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Farmers State Bank of Calhan



Farmers State Bank (FSB) of Calhan, a \$237 million asset institution, has been serving Calhan, Colorado, since 1916. The bank expanded with branches in Ellicott and Falcon, and offers full-service loans, personal and business accounts, and banking services via mobile, internet, and telephone to give customers a convenient experience. FSB prides itself on its customer support and is motivated to do everything possible to make customers feel like part of the family.

The challenge

When a previous vendor's personal financial management (PFM) solution left the bank vulnerable to complaints and the potential loss of customers, FSB sought a replacement to provide accurate, comprehensive PFM to ensure customer retention and new business opportunities within key market segments.

The solutions

- Q2 digital banking platform
- Q2mobility
- Q2 Contextual Personal Financial Management

The results

FSB customer adoption was 11 percent during the first year of Q2 Contextual PFM's availability, and continues to grow. Besides meeting its strategic commitment to improve customers' money management acumen, FSB is enhancing customer relationships which is benefitting other lines of business, such as loans.

Customers prefer money management technology to balancing checkbooks

More than 100 years old, FSB is one of the most enduring family-owned financial institutions (FIs) in the West. Local legend suggests that it was the only bank out of a dozen in its trade area to remain open during the worst of the Great Depression. And according to Shelly Anderson, the bank's emerging technology manager, you're as likely to see cowboys and ranchers in the branch lobbies as builders, teachers, or nurses.

"We have an interesting situation in that two of our branches are in more rural areas, while one branch is in town," Anderson said. "In-town customers tend to push for more technology but it's our rural customers who tend to adapt to the new technologies more readily."

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FSB noticed one trend among its customer base related to expense tracking. "People don't balance checkbooks anymore," Anderson said. "Most consumers use their debit card and they don't always enter those transactions into a register. So, the majority will just look at their account balance to see what they actually have."

FSB believed high-quality money management technology would help its customers better manage their money, while providing the bank with the insight to offer other financial products to its customers.

The right vendor with the right solution matters

To address their strategic commitment, FSB implemented a PFM solution from another vendor, but gaps in functionality and support torpedoed the effort.

“We used a single sign-on with our previous vendor. With the SSO, neither internal or external accounts would update reliably, and the vendor did not address problems quickly,” Anderson recalled. “So, there was no point using that PFM solution because you didn’t know if your balance was accurate. That’s when we began looking at other solutions but never really settled on anything until we saw Q2 Contextual Personal Financial Management.”

Q2 Contextual PFM is integrated directly into the Q2 digital banking platform so that account holders can utilize self-service financial management tools in an environment they already use and know on any device. Easy access to spending analyses, budgeting, and other aggregation and categorization tools help FSB customers plan for their financial futures by allowing them to track their money across financial accounts from other companies and institutions, all in one digital banking session. Q2 Contextual PFM tools also offer insight into account holders’ consumer financial data and behaviors, both inside and outside of FSB.

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Contextual PFM creates new opportunities for FSB and its customers

“We think Q2 Contextual PFM will help be that bridge for the younger generation to say, ‘Oh, I can categorize my expenses with easy-to-understand icons that show me how I spend my money,’” Anderson said. “When they start playing around with it, they figure out how to balance their account, which is awesome. Contextual PFM gives them an opportunity to see where they’re spending money so they can forecast expenses and start saving, which is what they tell us they want.”

As FSB uses Q2 Contextual PFM to retain younger customers, the FI and Q2 technology are also opening “the eyes of other generations, particularly those folks who are used to QuickBooks but who don’t want to pay QuickBooks fees,” Anderson said. As a result, FSB is now competing against QuickBooks to reconcile accounts.

According to Anderson, “Q2 Contextual PFM is strategically helping us get to our goal of better educating customers on where their money’s going, and indirectly helping us on the lending side. Because once customers understand where their money actually is going, they start to trust us more in terms of recommendations and offers.”

Of the FSB active digital banking customers who have begun using Q2 Contextual PFM, all are using categorization and around 10 percent are using aggregation across an average of three accounts.

FSB is pleased with Q2 Contextual PFM, the Q2 implementation process, and to have found a partner different from others. “Q2 is good to their word,” Anderson said. “That’s an important thing. Their Customer Service and others you deal with have all been in the industry. They’re proven. So, you have ‘real-life’ experience behind the phone when you have a question needing an answer. They share ideas on how to get the most out of Q2 processes. It doesn’t matter your size, Q2 listens and takes care of you.”

Benefits summary

Q2 Contextual PFM brings Farmers State Bank (FSB) of Calhan:

- Higher rates of PFM use than a previous vendor
- A better opportunity to educate customers on money management
- Stronger ability to meet younger customers’ requests to better manage money

For more information, go to q2ebanking.com or call (512) 275-0072 ext. 2.