



How First State Community Bank Innovated through a Best-of-Breed Approach

According to a recent survey of more than 1,000 U.S. bank executives, the ability to integrate is a top priority when partnering with fintechs. This makes sense. Seamless integration is key to ensuring operational success, which has a direct impact on the customer experience.

This was the dilemma for First State Community Bank (FSCB), a Missouri-based institution with a rich history dating back to 1954. The bank was growing and in need of innovating its approach to print and digital statements, but in a way that allowed the bank to scale. FSCB was also looking to transform its digital banking experience to drive differentiation, growth, and profitability.

With a goal to innovate through a best-of-breed approach, success hinged on whether these systems, and its existing core, could seamlessly integrate for a cohesive experience, both for customers and the bank.



FSCB Unifies Statement Strategy, Boosting Efficiency and Customer Experience

To deliver both print and digital statements, the bank was previously managing two separate relationships, resulting in a disjointed look and an inconsistent customer experience. While most of the process had been moved outside the bank, it was still printing certain items in-house, such as notices. The overall look of the bank's statements was also outdated and in need of modernization.

Beyond the experience, managing two vendor relationships, in addition to time-consuming, archaic manual processes, proved inefficient. As the bank grew, these challenges would only compound.

"We had printed statements from one provider; we had e-statements from another. They looked different, and it required us to manage two different relationships," explains Nikki Masters, Digital Channel Manager at FSCB. "We needed a solution to streamline our operations and provide a more cohesive experience for our customers across both digital and print channels."

Recognizing this need, FSCB turned to HC3, a data-driven statement provider, as part of its "beautification project," creating a more consistent look and driving operational efficiencies.



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Innovating with Best-of-Breed Technology

In addition to streamlining statement production, FSCB was also on a journey to modernize its entire digital banking experience, which included a new digital banking platform from Q2. It was critical that any digital statement provider integrate with its new platform.

When pursuing best-of-breed solutions, system integration is critical and plays a crucial role in creating a unified experience. It is essential for bridging the divide between legacy systems and cutting-edge technologies, enabling efficient data flow and enhanced service delivery.

FSCB knew this. HC3's ability to seamlessly integrate with Q2 and the bank's existing core system ensured a smooth transition with minimal disruption to the bank's operations.

Further ensuring its success, FSCB adopted a methodical, phased approach. "We began with our statement production and gradually expanded to include other customer communications," Masters notes. "This strategy allowed us to build confidence in the new system."

Today, the bank's statement production is completely outsourced to a single partner for both print and digital. As a result, FSCB has experienced improved operational efficiency, cost savings, and enhanced consistency in customer communications across all channels.

FSCB has also become more creative with its statements. For example, the bank now makes better use of whitespace for client communication and cross-selling opportunities.

Additionally, cost-reduction strategies, such as using postcards for certain communications, have been implemented.

Scaling for Growth

This transition has allowed the bank to scale for growth, ensuring it can meet increasing customer demands, expand into new markets, and remain competitive without being bogged down by manual processes or having to manage multiple relationships. FSCB is also positioning itself as leaders in innovation and operational excellence. It is a true example of how to thoughtfully and responsibly approach innovation and leverage best-of-breed solutions without creating unnecessary risk.

Since embarking on this journey, FSCB has grown from \$3.5 billion to over \$4 billion in assets. While this growth is not solely attributable to HC3 or its other partners, Masters emphasizes that **"these efficiencies have allowed us to manage our expansion without a proportional increase in operational costs."**

It has also allowed its team to focus more on revenue-generating tasks rather than mundane processes. **"Our staff can now focus on other critical tasks instead of spending time stuffing statements," Masters says. "The process is not only more efficient but also more accurate, reducing errors and improving overall quality."**

Support and Industry Experience Are Critical

While seamless integration across systems is crucial, the support of experienced technology partners is indispensable for ensuring a smooth transition and swift resolution of challenges. "The experience and support provided by HC3 have been key to our success," Masters states. "Their expertise has helped us navigate challenges and optimize our use of the system."

Masters stresses the importance of working with an experienced partner in the financial services industry. "Without the right experience, it's a significant risk for the bank. Technology providers must have a deep understanding of our industry."

As FSCB looks to the future, the bank is heavily focused on deposit growth. **"By becoming more efficient in our operations, we can dedicate more resources to attracting and retaining deposits," Masters explains. "Our partnership with HC3 has positioned us well to pursue this strategic goal."**

The collaboration between First State Community Bank and HC3 demonstrates how the right integrations can drive success and foster innovation. As financial institutions continue to navigate the complexities of growth in the digital age, partnerships like this one serve as a valuable model for others in the industry.

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