



### Business challenge

People turn to ConnectOne Bank for rapid, reliable banking focused on their needs. As the bank grew, how could it ensure clients would continue to enjoy the same level of fast, personalized service?

### Transformation

Embarking on a transformation journey, ConnectOne worked with IBM® Global Business Services® to automate and digitize its financial processes using a cloud-based Oracle solution.



Neil Martucci  
Senior Vice President  
and Controller  
ConnectOne Bank

### Business benefits:

**7 days cut**  
from monthly closing,  
enabling staff to focus on  
improving customer service

**Saves weeks**  
on regulatory and SEC  
reporting, freeing up time for  
studying customer needs

**Up to 10%**  
faster external audits save  
thousands of dollars in  
auditor fees every year

## Consumers find simple, quick, easy loan applications and personal service at ConnectOne Bank

ConnectOne Bank understands that little things matter and focuses on those things when providing financial products and solutions to help its clients achieve financial prosperity. Consistently named one of the top community banks in the United States, ConnectOne Bank constantly strives to become “a better place to be” for its clients, primarily focusing on small and mid-size business owners. Based in Englewood Cliffs, NJ, ConnectOne Bank manages around USD 4.2 billion in assets as of June 30, 2016, and employs over 250 people in 21 branches throughout New Jersey and New York City.

*“Thanks to IBM Global Business Services and Oracle, we have undergone a transformation from slow, manual processes to extensive automation and rapid insight.”*

Neil Martucci  
Senior Vice President and Controller  
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## Growing pains

If you've ever obtained a loan from a big-name bank, you know that it usually takes many months to go from application to approval to close, and that the process involves many layers of complexity.

Based in Englewood Cliffs, NJ, ConnectOne Bank prides itself on dramatically accelerating the entire lending process and cutting out the hassle. Since its founding in 2005, the bank's dedication to delivering a personalized, efficient service to each of its customers has helped it to achieve a strong growth trajectory. Yet as business boomed, the bank's financial systems were struggling to keep up.

Neil Martucci, Senior Vice President and Controller at ConnectOne Bank, takes up the story: "When I joined the bank six years ago, we were managing approximately USD 500 million in assets. Today, we've grown to over USD 4.2 billion, and we were still using many of the same finance systems since inception. Because many critical processes were manual and the technology we were using was rudimentary, rapid business growth sparked a whole host of issues.

"We had a general ledger system that required us to manually input every entry, from several departments, every day. This was enormously time-consuming, especially at month-end closing, when we had to input nearly a thousand entries.

Similarly, our accounts payable and fixed assets calculations involved manual processes. Because the systems were not integrated with each other or with the general ledger, data had to be transferred between them manually. To make matters worse, the systems and processes were so complex and unintuitive, employees required extensive training to perform those tasks and the software no longer supported the bank's high standard of customer service."

The bank's heavy reliance on manual intervention in critical processes increased the potential for human error. To ensure data integrity, ConnectOne Bank's finance team checked all figures thoroughly for discrepancies – a task that consumed several days each month. Similarly, meeting stringent auditing requirements also become increasingly difficult – and expensive.

Neil Martucci explains: "All banks are under very close scrutiny and up against tight deadlines when it comes to public accountability, so being able to provide external auditors with accurate information rapidly is essential. Since auditors' fees depend on how long it takes them to complete their review, it's in our best interests to make their job as easy as possible.

"Our sluggish reporting significantly lengthened the time of our audits because we had to manually convert our data into the required format, with fees reaching hundreds of thousands of dollars a year. The report-writing system

itself was complex and required users to undergo extensive training to ensure it produced the correct results, thus very few people in the company could perform the tasks. Even then, it took us weeks rather than days to fulfill auditors' requirements, and the process involved a great deal of manual work."

To continually grow the ConnectOne brand and to maintain the high service standards to which the bank's clients had become accustomed, management needed to receive information on a timely basis to be able to act on it efficiently and effectively. The longer the accounting activities take, the less time the team has to analyze the data to produce useful insights into customer needs, and the more potential for breakdowns.

"We knew that as the business continued to grow and data volumes soared, issues would only increase," says Neil Martucci. "It was clear that we needed to take swift action, or else risk jeopardizing our client experience."

