

RESEARCH-BASED VENDOR SELECTION - THAT'S SMART



SITUATION

Mechanics Bank, a \$3.5 billion bank in the San Francisco Bay Area was trying to decide which online banking provider they should use moving forward. They were considering a switch to another provider for internet banking. At the time, the new provider in mind was promising upgrades with a roadmap to prove it. The bank's incumbent "Big 3" vendor had larger guns however, especially when working with customer-facing technology. The question was whether or not the incumbent's internet banking solution was actually competitive with other third-party internet banking providers in function, cost and fairness.

STRATEGY

Paladin conducted a comprehensive feature functionality comparison between the two vendors and additionally studied the customer impact. Both providers went up against each other, bringing the highest levels of management into the negotiations arena. Paladin found the products of the proposed provider were not as competitive as their roadmap had boasted. After six months, a decision was made to stay the course with their current vendor.

RESULTS

- **Immediate cost reduction of \$6.5 million over 5 years.**
- **Renewed with original provider on a seven-year contract**
- **Learned the potential vendor's "technology roadmap" was really an extension of empty promises, never to be fulfilled**