

Implementation Overview

 support.precisionlender.com/hc/en-us/articles/227886307

At PrecisionLender, we want you to win more deals, we want you to win better deals, and we want you to build stronger relationships with your customers. That process starts with the right implementation. This guide will provide an overview of the configuration of your Pricing Solution. Any additional modules licensed will be configured on a parallel track over the coming weeks.

Bank Resources Required

The size of the team from the bank will depend on how you choose to fill the roles below. Roles do not need to translate to one person. For some banks, the team is small and individuals fill multiple roles. For others, the teams are larger, and individuals from across the organization are pulled in to add their expertise for a few small decisions.

See [Building the Winning Implementation Team](#) for role descriptions.

Preparation for Onboarding

Below are pre-work activities the client must complete during implementation. We will work with you on any elements that will be unique or specific to your institution.

Pre-Work Requirements

- **Whitelisting PrecisionLender**
 - **Bank Resource:** IT Admin(s)
 - **Description:** The bank will need to whitelist the PrecisionLender application, email domain and supporting domains according to [Connecting to PrecisionLender](#). This ensures that the bank, and PrecisionLender while onsite, can access the application and support site. It also ensures that any email sent from a PrecisionLender employee will be delivered to bank personnel.
- **Annual Budget Form**
 - **Bank Resource:** Executive Sponsor
 - **Description:** As we work with the bank to best align PrecisionLender, your day to day pricing, and the bank's high-level strategy, it is helpful to know your expectations for the upcoming year. PrecisionLender will provide the bank with a budget form to help capture the bank regions' goals to shape onboarding conversations and decisions. Please send us your Statement of Conditions to offer us more detail.
- **Determine Region(s)**
 - **Bank Resource:** Executive Sponsor & System Admin(s)
 - **Description:** Decide and share number and arrangement of regional hierarchy for the PrecisionLender solution. Additional details on Regions can be seen in [Setting Up Regions](#).

- **Determine Product List**
 - **Bank Resource:** System Admin(s)
 - **Description:** Determine and share the product list you will use in PrecisionLender per region.
- **Credit and Capital Data Request**
 - **Bank Resource:** Credit Expert(s)
 - **Description:** To configure your solution, we'll need data regarding Risk Ratings, Collateral and Guarantees per region and product, and Float and Reserve numbers. PrecisionLender will provide the bank with a template for collecting credit and capital data, however if you have these numbers available, please send us your own calculations.
- **Overhead Structure**
 - **Bank Resource:** Credit Expert(s)
 - **Description:** How does the bank want to configure its origination and servicing channels? PrecisionLender provides each financial institution the ability to vary the cost of origination and servicing loans with multiple levels and even tier the cost within each level. These are fully configurable and can be set to fit specific bank needs. Please share origination and servicing costs per region and product.
- **Commercial, Deposit & Other Product Setup Defaults**
 - **Bank Resource:** System Admin(s), Executive Sponsor
 - **Description:** We will review the default settings for each of your regions and products together during the workshop, but please begin to fill out the template spreadsheet per region and product, as described in the Appendix, to get a head start.
- **User List**
 - **Bank Resource:** Project Lead & System Admin(s)
 - **Description:** Send us your intended user list (comprised of the onboarding team, lenders, credit admins, etc), including region, business line (if applicable), titles, emails, phone numbers and officer codes (if applicable).
- **Security Profiles**
 - **Bank Resource:** Lead Lending Expert/ System Administrator
 - **Description:** What security profiles does the bank want to create for PrecisionLender users? In this support article, you'll find information and suggestions on creating profiles. Please prepare a list of the types of profiles & permissions you'd like in PrecisionLender – we'll help you enter and customize these in the solution.
- **User Access Settings for Password and IP Restrictions**
 - **Bank Resource:** IT Admin(s)
 - **Description:** What kind of security requirements does the bank want to apply for general system and user access? In [User Access Settings For Password And IP Restrictions](#) , you'll find information regarding the types of user access restrictions each bank can customize within their instance. Please think about your desired settings and we'll help you implement them.

- **Gathering Recent Closed Deals**

- **Bank Resource:** System Admin(s)
- **Description:** Gather a sample set of recent closed loans, deposits, and fee accounts per region and product to input into PrecisionLender to test settings and build the data necessary for setting the initial ROE targets before rolling out the system to the rest of the organization. Please see the Appendix for additional information on what to collect.

