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 <b>2014 OFN CONFERENCE</b> OCTOBER 14–17, 2014 • THE SHERATON DOWNTOWN DENVER, COLORADO		
<h2>Integrating CDFI IT systems</h2>		
Joshua Broder, Tilson   Eliza Ginn, PCG   Nick Elders, CRF		
		

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<h2>My prospective</h2>	
<ul style="list-style-type: none"><li>▪ Earlier career as an IT project guy in the Army, never enough time or resources</li><li>▪ Currently CEO of Tilson, 100 employees, 5 national offices, system and network project company</li><li>▪ Don't sell software</li><li>▪ Supported by CEI Ventures, our first outside equity, which funded our Denver office opening this year</li></ul>	
	

## Systems do everything!

- Accounting
- Loan management
- Match making
- Fund raising
- Stakeholder engagement
- Systems of systems present their own challenges
  - Need for technical staff and vendors
  - Lies, damn lies, and statistics
  - Integration

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## An example

- 100% of the people that I know at this conference think I really know what I'm doing in IT
- I don't know anyone at this conference besides these panelists and can't find my attendee list

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# HOW DO WE INTEGRATE OUR SYSTEMS?

## CRACK TEAMS OF EXPENSIVE IT CONSULTANTS IN DARK SUITS ...

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Or, committed staff with time and money that can approach something small and finicky with patience



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## I SAY AGAIN - TIME AND MONEY

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## But you can get big wins with modest investment with

- Staff driven, rather than a vendor driven plan
- An investment in market research before buying
- Realistic expectations about outcomes
- Strong executive sponsorship since you can't buy
  - down all risk
  - adoption
  - staff time prioritization

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Partners  
for the  
Common Good

Founded in 2000, PCG's mission is to promote economic justice for low income people and communities.

We do this by partnering with CDFIs and socially motivated investors across the nation to serve borrowers that promote affordable housing, neighborhood revitalization, and healthy communities through support of day care, education, community health centers, human service providers, and others.

With offices in Washington DC, PCG has a national footprint. Through its strong network of lending partners, it has reached borrowers in 32 states and the District of Columbia.

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## Our environment

- We own a lot of software
  - Abila Accounting
  - Portfol loan origination
  - Salesforce.com CRM
  - CAPNEXUS
  - Outlook
  - Excel

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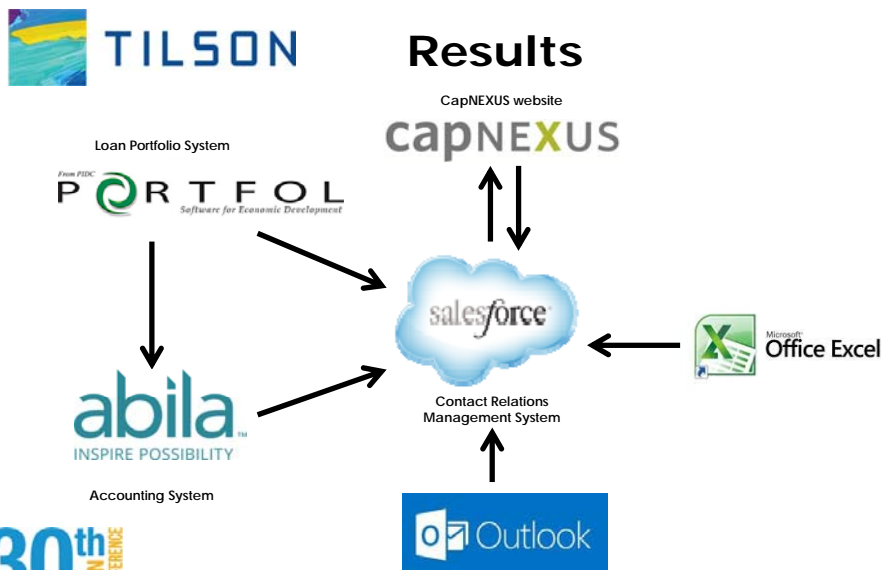
## Integration - WHY

