

Making the right choice for digital transformation

Bryan Wilken, Chief Information Officer and Chief Operating Officer of US community bank Bank Midwest, explains the process and needs behind the bank's choice of the NewgenONE digital transformation platform

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Bank Midwest adopted the low code, cloud-based platform to establish a digital-only bank, transform processes and enhance customer experience. The platform provides a scalable solution that will help the bank add multiple products and services in phases and move forward on its digital transformation journey. Bryan Wilken, CIO and COO of Bank Midwest explains the thinking behind the bank's decision to go digital.

"We have a business line operating since 2010 called OnePlace Capital under the umbrella of Bank Midwest. It is aimed at dentists, doctors, and veterinarians in all 50 states of the USA. Its focus was one product – an equipment finance loan – and the business has grown successfully over the years both in terms of loan volume and number of customers.

"So, 2020 happened and there was a strong push for digital. Leading digital transformation post-Covid, I looked at how do we completely digitise our product sets. That brought us back to the OnePlace Capital business line. In my career, lifting an existing bank that has 140 years' history is challenging. Lifting a business line that has fewer products and fewer touch points is much easier. Starting fresh, I could pick different technologies and solutions that would make digital transformation much easier.

"We put together a team to take a look at OnePlace Capital. It wasn't really a truly digital process from end to end. We didn't have any digital tools that our customers were asking for.

"The pressure was mounting to improve the digital experience for OnePlace Capital customers. The strategy was to go to market with a brand new digital-only bank called OnePlace.bank, folding in the existing business. Medical professionals that own their own practices are a large niche. Niches are still a huge strategy for FIs.

"We benefited from the fact that we already had around 5,000 customers thanks to OnePlace Capital, and we got the green light in



Bryan Wilken, CIO & COO, Bank Midwest

the summer of 2022 to proceed. Currently, where we sit today, we are trying to sell offers, more products. The solution went live in 2023."

How did you make the decision to go with Newgen Software?

"We needed to solve account opening or application for commercial accounts. We also needed a company that had a loan operating system – a true digital transformation process with a digital application that flows into a back office. No one has to repeat information, data entry. Decisions are made. Documents are created. Loans are funded and you're on your way as a customer.

"Among the non-negotiables that we did explore was, can our core handle this digital-only bank? Can we record the loans and deposit accounts on the current core system? The answer was yes. Could our digital tool handle the customer experience? Yes. That really left me with the holes of applying for something truly digital and staying digital.



“So, we went to the market. I remember a lot of calls where I would say, can you open accounts online, consumer and commercial? They’d give me their answers. Do you offer a loan operating solution as well? And the list got smaller as I worked my way through my needs. It boiled down to two vendors.

“Newgen was one of them. One of the most interesting things about this story is that 12 months before we picked Newgen to be a partner for this digital-only bank, a separate team at Bank Midwest was trying to solve online deposit account opening.

“That team picked Newgen just to do account opening of deposits. That kind of gave me a good lens that a different group of people picked this vendor for a different need. Now, I’m coming back with some new needs, can this vendor Newgen meet those requirements?

“In the end, why we picked Newgen is that it is a platform that can be customised, which is important for community banks. We’re definitely on the small side of community banks at around \$1.3 billion. We’re not going to have a team of programmers that can create platforms.

“We really needed a platform that has the ability to grow with us. The other thing about Newgen that intrigued me is they had bundles that solved my problem. I needed small business lending. I needed online account opening. They’re products that kind of hit the niches that I needed all on one platform. That was important because I really didn’t want to have to manage a lot of platforms.

“The other thing that was crucial is that the company needed to be focused on open APIs and API integrations because that is the future. That’s what’s allowing community banks and the FinTechs and financial services to create products and solutions for customers in this modern world. Also, looking ahead, could it solve Bank Midwest needs in the future?”

How is the Newgen solution going to help you get more customers?

“Post-Covid digital transformation means that customers’ expectations

are so high whether it’s among the large FIs or the Amazons of the world. We looked at some of the top FinTech loan application providers and really tried to analyse how are they getting to an answer so quickly? What’s the least amount of data that we need to collect?

“Newgen took our research and listened to our recommendations as well. And we found there were a couple of points in the journey where we were really pushing for fewer questions or just a different ordering. We were really trying to answer why are small businesses applying to these FinTechs? Well, it’s really easy, and you get an answer really fast. Well, that’s our value proposition!

“If we can’t compete with the loans that customers are applying for elsewhere, we’ve already lost our chance. Where Newgen is going to help us is the flexibility to take our feedback and change things.

“I didn’t buy just a point solution to open accounts or to process loans. I purchased a platform that really, as we dream up products, and we are already thinking about the next phases of products, I have a comfort level of coming to Newgen and saying, here’s the product set, how does this fit into your platform? I always get that sense from the people at Newgen that I work with that they’re ready for that next use case. And that gives me comfort.”

Does being digital-first help in addressing regulatory and compliance challenges?

“The direction that regulation is heading is really heavily data driven. You can tell that with a regulation like Section 1071 [of the Dodd-Frank Act] that is proposed to go into effect in the USA next year – it’s an additional 80 data points that need to be collected and shared with the government. Every bank has to look at their process and say, is that a data point on a fillable PDF? Is that a data point on a yellow notepad? Is that a data point in a digital solution? A digital solution should be able to handle new regulations because we’re collecting new data, manipulating existing data, and producing reports. I would say that you need to move processes to a truly digital state so that you can embrace new regulations.”