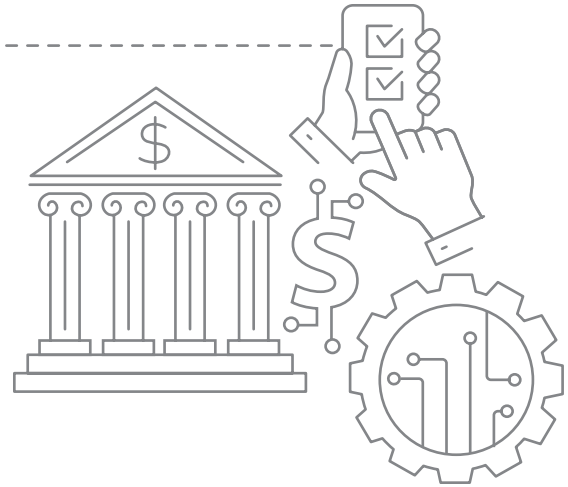


CASE STUDY: Automation leads to innovative digital loan solution for Greenwoods State Bank



RSM's longstanding relationship with this Wisconsin bank drives success

When Wisconsin-based Greenwoods State Bank launched efforts in 2020 to expand their commercial loan portfolio, the organization identified a unique opportunity. Competitors were tightening credit availability due to uncertainty around the impact of the pandemic on their credit portfolios, enabling Greenwoods to grow market share with customers looking for a new lender. Specifically, the bank saw potential to grow their equipment finance business, and created a subsidiary—Greenwoods Equipment Finance (GEF)—to lead that effort with intention.

As GEF's growth accelerated, the need to replace the manual processes the organization had in place—using Excel spreadsheets and Word documents to prepare forms, for instance, or typing up emails for approvals—quickly became clear. So Greenwoods and GEF set out to explore how automation and data-driven insights could help them streamline various processes and grow their revenue.

RSM had been a trusted advisor to Greenwoods since 2010 on a variety of projects, and the bank took note of RSM's ability to rapidly automate lenders' processes to handle the enormous demand for the federal Paycheck Protection Program, established to support small businesses affected by the pandemic. Based on RSM's strong track record, Greenwoods teamed up with the firm again to automate their equipment finance loan origination and underwriting process.

In the span of 12 weeks, teams from both organizations collaborated on an innovative automated solution that went live in January 2022. The end-to-end solution includes embedded processes for:

- Credit score verification via integration with credit bureaus
- Automated credit applications, with credit policies applied consistently throughout underwriting
- Rapid approval and denial decisions, along with workflows designed to guide any necessary manual intervention
- Integration with DocuSign for electronic signatures of approved transactions

This digital automated solution has allowed the bank to increase loan origination volume with existing staffing levels to drive rapid, quality growth within that portfolio.

"This technology will not only allow us to more efficiently process our current volume, but will enable us to continue to grow this platform," says Bill McDonald, CEO of Greenwoods State Bank and a former partner at RSM. "The work our two teams were able to accomplish has allowed us to efficiently create the processes and documentation needed to underwrite, document and fund these credits. RSM made what we thought would be a monumental task into something very doable."

Growing together

RSM has worked with Greenwoods State Bank since 2010, when the bank was a \$60 million organization, and continues to collaborate with what is now a leading-edge, technology-enabled community bank with over \$500 million in total assets. RSM began as the bank's auditor and later shifted to becoming a more holistic, strategic advisor handling consulting, tax, mergers and acquisitions projects, digital transformation efforts, and more. Over the years, Greenwoods has also outsourced various aspects of IT maintenance and managed services to RSM, which allows the bank to focus on their core priorities.

"As they grow, we can grow with them and help them achieve greater efficiency that allows for bigger, more complex goals," says Mike Courtney, a principal at RSM and the firm's national intelligent automation practice lead.

And Greenwoods does have plans to grow and expand into new verticals. The bank currently focuses on financing income-producing equipment for the health care industry, and McDonald sees automated solutions RSM helped implement as potentially paving the path for the business to expand into other types of equipment finance agreements in the future.

The longstanding relationship between the organizations has allowed RSM to develop a deeper understanding of Greenwoods' business, so it can help identify barriers to growth and pinpoint the most innovative solutions to serve the bank's needs. At the center of those efforts is RSM's collaborative approach, including on the lending automation project; most days, the firm's team had a 15-minute "stand-up" meeting with the bank's leadership team to ensure the group could adjust as needed as they worked toward implementation.

"It's very much tailored to help you achieve what you're trying to do," says Courtney. "It's not an 'us/them' model—it's an 'us' model, and we're all on the same team."

That collaboration also allowed the team involved to finish the project on an accelerated timeline—even considering the software customizations made specifically for Greenwoods.

"We had no idea RSM's plan could get us there that quickly," McDonald says.

Working with RSM has also helped Greenwoods raise the bar on how they think about problem-solving and their overall approach to innovation.

"We went into this saying, 'Please don't help us automate a bad process—but rather, come up with a better approach,'" says Mike Flynn, CEO of Greenwoods Equipment Finance. "Not just to automate us, but to improve our operating efficiency mindset of not settling for 'good enough.'"

Measurable impact

Along with facilitating rapid growth, Greenwoods' new automated loan processes have given the bank more clearly documented checks and balances. That means regulators—from the Federal Deposit Insurance Corp. to state banking examiners—can easily see how Greenwoods has made their loan decisions and verify their compliance with know-your-customer rules and other regulations.

Automation has also helped the organization cut costs; the front-end piece of most loan processing is data entry, which was previously being done by high-salary individuals.

"It's providing us a way to reallocate those employees' time to other, higher-value activities," says Flynn.

And the bank's loan business has ramped up significantly, with the organization processing 30 to 40 loans per day. To put that in perspective, most community banks would consider the business healthy if it were processing 30 to 40 loans per year, Flynn says. He attributes that success in part to RSM's team.

"One of the things that stood out in my mind is the caliber of talent around the RSM table, which has enough experience and training to help a company that's trying to go from a small community bank to a fast-paced, national organization," he says.

The automated solutions have also allowed Greenwoods to pivot away from focusing on acquisitions as their main avenue to growth. That will be key to the business flourishing in the future, McDonald says.

"That software is as much of an asset to our franchise as any loans we carry," he says, "and it's a big piece of what we're going to be able to do moving forward."

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