- Reduce double entry (5+ sources)
- Data consistency
- Save staff time
- Single source of information on relationship
- Executive dashboard
- One click board reports



## Process

- Project Idea
- Budget
- Grant Funding
- Conferences/Vendor meetings
- RFP
  - Two very different options presented by vendors
- Consultant chosen
- Implementation
- Testing/Launch/Adoption



## Lessons Learned

- More time (of course)
- Staff buy in/schedules important
- Socialization with vendors important before procurement
- The right consultant matters
- Budget constrains (not everything is possible)
- Business process



## CRF's Mission

To improve the lives of disadvantaged people and strengthen distressed communities through innovative finance.





## Impact in Communities Across the United States

CRF has a 25-year history of providing underserved borrowers and communities across the U.S. access to over \$1.5B of capital for the purposes of:

- Growing businesses
- Creating and saving jobs
- Improving school and community facilities
- Increasing affordable housing



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## Our Methodology

- 10 Step Process (Two Fewer than AA)
  - 1) Pick a problem worth solving
  - 2) Do some research
  - 3) Create a compelling argument
  - 4) Gain buy-in at the top
  - 5) Involve users in the process
  - 6) Do not cut corners
  - 7) Assume some level of “throw away” work
  - 8) Do not be intimidated
  - 9) Once you’ve solved the problem, share it
  - 10) Tirelessly pursue your vision

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## The Problem we Picked

SBA lending is complex, drawn out, non-transparent and forms-driven, yet critical for small business growth and job creation.

Many lenders lack the tools, financial resources and, in some cases, expertise to significantly grow and increase their current levels of SBA Lending.



## Researching

- Existing SBA solutions focus nearly exclusively on the Lender as the customer
  - Build vs. buy
- The Borrower (the star of the show) is left to their own devices
- Process variation causes angst (internal and external)
- SBA lending has increased 111% from 2009 levels



## Creating a Compelling Argument

Bring the lender and borrower together on a web-based lending platform accessible anywhere, by anyone with the following characteristics:

- Hosted: no development costs
- Secure: encryption to and from
- Modular: use any or all
- Flexible: integrate existing systems
- Complete: all facets of origination
- Configurable: your look and feel

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## Gaining Buy In at the Top

- Starts at the CEO and works down
- Ensure you have revenue / cost / ROI estimates for the CFO
  - Quicken Loans example
- Relentlessly pursue your Executive Sponsor
- Pro tip: Use inception if you have to

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## Involving Users in the Process

- Shadow, shadow, shadow
- Meet consistently to discuss enhancements / improvements
- Take a pain point, turn it into an opportunity
- Follow through on your promise
- Deliver meaningful results

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## Do not cut corners

- People inherently want to minimize issues they don't understand
- Know the detail
  - Even if it hurts
- Stick up for your solution
  - Walk hand in hand with your subject matter experts
- Achieve laser focus on customer experience
  - Every company should have someone in charge of / focusing on customer experience

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## Assuming a level of “throw away” work

- Refactoring is a part of life
  - Real World Example: Kitchen remodel
- Do not be afraid of user feedback
  - Check the ego at the door
  - Get your solution in their hands early and often
  - In the end, it's that the solution gets used, not that it's an elegant solution

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## Do not be intimidated

- People will give you all the reasons in the world why your solution WON'T work
- You will be challenged
- It's up to you to demonstrate the true value
- Repeat: Know the details

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## Sharing the solution

- Don't give it away
- Build subsidy into the model
  - Know which customers are providing subsidy
- Determine alternative pricing structures

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## Tirelessly pursuing the vision

- Pick something you can be passionate about
- Get the right people on the bus
- Fundraise!
- Connect with the policymakers and experts in the field
  - Stay connected as much as possible
- There will be copycats – Just be better

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