- **Identifying Additional Materials**

- **Bank Resource:** System Admin(s)
- **Description:** Gather and send the materials described below that are readily available. These will help us make better recommendations throughout onboarding.
 - **Logo file:** Should be .jpg or .png and will be resized to fit 250 x 50 pixels.
 - **Pipeline Report:** Sample of pipeline, CRM process, and/or origination lifecycle in order to get a sense of mapping opportunity stages.
 - **Guidelines for lenders:** Policy document, or any other guidelines lenders must abide by.
 - **Report: Actual production by lender for past 12 months:** If available, a report like this can give us insight into what a lender's typical portfolio looks like. Helpful information would include lender name, business line (if applicable), number of deals and dollars of production.

Elements to Consider

- **Dependencies between Relationship Awareness and CRM Integration modules**

1. **Bank Resource:** System Admin(s)
2. **Description:** If the bank has also elected the Relationship Awareness or CRM Integration module, some of the decisions made during the workshop will affect/ impact those module setups.

1. **Relationship Awareness**

1. **Users:** PrecisionLender can only map relationships from the bank's core to users set-up in PrecisionLender. When adding users, the bank should keep this in mind as new users who do not have their Officer Code (Responsibility Code, etc.) mapped will not own relationships in PrecisionLender until this update is made.
2. **Products:** The products set-up in PrecisionLender will be used for pricing as well as to map products coming over from the bank's core for Relationship Awareness. Your Relationship Awareness expert will help guide you through this process, but consideration of this dependency during the pricing solution setup is recommended.
3. **Collateral Types:** Collateral types should be consistent across all commercial loan products. If the bank chooses to include collateral in its core data files, there may be some collateral types that you want in PrecisionLender for calculating strategic ROE but do not want to include as a collateral type for pricing new opportunities. In this case, the collateral types can be arranged so that these are on the bottom of the lender collateral list in the opportunity. However, if they are not included at all, they will not be available to map collateral on existing loans from the core.
4. **Risk Ratings:** Risk rating names must be consistent across all commercial loan products.
5. **Origination and Servicing Channels:** Origination and servicing channel names should be consistent across all commercial loan products.

2. **CRM Integration:**

1. **Opportunity Stages:** The opportunity stages set-up in PrecisionLender must match the opportunity stages within the bank's CRM. If the bank has already configured its opportunity stages within the CRM, we will configure them to match during onboarding.

Onboarding Agenda

The agenda below outlines the pricing solution onboarding steps we will complete. We'll work with your institutions to schedule these calls/sessions together.

Activity	Bank Resource	Description
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Onboarding Sync-up Call	Executive Sponsor	<p>Define and determine onboarding roles at bank & PrecisionLender – who will be involved and what each person will handle. Determine how the bank prefers to handle the main points of contact and communication preferences. Outline the projected go-live date based on project plan.</p> <p>Next Steps: Determine implementation team roles and send names to Client Success Manager. Set call schedule. Discuss pre-work and timeline expectations.</p>
Official Kickoff Call	Full Onboarding Team	<p>Introduce PrecisionLender to entire implementation team and clearly communicate expectations for onboarding for both sides.</p> <p>Next Steps: Begin pre-work items and return completed credit and capital data request.</p>
Credit Migration Call	System Admin, Credit Expert	<p>PrecisionLender to review credit and capital data and how it translates into the solution. The bank team will need to review the suggested assumptions and make adjustments as necessary to align the assumptions with the bank’s profile. Set risk ratings. Confirm list of collateral and guarantee types to include in PrecisionLender and the specific recovery rate for each.</p>
Basic Set Up Call	System Admin, IT Admin	<p>Create user profiles for the different user types (sales, credit, finance, loan ops, management, etc). Determine the access settings for each profile. Set-up overall access restrictions and password protocols. Set-up the bank's reporting region and determine the configuration for funding curves and liquidity premiums and the pricing for caps and floors.</p> <p>Configure opportunity stages to match the bank’s workflow so that as a lender is working on an opportunity in their pipeline they can update the “stage” as the deal progresses.</p>
Product Setup Call	System Admin	<p>Determine list of commercial, deposit and fee-based products available to users. Demonstrate how to set-up products’ default structure to reflect the most common way the bank structures that type of product.</p>
Assumptions Review Period	System Admin, Lender/Relationship Manager	<p>Configure the following assumptions for each commercial loan product: overhead costs for origination and servicing channels, default risk grade and pre-payment options. Also determine the products’ default structure to reflect the most common way the bank structures that type of product.</p> <p>Configure the following assumptions for each deposit product: overhead costs, fee income, duration estimates (for non-maturing accounts) and float & reserve requirements.</p> <p>Configure the estimated capital allocation for each fee-based product.</p>

