



CASE STUDY: F&M BANK

Technology
helps community
bank better serve
their clients

F&M Bank shares the real story behind their technology adoption strategy

Just because a company is a century old doesn't mean they're stuck in the past.

Farmers & Merchants Savings Bank (F&M) was established in 1925 in Iowa. The bank operates in seven locations across Iowa and Minnesota, employing about 100 people.

Nate Dunn, president and CEO of F&M, says the bank enjoyed steady growth over its history. Dunn says that despite F&M's success, however, the bank was not as technologically advanced as they could be.

"We've always been on the back edge of technology," he says. "But if we're going to continue to grow and expand our market areas, we're going to need technology to do it."

So the bank turned to RSM US LLP to integrate new systems and technologies that would drive efficiency and elevate the overall client experience.

Dunn says that from the start, RSM demonstrated a keen understanding of the bank's goals, offering a far-reaching solution that encompassed technology, strategy and culture. He says RSM's proactive communication style was a key reason why the bank decided to work with the firm.

"Having that one-on-one access with the decision makers at RSM was a big deciding factor," Dunn says. "Our choice wasn't just based on price. It was more 'Who's going to be the best long-term fit for us? Who's going to have a team approach?' Communication was really, really key."

Getting in sync

Lisa McQuillen, senior vice president and director of culture for F&M, says RSM strove to understand the bank and how it operated differently than other financial institutions.

"Early on, RSM sat down with about 30 of our team members to learn what they do on a daily basis," she says. "Just being live and

in person, you develop a relationship. RSM took a lot of time to listen and ask questions."

McQuillen says RSM evaluated the bank's processes and procedures, which helped F&M assess the products, services and systems that needed to be upgraded to improve the client experience. The analysis revealed that the bank's outdated technology was having a negative impact on the team members' efficiency. Furthermore, F&M's clients were looking for a more modernized banking experience than they were currently receiving.

In addition to updating the bank's systems, one of RSM's top goals was to help F&M develop consistent processes throughout the organization; each branch had different procedures, and many of these individualistic quirks were inefficient.

A new approach

As part of the technology overhaul, RSM set the bank up with the firm's FIT-as-a-Service platform. Providing FIT (financial institution technology) as a service meant that the bank received managed IT services, cloud environment maintenance, regulatory compliance oversight and more, all in one package. RSM became the bank's outsourced IT provider, offering a virtual chief information officer and supporting F&M's internal network infrastructure. This allowed F&M to focus on their core business rather than allocating internal resources to handle IT issues.

Deb Worm, assistant vice president of F&M, says RSM helped the bank's team members understand how technology can improve the customer experience.

"Until RSM walked me through things, I didn't understand what an intricate role technology plays," Worm says. "Better tech not only helps us operationally, but it helps us to truly serve our clients better."

Beyond the technology

Dunn says that the full impact of RSM's work is yet to come. He says that F&M is leveraging the RSM relationship to improve technology and enhance the skill sets of their employees.

"When our people are trained up and fully ready to go, we will have the technology and support to make a huge impact and continue to grow the way we have grown over almost 100 years," Dunn says. "Our board and our team are very thankful and blessed to work with RSM, and we look forward to a long-term, mutually beneficial relationship. I would highly recommend RSM because of the way we've been treated and because of the trajectory that they've set us on."

Part of that training is helping F&M's employees find more fulfillment in their roles. Because RSM handles the bank's IT infrastructure, F&M employees are never called upon to tackle problems for which they have no training or experience. So they can focus on high-value tasks that further their careers. This is crucial in the tight labor market, where institutions are struggling to attract and retain talent.

F&M has leveraged RSM's outsourcing capabilities, using the firm to handle a wide variety of day-to-day issues.

McQuillen agrees that RSM's efforts have helped the bank establish a foundation for future success. She says RSM has helped the bank's team members focus on lasting solutions rather than temporary fixes.

"In the past, we often picked an idea to fix the immediate problem, but now, we are more likely to think strategically and really go through a process to find the best answer," McQuillen says. "It really is a journey. And as we evolve as a bank, we always have to be in front of what makes that client experience significant. We will always look for ways to be more efficient and enhance the client experience so we can grow."

Going forward

After three years of providing managed IT services, RSM has built strong credibility with the bank. This was important when the bank launched what Dunn calls Project Vision, a comprehensive initiative aimed at enhancing client experiences and internal operations.

The goal of Project Vision was to bridge gaps in the bank's technology infrastructure, enabling seamless communication between platforms and optimizing the user experience. Because of their positive experiences with RSM's technology team, the bank's leaders turned to the firm's management consulting team to assist with fulfilling Project Vision.

Worm believes that the bank's relationship with RSM is productive and built for the long term. She says RSM strives to develop solutions that not only improve a specific function, but help the entire organization.

"Our relationship with RSM works well because they have that experience and knowledge," Worm says. "We value RSM because they're going to do what they do best, and that's helping us to understand how technology fits into our strategic goals. And that allows us to do what we do best, and that's banking."

The bank's commitment to technology-driven innovation has not only enhanced their client engagement, but also positioned them as a competitive player in the banking landscape. Dunn says that F&M's enhanced and technologically advanced services, combined with a strong team culture, will help the bank continue their organic growth and further expand in the Midwest. But Dunn says it is not all about the technology.

"Our relationship with RSM has just flourished over the past three years, and the communication has been wonderful," Dunn says. "Behind the scenes is where RSM is really doing a fantastic job of providing us with the support that allows our IT team to work on strategy and execution. Our relationship is based on great communication, which gives us comfort. It allows me to sleep at night knowing that we've got the RSM team behind us."

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