

Case Study



Bank of The James

Realizing Revenue Growth and Return on Investment

After achieving incredible results from utilizing ACCEL/Exchange® and CardVisionSM from Fiserv, a growing community bank in Virginia sets its sights on UChoose Rewards® and Risk OfficeSM from Fiserv.



Chartered in 1999, Bank of The James is a locally owned community bank serving individuals, businesses and professionals in and around Central Virginia. The bank treats the financial goals of its customers as a number one priority, delivering outstanding customer service with a small-town, personal feel.

Experience with Previous Vendor Leads to ACCEL/Exchange

Prior to joining ACCEL/Exchange, Bank of The James was extremely unhappy with its debit card network provider. Brandon Farmer, SVP and Senior Operations Officer, explains the bank's situation: "Our network vendor at the time was a very bad partnership—if you could even call it that—for our bank. There was no customer service whatsoever. We felt victimized by the network costs and, to be honest, it seemed like we were completely ignored."

In July 2007, that dissatisfaction prompted Farmer to investigate alternative options, which led him back to Fiserv. "We were already a Premier® client for our core processing, so aligning our debit card processing with Fiserv just made sense. From the very beginning we found that ACCEL/Exchange was much more strategically focused in growing the card



Client Profile

- Opened for business in 1999
- Headquarters in Lynchburg, VA
- \$410 million in assets
- Approx. 6,000 debit card holders (1,300 ATM card holders)
- 128 employees
- Nine retail and business locations, one additional mortgage location
- Premier® Bank Platform from Fiserv

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network, and helping Bank of The James grow our revenue from debit card transactions. It is very fairly priced, and the network integrated so well with our core applications that it was an easy decision to make.”

The ultimate proof of satisfaction has been the revenue generated through the ACCEL/Exchange network, which was over \$27,000 in debit transaction income in March 2010. Prior to moving to ACCEL/Exchange, the network income averaged less than half that amount. With the positive income results through ACCEL/Exchange, Farmer is setting aggressive goals to double monthly fee income by the end of 2010. Additionally, in large part due to the success of the ACCEL/Exchange relationship, Farmer became a client of CardVision.

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Brandon Farmer

Senior Vice President and Senior Operations Officer, Bank of The James

Tapping the Power of CardVision

In the fall of 2009 Farmer began working with CardVision to develop a program to generate more debit transaction activity for 2010. Together, they crafted a campaign for the holidays that would reward customers with gift cards for using debit transactions through the program period. Farmer hoped the campaign would generate both program awareness and increased debit card activity.

“The campaign designed by CardVision generated a 109 percent increase in transaction activity for the program period, far surpassing my most optimistic expectations,” states Farmer.

In addition, after factoring in marketing costs and transaction fees for the program, Farmer estimates that the return on investment for the Holiday Gift Card Program easily exceeded 500 percent. In fact, the campaign was so successful that Farmer took further steps to leverage Fiserv expertise by raising his bank’s CardVision relationship to a platinum status, meaning a full engagement with CardVision moving forward in 2010. Farmer also engaged Fiserv to roll out another very successful program, UChoose Rewards, this year.

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UChoose Rewards and Bank of The James

Farmer is excited to be rolling out UChoose Rewards. “With the success of our holiday campaign, I’m eager to see the response to the UChoose Rewards program. Our decision to implement the UChoose Rewards program is another example of our strong relationship with Fiserv. With our last payments vendor, we would have never even been made aware of a program like UChoose Rewards. With Fiserv, we are on the leading edge of innovation with our programs and services.”

The Risk Office and Bank of The James

Bank of The James already utilizes many Fiserv risk mitigation tools, and soon plans to become a client of the Risk Office from Fiserv. "Fiserv product innovations in the areas of fraud and risk mitigation are what I see as essential, especially as we see increased numbers of debit card transactions. I'm confident that the Risk Office will help us maintain a secure environment for our customers," says Farmer.

