



CASE STUDY:  
RSM HELPS CREDIT UNION INCREASE BUSINESS FOCUS,  
REDUCE INFORMATION TECHNOLOGY WORRIES



## Overview

First Federal Credit Union is a financial institution based in Cedar Rapids, Iowa. Founded in 1926, the institution has recently grown to four branches, with more than 10,000 members and approximately \$170 million in assets. First Federal Credit Union has a focus on convenience and satisfaction, developing a structure that embraces emerging technology and innovation to best serve its members.

## Background

As IT demands for credit unions become more intricate, it is more difficult for middle market financial institutions to only have IT generalists on staff. Instead, institutions need individual resources that are specifically trained on firewalls, security, Microsoft Office 365, etc. However, institutions often do not have the luxury of maintaining those resources internally, leading many to consider managed services platforms to gain access to experienced resources and redundancy.

With the growing complexity of IT, First Federal Credit Union executives wanted to make sure that the institution was properly using technology to have the maximum impact on the organization. The company recognized that it was spending too much time managing IT challenges and regulatory matters, when that energy could be better dedicated to the core business.

While First Federal Credit Union was already working with a managed IT services provider, the institution decided to test the waters to see what other options were available. While going through that process, the credit union gained key perspectives into some deficiencies that the institution thought it was managing well within its existing technology platform, prompting a change in providers.

## Project

After evaluating new technology services providers, First Federal Credit Union ultimately chose RSM's financial institution technology platform, FIT as a Service, due to the comprehensive services bundled within.

"One of the really appealing things about RSM's offering was the compliance approach, and their direct involvement in the compliance aspect of IT management and systems," said First Federal Credit Union president and CEO Tom Chalstrom. "As a smaller organization, it's tough for us to stay on top of everything in terms of awareness and compliance, and RSM was clearly head and shoulders above anybody else we were considering."

In addition, the institution saw the potential of the comprehensive FIT as a Service platform to consolidate the number of vendors the institution works with. Working with one provider increases efficiency and reduces the need for multiple statements of work and return on investment analyses.

"It's nice to have multiple services with one vendor," commented Chris Neal, First Federal Credit Union senior vice president of operations. "RSM was the one company that could put what we needed under one roof where we didn't have to bring in additional third parties."

## Moving to the cloud

The FIT as a Service platform provided several important process improvements for First Federal Credit Union, but none was as important as moving to the cloud. In the cloud environment, the institution is no longer dependent on on-premises servers located at individual branches. Instead, files and applications are now located in the RSM cloud, more accessible and secure than the previous architecture.

"From a strategic and executive viewpoint, RSM is a national brand, and there is a certain level of comfort and confidence knowing that they have financial institution experts that are working with us on a daily basis. I associate RSM with a higher level of expertise, and I feel that they have access to the necessary resources, as applicable, to provide us with the IT solutions that we need."

– Tom Chalstrom, President and Chief Executive Officer, First Federal Credit Union

"It's a game changer," commented Chalstrom. "It has made such a difference in terms of our efficiency and capabilities. It's a key element of why we are what we are today."

Neal agreed, stating, "The cloud environment has allowed us to implement technology that otherwise would have been a larger upfront cost. It gives us the flexibility to be nimble and stay on the leading edge of technology. RSM really has given us that ability."

### **Focusing on the business, without any IT concerns**

With RSM's FIT as a Service platform, First Federal Credit Union is able to concentrate on the business, because employees do not have to worry about the technology components related to growth and ongoing IT regulatory demands. The institution can focus on growing loans and deposits, opening new branches and expanding the business footprint while IT just gets done.

"I can sleep at night," said Chalstrom. "RSM has helped identify areas that we need to make sure we're checking, from our different testing and audits to risk assessments. They have helped us build a framework so that we are constantly monitoring, assessing and reviewing our systems to make sure our information is secure."

With this peace of mind, First Federal Credit Union has opened two new branches with RSM's support to get IT up and running and up to speed with the rest of the organization. From a pricing perspective, First Federal Credit Union incurred no additional charges for opening those branches, as those projects were included in the FIT as a Service bundle.

At the branch level, First Federal Credit Union faced a significant challenge in June 2019 when a location suffered a devastating fire, taking it out of commission for six months. However, RSM helped the credit union establish a temporary location in a very short period of time to continue to provide services to members.

"Because of our structure, and certainly with RSM's assistance, we were able to get our temporary location up and running a week and a half later," said Chalstrom.

First Federal Credit Union's complete technology stack is managed and maintained by RSM, enabling the institution to evaluate emerging technology more closely, and implement solutions that increase customer satisfaction. For example, First Federal Credit Union has heavily transitioned into self-service technology and implemented interactive teller machines well ahead of competitors.

"Because of our IT structure, we can offer some digital tools that not everybody our size can," commented Chalstrom. "In terms of mobile deposit, text banking, instant issue and ITMs, we probably have been able to move to those areas sooner. We are doing it before others are because we now have the capabilities to do so."

### **Taking advantage of industry knowledge and experience**

Ultimately, First Federal Credit Union trusts RSM with its technology and regulatory insights and advice because of the firm's extensive industry knowledge and experience. IT processes are built based on lessons learned from similar clients, and risk assessments are industry-specific, with regulatory demands in mind and including necessary checks and balances.

"We hear what other clients are doing from RSM, and how best practices may apply to our environment," said Chalstrom. "That's important to us because I don't just always want to do what we've always done, I want to do things in the best possible way to get the maximum benefit for our members. That's really where RSM has a leg up compared to other providers."

Neal adds, "I think the information that we get is scalable. RSM does not come to us with information from billion-dollar

institutions; instead, it's from institutions our size as well as what they're seeing from the state and national regulators, what their own risk consulting practice is focusing on, other credit union clients, along with other industries. That gives us security knowing that RSM isn't just throwing products at us, they're actively participating and looking at institutions our size and offering those types of products and services."

## Outcomes

With RSM's FIT as a Service platform, First Federal Credit Union has been able to concentrate on its business of lending money to its members, knowing its IT infrastructure is modern, efficient and secure. In the managed services environment, the institution has access to extensive IT resources, without needing to hire internal employees. With an effective and agile technology strategy in place, First Federal Credit Union is well-positioned for continued member growth and expansion.

Key benefits of RSM's FIT as a Service platform for First Federal Credit Union include:

- Reducing the complexity of IT and bringing clarity to technology investments
- Increasing access, visibility and efficiency by transitioning to the cloud
- Quickly integrating new locations into a consistent technology framework
- Providing industry-specific and properly scaled insights for IT and regulatory solutions
- Leveraging emerging technology and innovation throughout the organization

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