

Success Story

Intermountain Community Bancorp

Sandpoint, Idaho
Assets: \$464 Million



Consulting Services

SCS takes Intermountain Community Bancorp to the top

It's not often that you get more than what you bargained for—that is, an even greater return on investment than initially estimated.

But that's exactly what happened when Sandpoint, Idaho's Intermountain Community Bancorp partnered with Sheshunoff Consulting + Solutions to help manage the bank's faster-than-normal growth. "Intermountain, due to development in the tri-state area as well as through acquisitions, had experienced a lot of growth fairly quickly," said Bob Stevenson, Managing Director of Sheshunoff Consulting + Solutions. "Their primary objective was to consolidate operations from around the region into one centralized area, and also help improve their front-end application system for their lending process."

During the four-month process, however, SCS would find even more ways to help Intermountain save money and improve operations.

First, SCS had to overcome some unique challenges. The bank's northern location meant traveling in winter weather was met with some delays. Additionally, SCS wanted to keep travel costs to a minimum in order to pass that savings on to its client. "We had to get creative," Stevenson said. "We were able to support the bank by performing the interviews and one-on-one work with personnel onsite, and then doing the analysis off-site."

Once the combination of on-site and off-site work was established, SCS was able to perform a complete assessment of the bank's Retail, Lending, Deposit Operations, and Non-Interest Income sections. By conducting interviews and collecting "task statements"—that is, talking to staff and having them outline their job functions—SCS was able to form a complete picture of where the company stood. SCS then used its proven Action Team process to involve bank personnel and make critical determinations about the direction the bank should go. Together, the four Action Teams developed approximately 350 recommendations.

"As a result of the participative nature of the SCS project, Sheshunoff challenged the company to view its

processes and procedures with a critical eye and was able to offer best practice solutions based on industry benchmarks," said Curt Hecker, Chief Executive Officer of Intermountain Community Bancorp.

Through the recommendations of the Action Teams and SCS's in-depth analysis, a number of functions were centralized and application of new technologies replaced inefficient paper-based systems. In addition, once improvements were implemented, Intermountain required fewer full-time staff members, allowing for a reduction of staff over time through attrition that would help the bank operate even more effectively. Last but not least, deposit and loan fees increased by \$2 million—four times the initial estimate.

"The results of the program have been valuable," Hecker said. "Sheshunoff prepared staffing models and offered organizational suggestions that would accurately position the company for growth."

While SCS more than met its objectives of increasing non-interest income, identifying staff reduction opportunities, and facilitating Action Teams to improve processes and develop more efficient, centralized operations, it still had one more trick up its sleeve. Intermountain's contract with its technology vendor—a core vendor for any bank—was coming up for review. While not part of the initial contract, SCS's breadth of experience in IT improvement enabled the consultants to look at the contract and help Intermountain negotiate a better rate, resulting in greater savings. This gave the bank even more benefit than it had originally hoped for—and proved SCS's commitment to its clients.

"Throughout the entire process, Sheshunoff took great care to preserve the corporate culture which has allowed management to be able to control the implementation of recommendations ... with the bank's corporate culture placed as top priority," Hecker said. "I strongly recommend the engagement of Sheshunoff for revenue enhancement and business process improvement projects."

For information about Sheshunoff Consulting, call 1-800-477- 1772 or visit www.smslp.com