User Acceptance Testing	System Admin, Lender/Relationship Manager(s)	<p>Enter recently closed loans, deposits, and fee accounts into PrecisionLender to test settings and build the data necessary for setting the initial ROE targets before rolling out application to rest of organization.</p> <p>Verify that the product list is complete and that the default settings for each individual product are appropriate for the bank. Validate that the credit, overhead, funding and capital assumptions are reasonable.</p>
Set Target ROEs Call	System Admin, Executive Sponsor	<p>PrecisionLender to present analysis of deals entered during the User Acceptance Testing process and calculate the actual ROEs for those structures to determine the appropriate “market level” of ROE for each product.</p> <p>The bank to discuss PrecisionLender’s analysis of deal sample and recommended ROEs to determine, based on the bank’s objectives, how to price products relative to that market level.</p> <p>Next Step: Sign off on product assumptions and ROE targets. Confirm readiness for Executive Strategy Call</p>
Executive Strategy Call	Executive Sponsor + Exec Team	<p>PrecisionLender to present recommended best practices for the executive team, pricing committee and lenders in preparation for organization roll-out. Executive team to discuss which best practices they would like to implement at the bank.</p> <p>Next Step: Send welcome emails to training attendees</p>
Lender Strategy Session(s)	Onboarding Team, Lending Team, Credit Team	PrecisionLender to train and onboard loan officers and credit admin

Appendix A

Additional Information Regarding UAT and Pre-Work Requirement of Gathering Recent Closed Deals for Testing:

User Acceptance Testing (UAT) is the process by which the financial institution tests its configuration of PrecisionLender before the system is rolled out to the rest of the organization. The concept is simple. Users will gather recently closed loans, deposits and fee accounts to test the settings and build the data necessary for setting the initial ROE targets. The UAT process has three main objectives:

1. Verify that the product list is complete and that the default settings for each individual product are appropriate for the institution. Are there any products missing? Any obvious errors in the products’ default settings?
2. Test a sufficient range of loan structures to validate the credit, overhead, funding and capital assumptions are reasonable. Are they directionally consistent and are the profitability results properly impacted by the different collateral types, risk grades and guarantees?

3. Build a large enough sample set of recent accounts so that ROE targets can be determined for each product type and will be near market level.

The general rule for UAT is the more opportunities that can be gathered and used for testing, the more comprehensive testing will be, and the more appropriate initial targets will be. At a minimum, we recommend the organization pull five opportunities per product type.

Below are the types of accounts we recommend your institution gather for testing purposes:

1. Opportunities used for testing need to be recent enough to reflect current market conditions. While this definition will vary depending on the specific market and interest rate volatility, opportunities booked within the last quarter are usually sufficient. If possible, it may also be useful to also gather recent loans that were lost to competition as these can be good indicators of current competitive pricing dynamic.
2. Opportunities should reflect a representative mix of quality and structure. We recommend the bank focus on deals that are commonly representative of the standard types of deals the bank does every day. Try and avoid loans that are unusual or outliers (unusually large deals, odd or atypical loan structures, absolute best and absolute worst credit, etc.).

How will we use this information to set the institution's ROE targets?

During the onboarding, PrecisionLender, with the help of the bank's lending expert/ system admin and senior loan officers, will begin inputting these deals into the system. As multiple examples of the same product are entered, you will notice that the actual ROEs of each opportunity begin to coalesce around specific returns. This will help us identify what it takes to win in your market. Once we determine those competitive points for each product, we will discuss the bank's appetite for each product type. The more aggressive your growth goals are, the lower the target ROE will be set in relation to the market. The less aggressive your growth goals, the higher the target will be set in relation to the market.

UAT Workbook:

We've provided a UAT Workbook that you can use in gathering and collecting your recently closed deals. This will help you identify the details we'll require per test loan.

Appendix B

Template spreadsheet for considering Product Setup Defaults:

During the onboarding process, we will determine your bank's product list and configure the defaults for each. In advance of the Kickoff Call, please review this spreadsheet to see some of the decisions we'll make together and start making notes on any questions/decisions where possible. This will help us streamline the setup. This is not a deliverable and is just for your reference to guide the thought process.

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