



Farm Credit Services extends its customer service offerings with an IBM Solution.

Application Business-to-consumer electronic banking and customer service application

Business Benefits Extends delivery channels, provides the ability to offer more services for same dollars, supports industry leadership position, increases customer satisfaction

Software IBM AIX®, Lotus® Domino™, Lotus Notes®, IBM WebSphere™ Application Server

Hardware IBM S/390 Parallel Enterprise Server™, IBM RS/6000®, IBM Netfinity®

Services IBM Global Services

Competing for revenue from the static customer base of the agricultural industry poses unique challenges for lending institutions. Large, money-center banks present formidable obstacles to smaller institutions with fewer resources. Farm Credit Services (FCS), a nationwide network of borrower-owned lending institutions and specialized services organizations, goes head-to-head with large-scale financial institutions every day. A firm dedication to unique and innovative customer service

offerings enables FCS to maintain and grow its approximate 35 percent market share. The northwest unit of Farm Credit Services is comprised of 46 branches and 435 employees, and operates in Washington, Oregon, Idaho, Montana and Alaska. It also provides e-business services to other FCS units throughout the country. FCS's nationwide network serves to provide American agriculture with a source of sound, dependable credit at competitive interest rates.

The screenshot shows the 'Farm Credit Internet Services Online Banking' interface. The navigation menu includes Accounts, Transfers, Services, Messages, Help, and Sign Off. A message states: 'Please use Farm Credit Internet Services to obtain Loan and Funds Held account information. Account information is not currently available for Farm Credit leases.' Below this is a 'Loans' section with a table of account information as of 05/29/2000.

Account Number	Account Name	Principal Balance	Subtotal
0000003297 JOHN A FARMER			
000001401	OPERATING LOAN	\$175,755.03	
000002401	EQUIPMENT PURCHASES	\$57,103.47	
0000030101	REAL ESTATE PURCHASES	\$216,270.34	\$449,128.84
0000024873 JILL R FARMER			
000001401	LINE OF CREDIT	\$120,946.77	
000004401	TERM LOAN	\$221,372.11	
000004402	TERM LOAN	\$451,971.47	\$794,290.35
1220030104 OUR FARMS INC.			
000001401	OPERATING LOAN	\$318,090.82	
000002401	IMPROVEMENTS	\$52,473.99	
000002401	LIVESTOCK PURCHASES	\$106,666.92	\$477,231.73
Total principal balance for all loans			\$1,720,690.92

Farm Credit Services online banking solution is built on a foundation of IBM expertise with financial services industry IT challenges.

“We needed a solution that would allow for constant, quick changes. IBM had a great approach for addressing our needs. Before tackling a problem, IBM always evaluated what would make the best business sense for future needs.”

—Bill Johnson, CIO, Farm Credit Services

Zeroing in on the bare essentials

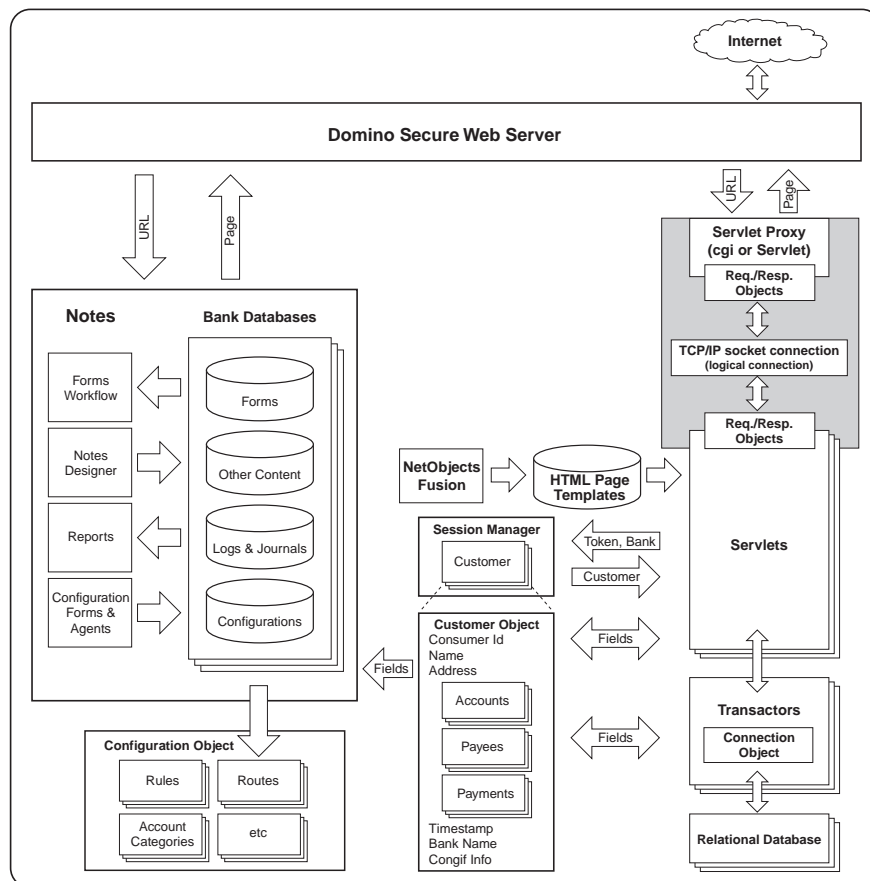
In 1997 Farm Credit Services recognized the importance of e-business leadership and began exploring its solution options. “We decided early on that it was important for customers to have access to their information online, but it would be even better if they could access that information in several different ways with consistent

answers,” says Bill Johnson, CIO, FCS. “We differentiate ourselves from the competition with highly personalized service, so we wanted to offer the best of both worlds—cutting-edge technology access with a human touch.”

