

SMART VENDOR SELECTION - IT'S SIMPLY SMARTER

paladin *fs*

SITUATION

BayCoast Bank in Fall River, Massachusetts was processed utilizing the DNA platform by technology aggregator COCC while simultaneously using Digital Insight for their online banking. The Digital Insight (DI) contract was coming up for renewal, and COCC was trying to persuade the bank to switch their new iBanking solution from ACI Worldwide. The bank wasn't sure which route to take and wanted more information on the business impact of staying or leaving. They very much liked the DNA core services provided by COCC, but did not want to be influenced based on personal or professional relationships. They needed a third-party representation for the upcoming negotiation in order to remain objective.

STRATEGY

Paladin assisted in providing in-depth information through vendor demonstrations controlled by a scorecard system, where each vendor offered information to the bank through a scorecard template, promoting the main points and prices that the bank was interested in, void of any extraneous services. Many suppliers love to position additional services to hype up their capabilities as a distraction to the primary needs. Because Paladin already knew what the prices should be based on the Paladin Blue Book, each vendor was forced to be completely honest in pricing. This RFP-less process is known as Smart Vendor Selection.

After a few months of competing demonstrations and negotiations, the bank came to a decision to continue to utilize Digital Insight for all internet banking services moving forward and not switch to the ACI Internet Banking Platform. COCC was ready to put up approximately \$2 million in incentives to get the deal. The bank was shocked that there was this much profit available in their current COCC relationship. Because there were still four years remaining on the existing COCC contract, Paladin will reconvene in three years to complete the process with the bank to renew their DNA processing agreement.

RESULTS

- **\$2.4 million in savings on Digital Insight services**
- **Expanded product set for online banking, bill pay and mobile services**
- **Future negotiations leverage harbored by making the DI and existing COCC agreements coterminous**