

## Using Core Systems for a Competitive Advantage

In today's hyper-competitive financial services market, credit unions more than ever need to be able to offer more varied, focused and in-depth services to their members. To stay competitive, grow and retain members they must provide a full range of financial products and services. This often means replacing aging legacy core systems with modern open systems that are capable of efficiently delivering these new products and services.

Not only must credit unions improve their existing systems to handle their members ever changing needs they must secure them as well. For example, we are seeing a growing movement towards two factor authentication for helping secure online banking. There are numerous ways to do this, including tokens, and we support all of them with our online banking module. Security has really taken center stage lately, but we have always maintained a strong focus on security across all of our applications.

Another hot topic that credit unions need to be aware of is the convergence of electronic payments. More and more people are using debit cards and ACH (automated clearing house) in their daily lives and for bill payments because they are more secure and convenient. As for checks, Check 21 is starting to have a big impact as image exchange becomes more common place and credit unions begin to capture checks at the teller line.

In addition to offering more diversified products and services, credit unions are increasingly subject to more regulatory scrutiny. While legislation such as the CRA (Community Reinvestment Act) and Sarbanes-Oxley may not directly apply to credit unions, they need to be prepared for handling these types of complex regulatory guidelines. Open Solutions provides all the tools and flexibility that any credit union - regardless of their size - needs to pull reports and stay compliant.

Small business services, sophisticated imaging credit (i.e., HELOCs), robust online banking additional offerings and infrastructure that credit unions need to improve their infrastructure for moving forward. Everything starts with this fact and the fact that you just increase your systems to a legacy host system.



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systems, mortgages and home equity lines of credit and bill payment are examples of the types of services that credit unions must have these days. In order to get to the next level, the core system is the foundation for improving the core system - you just can't mask complexity and costs when 'bolting on' ancillary systems.

Our relational database is designed to let credit unions handle people (members) or entities (businesses), not transactions. Unlike the legacy old flat file database model, our relational database permits the credit union to know anything and everything about a member - it is all right there at their fingertips in one centralized location. Not only is having one non-redundant database more convenient for front and back office staff, it makes the IT Department's lives much easier as well.

Whether it is our Oracle-based relational core data processing solution with its native member business functionality, or our Internet banking, cash management, CRM/business intelligence, financial accounting tools, imaging, Check 21, interactive voice response, or payment and loan origination solutions, Open Solutions' products and services are designed to enable credit unions in the United States and Canada to better compete in today's aggressive financial services marketplace.



**Michael Nicaastro** is Senior Vice President of Marketing & Product Management for Open Solutions, Inc. Open Solutions offers a fully featured strategic product platform that integrates core data processing applications, built on a single centralized Oracle relational database, with Internet banking, cash management, electronic commerce, imaging, financial accounting and loan origination solutions. Open Solutions' full suite of products and services is designed to allow credit unions to better compete in today's aggressive financial services marketplace, expand and tap their trusted financial relationships, member affinity, community presence and personalized service.