Farm Credit Services needed a solution that could easily integrate with systems from other farm credit associations and business alliance partners. FCS wanted to leverage its existing IT investments while implementing an expansive infrastructure capable of evolving to meet changing needs. Site security, scalability and image were crucial to FCS’s e-business initiative. “IBM’s strong relationship with the financial industry and the corresponding image of privacy and security of IBM sites were primary drivers for choosing an IBM solution,” says Johnson. Using IBM products and the Application Framework for e-business methodology, IBM Global Services equipped FCS with a solution and a roadmap for its future IT needs.

Sowing the solution seeds

A team of eight IBM Global Services IT architects, developers and testers from the Finance e-business Services team worked with the FCS team to develop the online banking solution. Web-enabling FCS’s existing applications was the first step. The flexibility of the Application Framework for e-business and FCS’s existing IBM products made it easy. FCS already had a sales management application running on the Lotus Domino platform a S/390 Parallel Enterprise Server-based loan accounting system. The front-end consisted of a client/server-based application running on Microsoft® Windows® NT® with a SQL Server database that stored loan-related information. Another primary front-end system for branch office receipts and disbursements was linked to the S/390 Parallel Enterprise Server. Domino was extended to be used as the Web server.



The Farm Credit Services Application framework for e-business solution allows for easy integration with its partners’ systems.

The primary Domino platform runs on the IBM AIX operating system and IBM RS/6000 servers. The company's data resides in two data formats. The actual loan data or account information is housed in SQL Server databases on IBM Netfinity servers that are accessed via Java Database Connectivity (JDBC). The remaining data is held in a Lotus Notes database.

Shortly, FCS will implement IBM WebSphere Application server to allow for more scalability, flexibility and higher performance levels from the site. "This enables us to use the Domino server on the backend, purely for what it's best at—workflow functionality, data storage and routing," explains Clay Morscheck, vice president of information services, FCS. "We've done a lot of customization, based on the Domino Workflow concept, for backend integration of our contact center. WebSphere will handle direct hits to the site, Web serving and interaction with the backend database."

Another key component of the solution is its automated customer call center. "The center is equipped to take enrollments and address any problems customers may have related to accessing their accounts on the Internet," says Johnson. The custom call-center application is built around Lotus Domino using its general customer service and enrollment workflow functions.

Harvesting the rewards of working with IBM

FCS realizes numerous benefits from its IBM solution. The new infrastructure enables FCS to extend its products to different delivery channels, even outside the company. "Since implementing the solution we've found that we're able to do more with the same amount of dollars," explains Johnson. "With this solution, we're able to enter additional markets by partnering with other vendors and do added work for customers." FCS has discovered new ways to leverage its infrastructure and continues to adapt for distinct customer groups by integrating new service delivery options. "By enabling this solution with IBM technology, we've set up a framework to do rapid iterations of the Web site to support new functions as they come along," says Morscheck. "We are now able to make—and roll out—modifications as fast as we can get them done."

The Application Framework for e-business-based solution also helps FCS maintain its leadership position in the agricultural finance arena. FCS hasn't measured the ROI for the solution yet because it is more concerned about better serving its customers for future gains. Adds Johnson, "We are part of some online initiatives that sell products, and we are the financing underneath. Without the online banking tools, we wouldn't be able to participate." FCS also recognizes that its most profitable customers demand the online banking application. "These are customers with successful operations, who will be around for the next five to 15 years in agriculture," says Johnson. To satisfy and maintain these customers, an online banking initiative was imperative to FCS.

"Our ongoing relationship with IBM, and the simplicity of integrating our players with the IBM players to work as a unified team, helped us make big leaps throughout this project. This is different than our experiences with other vendors, who usually want to control every aspect of a project."

—Bill Johnson

Why IBM?

In selecting IBM as its vendor, FCS looked at more than just product. "Our decision was based more on relationship than the pure technology," says Johnson. "Other vendors had strong technology products, but they didn't offer the added benefits of working with IBM." A major consideration was IBM's existing relationships with other financial institutions. Based on these relationships, FCS knew IBM was a leading financial institution solution provider whose experience would help it compete more effectively against larger institutions. And FCS knew that its customers would associate security with an IBM solution. The methodology of the Application Framework for e-business finalized the decision, giving FCS a standardized approach to its Internet banking presence. Rather than a turn-key solution, through the Application Framework for e-business, FCS now has an easy-to-follow roadmap for enhancing and continually evolving its online banking solution.

For more information

To learn more about the Application Framework for e-business, visit ibm.com/framework or contact your local IBM marketing representative or Business Partner.

To learn more about Farm Credit Services, visit www.farm-credit.com.



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