instead of building an intranet with a dedicated server, the bank uses the product’s password protected web pages as a fast, money-saving way to distribute information to employees. The feature enables timely, paperless updates to a variety of internal documents, such as policy manuals and training programs, to ensure that all South Central Bank employees receive a consistent and unified message on corporate policy.



#### Benefits:

- Stronger ability to compete with larger banks
- Compelling online experience for customers with feature-rich, easy-to-use Internet banking solution
- Reduced churn through high customer satisfaction with the online banking channel
- Faster, less expensive distribution of internal information through secure web pages

## Ease of Use, Key to Customer Satisfaction

Online banking and bill payment was at the top of the banking group's priority list. Management knew that once customers began using online banking, they were much more likely to have a long, profitable relationship with the bank.

The S1 Internet Banking System (IBS) Retail Banking and Cash Management solutions became the catalyst for getting the five community banks together technologically. The decision to use the S1 IBS solution was driven by its ease of use. "Ease of use appeals to the entire spectrum of users, from young adults and senior citizens," said Bailey. "Once you show them how easy it is to use the S1 product, it really teaches itself. It's very intuitive and we think that's critically important in differentiating our bank from competitors."

Competitive products, Bailey explains, often have many steps that users must navigate before they can find information or perform desired tasks. S1 Retail Banking, on the other hand, provides straight-forward, logical navigation paths that save time, increase user confidence, and contribute to a more satisfying online experience.

## Customer Feedback Validates Online Solution

Since implementing the S1 IBS solutions, South Central Bank has seen strong evidence validating its ease-of-use rationale for going with S1. Tellers and account representatives make a habit of asking customers whether they are using online services and their impressions of the services. The feedback has been extremely positive, including recent results from a postcard survey in which each bank president sent out the cards requesting comments on the bank's various products and services. Customers of all five banks reported that online banking is one of their favorite services. In addition, the bank participated in an independent survey conducted by Encore of Brentwood, Tennessee. The survey focused on four major elements, including online banking ease of use. The survey found that of online banking solutions that their customers had used they rated South Central Bank's ease of use at 9.1 – far above the 6.1 average rating of its competitors.

It's no surprise, then, that Bailey calls Internet banking South Central Bank's "premier product." That's why South Central Bank makes a continuing effort to attract more customers to the online banking channel. The bank is planning incentives and marketing programs to increase penetration.

The banking group has 6,000 retail online services users as well as nearly 500 commercial banking online users, and its churn rate is very low, but Bailey seeks to improve both metrics. He plans to make greater use of S1's reporting capabilities to monitor usage of online services, including continuous customer feedback on what features they use, what they don't use, and why. Overall the number of cash management customers continues to increase and with the bank's new business development program featuring S1 IBS Cash Management solution as a major element of the package, the bank expects to dramatically increase this number by the end of 2006.

"South Central looks at S1 as not just a partner but a family member. The S1 IBS solution is a superior product, as we have seen from an independent survey and feedback from our customers. So, we have a great deal of trust and confidence in S1."

- Larry Bailey  
Director Information and Communications  
Technologies  
South Central Bancshares



## Keeping Current with Technology

Like most community banks, South Central Bank doesn't have an extensive IT staff to focus on channel integration. Yet the bank is far ahead of its original timeline for achieving goals. The banking group is now looking to upgrade its ATM channel, possibly bringing fee processing in-house, adding an e-statements service, and evaluating technology to maximize efficiencies using technologies deployed to further reduce operational expense. Specifically, branch capture capabilities to eliminate paper check courier cost.

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