*"The IBM Global Business Services team was with us every step of the way. They were on-site for the duration of the project, guiding us through the implementation, and training our staff to use the new applications. It was precisely the kind of partnership that we were looking for."*

Neil Martucci, Senior Vice President and Controller, ConnectOne Bank

## Finding the right fit

ConnectOne Bank set its sights on modernizing its finance processes, and began searching for a technology partner that could transform its vision into reality.

Neil Martucci comments: "We run a tight ship at ConnectOne, so we didn't have the time or resources in-house to transform our finance processes. We wanted a partner that could support us throughout the entire project, from product selection to implementation, optimization and training."

ConnectOne Bank initially contacted its incumbent vendor, yet it quickly became apparent that the provider could not deliver the level of service that the bank required.

Neil Martucci recalls: "We met with several potential vendors but found that most were not responsive or accommodating. We knew we needed a vendor that believes in the same quality of service and effective execution as ConnectOne.

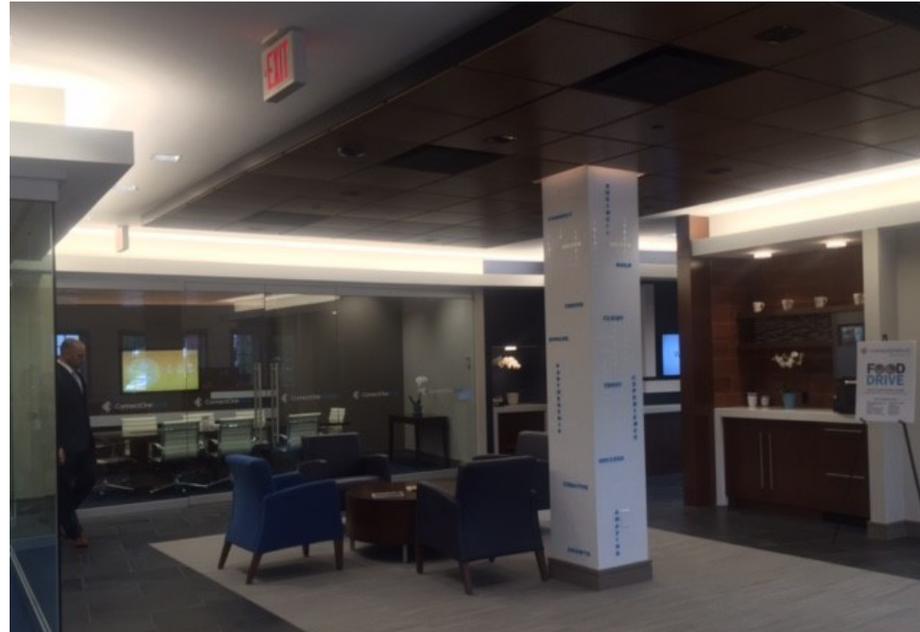
"After coming away disappointed from encounters with several vendors, we invited a team from IBM Global Business Services to come and speak to us. The IBM consultants were true professionals and most importantly, solutions-oriented – we felt we could be open with them. They assessed all our needs and mapped out a strategy based on the bandwidth of the company, then came back to us with a clear plan of action."

IBM Global Business Services proposed a digital transformation of the bank's finance systems based on a suite of Oracle cloud-service solutions.

"We hadn't initially planned on a cloud solution," comments Neil Martucci. "But when IBM suggested it, we realized it was the perfect fit. Our data volumes are substantial and growing rapidly, so eliminating the need to build and maintain a sprawling data center would ramp up scalability and enable us to continue operating a lean IT team as the business boomed.

"IBM introduced us to the Oracle team. They ran a few demonstrations of the solutions and we were very impressed with the capabilities. Ultimately, choosing IBM Global Business Services and Oracle was an easy decision: they offered the perfect combination of technology and expertise. We were confident that Oracle would continue to invest in and enhance the cloud-based solutions in the future, and that the IBM Global Business Services team's experience from other banks would help us optimize our processes based on industry best practices."

The IBM Global Business Services team helped ConnectOne Bank to completely redesign its business processes based on the Oracle solutions. The Oracle Database, purchased as a Database-as-a-Service offering, acts as a central data hub supporting multiple finance applications – including Oracle Financials Cloud and Oracle Planning and Budgeting Cloud Services.