The Future and Fiserv

Does Farmer see the Bank of The James/ Fiserv partnership moving ahead into the future? "Without a doubt! We've looked at other options—other processors, moving operations in-house, and other providers for individual services. But it would be hard to partner with another company that matches Fiserv resources, innovative products and services, and their level of commitment to customer service. Fiserv [Card Services] has been far better than I could have ever expected. I have ongoing and open communication with my Relationship Manager, which is much different than I was used to. Fiserv is absolutely a part of our future moving forward!"

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Operations Officer, Bank of The James

About ACCEL/Exchange:

ACCEL/Exchange makes it possible for financial institutions to be where their cardholders are 24/7. As a leading debit payments network, ACCEL/Exchange provides cardholders with anytime, anywhere funds and payments access—with the security of a PIN-based transaction. ACCEL/Exchange offers an innovative market approach delivering convenient transaction payment options, two-factor authentication for safe and secure PIN debit transactions, and market-leading debit interchange rates that generate a consistent source of revenue from debit POS transactions.

About the Risk Office:

The Risk Office from Fiserv offers clients expert direction and optimal risk management services to protect, detect and respond to an institution's credit and debit fraud risk exposure. The Risk Office is designed to take swift risk mitigation action on behalf of financial institutions, becoming a "virtual office" to augment existing risk management staff, proactively monitoring cases and helping to solve fraud issues when institutions need the most help. A subscription to the Risk Office provides up to 120 hours per year of customized investigative and/or consultative work. The On-Demand option provides a more limited risk service focused on emergency investigation and response support.

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management, and Insights & Optimization, and leading the transformation of financial services technology to help our clients change the way financial services are delivered. Visit www.fiserv.com for a look at what's next, right now.

About CardVision:

CardVision understands the EFT marketplace and the issues and opportunities that financial institutions face. CardVision provides an intelligent, innovative, collaborative and ongoing approach to the success of a financial institution's DDA portfolio profitability. A full engagement with CardVision includes the following services:

- Profitability Analysis—establishing baseline performance, setting goals and providing peer and industry comparison for consumer and/or business portfolios
- Strategic Counsel—providing insight to help achieve financial goals, including effective strategies to optimize cardholder impact
- Opportunity Assessment—as part of initial assessment, customer base is segmented and messaging is created to drive revenue producing behavior
- Campaign Management—matching portfolio diagnosis to proper campaign remedy, addressing usage and/or DDA penetration
- Product Launches—debit rewards, bill pay, product rollouts and others to support revenue growth and maximize enterprise messaging

About UChoose Rewards:

UChoose Rewards helps financial institutions tap into opportunities to increase revenue and improve service. UChoose Rewards is a robust, highly customizable rewards program specifically designed to increase cardholders' usage and spending levels.

UChoose Rewards supports both consumer and small business market segments, and both debit and credit programs. The program lets institutions select from three types of programs—merchant-funded, issuer-funded or blended—to meet specific objectives.

Challenge

Bank of The James was looking for ways to cut costs in the area of debit card transaction network fees. The bank felt victimized by its network vendor's pricing and cost structures, and at the same time, felt completely ignored in terms of customer service.

Solution

Already a Fiserv customer for account processing, Bank of The James made the switch over to ACCEL/Exchange to begin processing its debit card transactions.

Proof Points

Bank of The James is thrilled with the move to ACCEL/Exchange. Since the transition, costs and transaction fees have been lowered, while simultaneously, monthly fee revenue through the ACCEL/Exchange relationship has doubled. In fact, the ACCEL/Exchange experience prompted the bank to enact other services from Fiserv, including:

- CardVision, which helped the bank develop a campaign to drive increased debit card usage among card holders. Over the campaign period, debit card transactions grew 109 percent, and the return on investment for the bank easily exceeded 500 percent.
- UChoose Rewards, which the bank will roll out in 2010.
- In the very near future, the bank plans to implement Risk Office to help mitigate fraud and risk for bank customers.



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