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SMALL CREDIT UNION BUILDS BIG PLANS WITH PLANet

Small credit unions have numerous challenges when compared to some of their larger counterparts. Resources are stretched thin, competition is fierce and specific expertise is often scarce. But sometimes, what might seem disadvantageous is actually an advantage. For example; with business continuity planning, smaller credit unions have the ability to interchange personnel more readily.

We don't really have large departments," said Vance Vargo, CEO of Family First Credit Union, located in Saginaw, Mich. "Everyone here wears numerous hats, so planning can be very centralized."

Family First, a credit union with membership open to those living and working in Saginaw and the Bay counties, has only two branches, 17 full-time employees and four part-time employees. They have over 6,200 members and \$45 million in assets.

According to Vargo, the credit union had some deficiencies that were reported in an IT Examination Report soon after his arrival in 2005; one of which included the need for a more comprehensive business continuity plan.



"We had an archaic document that was 10 to 15 pages long," he said. "Essentially, it was nothing more than an emergency call list and a list of vendors. It didn't have any scripts and no BIA (business impact analysis). That plan was both inadequate and unacceptable to our examiners. In fact the examiner said, 'You need to build a new plan. I wouldn't try to revise it. There are too many holes in it to plug.'"

Vargo, who himself was a Financial Institutions Examiner Supervisor for 13 years with the Commonwealth of Pennsylvania Department of Banking, realized that the credit union needed some assistance with building its new plan.

"I didn't feel I had the skill level or the time to reinvent the wheel, despite being a senior level examiner for 13 years who holds two graduate degrees," he said. "And we certainly didn't want to spend a lot of money on consultants to build a plan for us. The problem with that is that we'd just have to pay them again to update it. Besides, I wanted to learn something from this process. In my days as an examiner, I had reviewed numerous inadequate plans. I wanted to be a part of the process and determine how a comprehensive and acceptable plan is built." Vargo learned about PLANet while attending the Michigan Credit Union League Convention in 2005. He attended a BCP 101 session to learn more about the basics of the software. PLANet enables financial institutions, which may have minimal resources or expertise to devote to BCP, to build and maintain compliant plans quickly and easily. Over 800 financial institutions currently use PLANet to build their business continuity plans.

At first, his Board of Directors was hesitant due to scarce resources at the credit union. However, Vargo convinced them that they couldn't afford not to use PLANet.

"I told them that this is dirt cheap for what you are getting. We could be paying a lot more money for a plan that isn't even this comprehensive. I am very impressed with PLANet. As a former examiner, I've seen larger credit unions that had inadequate business continuity plans. As soon as I reviewed this product, I knew it was what we needed and what the examiners expected us to have."

The board was also convinced and eventually approved the purchase and Vargo hasn't regretted it. Several features of PLANet have made building a comprehensive plan a snap. Vargo, with the assistance of the credit union's former CEO Sally Kohlhoff, was able to build a complete plan with 25 to 30 hours of work scheduled over a couple of months.

"The big advantage of this software is the way that it is organized," he said. "The business impact analysis is great because it walks you through the scenarios one at a time, and allows you to determine the impacts over time.

“It is invaluable having that amount of experience built into the system,” said Vargo. “We don’t have the experts here. In addition, if we ever have a question, someone there is always willing to provide us with an answer.”

The pre-determined scripts told us exactly what we need to do for each business interruption. The entire program is very organized and walks you through each step.”

Most importantly, Vargo commented on the built-in experience that comes with the product. PLANet is an Internet-based BCP tool designed specifically for credit unions and provides 75 recovery scripts for various functions and the resources needed to support the recovery efforts. Each pre-defined script provides industry specific recovery information in areas like accounting, commercial loans, community banking and compliance. It is a comprehensive planning tool that meets and exceeds FFIEC policy.

Since they built their business continuity plan with PLANet, they have experienced some BCP incidents – a power outage and a core processor failure. The credit union was able to weather both and is in the process of entering the lessons learned from each incident into PLANet and their plan has become a living document.

“If you have to build a plan yourself (as opposed to having a consultant build it), it really does become your plan,” said Vargo. “With PLANet, it never becomes a static document.” Moving forward, Vargo plans to use PLANet for other regulatory requirements. For example, he is going to use it to assist with the credit union’s Vendor Oversight Program – an FFIEC regulation, which requires credit unions to identify all vendors of the organization and rate them as high, medium, or low risk.

“High-risk vendors must be evaluated once a year,” said Vargo. “Medium and low risk vendors will need to be evaluated once every two or three years. With

PLANet, I have a list of our vendors, the contacts, telephone numbers and e-mail addresses entered in the program. Without PLANet I would have to search through all of my file cabinet drawers to obtain the same information.”

For small credit unions, a tool that can fill multiple needs is a necessity. Having the program to be simple to use is a bonus. And Vargo appreciates the fact that a tool this comprehensive is easy to learn and use. “For a smaller credit union, this is as easy as it gets. If you can use a desktop, you can use PLANet,” he said.

PLANET

PLANet is the only online business continuity and disaster recovery planning tool designed specifically for credit unions like yours. With new regulations and increased board and senior management responsibilities your credit union cannot risk having outdated, incomplete or untested continuity plans.

For this reason, over 725 of your peers have selected PLANet as the tool of choice to build, test and maintain their business continuity plans. Whether you are building a new plan from scratch or are looking to upgrade and enhance your existing plan, PLANet is the tool for you.

With a proven methodology based on FFIEC regulations, PLANet guides you through the planning process step-by-step to ensure compliance with business continuity planning requirements.

About SunGard Availability Services

SunGard Availability Services provides disaster recovery, managed IT, information availability consulting services, business continuity management software to over 10,000 customers in North America and Europe.

SunGard Availability Services | 680 East Swedesford Road | Wayne, PA 19087 | 800-468-7483 | www.sungardas.com