Using Platform-as-a-Service offerings for Oracle Compute Cloud, Oracle Developer Cloud Service and Oracle Java Cloud Service, the team built interfaces from the core banking system ledger to a much more robust chart of accounts in the Oracle Financials Cloud application.

ConnectOne Bank also relies on Oracle BI Publisher, which enables employees to quickly generate reports and drill down into data in ways that were previously impossible or excessively time-consuming. All solutions run in the Oracle cloud, which provides stellar performance and outstanding reliability.

With the Oracle solutions in place, the IBM team helped ConnectOne Bank introduce extensive process automation. For example, all systems are automatically updated with figures from each day's activities – eliminating the need for time-consuming, error-prone manual data transfer.

"The IBM Global Business Services team was with us every step of the way," remarks Neil Martucci. "They were on-site for the duration of the project, guiding us through the implementation, and training our staff to use the new applications. It was precisely the kind of partnership that we were looking for."

## Transforming the consumer experience

The Oracle deployment delivered by IBM Global Business Services heralds the dawn of a new era at ConnectOne Bank.

"Automation has enabled us to unlock massive time savings," explains Neil Martucci. "Monthly closing takes one or two days, instead of up to ten, while generating reports takes minutes rather than hours or days.

"What's more, by largely cutting out manual intervention by automating our systems, we have added assurance that our data is accurate and consistent. In fact, we are saving an average of 17 hours of work each month on checking our figures."

Since ConnectOne Bank's finance team is no longer bogged down in manual data entry and manipulation, they can focus on understanding the data. With the new analytics tools from Oracle, the bank can gain deep and rapid insight into areas such as the profitability of each product, service, branch and client. Timely insights inform high-level decision-making, allowing ConnectOne Bank to drive continued growth.

External audits are now smoother than ever, with the right data available in the correct format at the push of a button. Neil Martucci adds: "Audits are up to 10 percent faster than before, translating into tens of thousands of dollars saved each year on auditors' fees."

With the Oracle solutions in place, ConnectOne Bank is better equipped than ever to understand and react to its clients' individual needs. Critically, as ConnectOne Bank continues to grow, using automated processes and cutting-edge Oracle solutions will help to keep overheads low, sharpening the bank's competitive edge.

Looking to the future, the bank intends to enhance its forecasting capabilities by implementing Oracle Hyperion Planning and Budgeting Cloud Service (PBCS) applications, connected to Oracle BI Publisher.

"With Oracle Hyperion PBCS, we plan to examine deposits and loans more closely," adds Neil Martucci. "Specifically, we want to look at where our customers are based, which pricing strategies work well with each customer segment, and which promotions are most effective in specific geographic locations, so we know where to focus our efforts. At the moment, performing those types of queries takes around a week – with Oracle Hyperion PBCS, it will take around ten minutes.

"Ultimately, gathering and analyzing more data will help us sharpen our ability to predict our clients' needs, tailor our offerings and provide better service."

Based on its initial success, ConnectOne Bank plans to run Oracle Hyperion PBCS and other future applications in the Oracle Cloud. Thanks to its cloud-based Oracle Financials system and reporting solution, ConnectOne Bank now operates in a more flexible and scalable environment that allows it to make business decisions to reduce risk, cut costs and continue to drive increased profitability as the company continues on its path of aggressive growth.

Neil Martucci concludes: "Thanks to IBM Global Business Services and Oracle, we have undergone a transformation from slow, manual processes to extensive automation and rapid insight. The time savings and efficiency gains are enormous, and our customers stand to benefit from higher-quality, more tailored service. We're happy we decided to work with IBM Global Business Services and Oracle."

## Solution components

- IBM® Global Business Services®
- Oracle BI Publisher
- Oracle Compute Cloud
- Oracle Database as a Service
- Oracle Developer Cloud Service
- Oracle Financials Cloud
- Oracle Fusion Middleware
- Oracle Hyperion Planning and Budgeting Cloud Service
- Oracle Java Cloud Service
- Oracle Planning and Budgeting Services

### Take the next step

To learn more about IBM Global Business Services, please contact your IBM representative or IBM Business Partner, or visit the following website: [ibm.com/gbs](http://ibm.com/gbs)

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