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Thinking Big

As a lead partner in supporting First California Bank's aggressive growth strategy, Sara Pelaez has overseen more core systems conversions in four years than most CIOs handle in their careers.

By Katherine Burger

THERE'S BEEN A LOT OF DISCUSSION in the banking industry about core systems conversions — the benefits, the risks and what it takes to pull them off. At many institutions, that's as far as it gets — nothing but talk. But at \$1.2 billion-asset First California Bank, it's a different story. Under the leadership of SVP and CIO Sara Pelaez, the

Camarillo, Calif.-based institution has undertaken four core systems conversions and two data center moves (the most recent occurring in August) in less than four years.

Even more impressive is that the conversions, along with other high-profile IT initiatives, have been directly tied to First California's growth strategy. "My group has been quite busy trying to make sure that the infrastructure that we have put in place over the last five to eight years will be able to support the [bank's] rapid growth, especially [in terms of] data storage and the increased number of end users that we support," Pelaez reports. "We started putting in new technologies such as virtualization and virtual computing to be able to support the incremental growth that we've had, as well as to make sure that we keep ahead of the curve."

Multiple Paths to Growth

First California Bank, which now operates 16 locations (full-service branches and loan production offices) in southern California, has grown both organically and through mergers. Having joined the bank nine years ago, when it had

Sara Pelaez
First California Bank

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only two offices, Pelaez has played a key role in the organization's success story.

"My vision is to always try to stay ahead of the strategic needs of the bank," she explains. "The bank usually does three- to five-year strategic planning sessions, so we know exactly where we want to be within three to five years. My role is to make sure the infrastructure that we've established will be able to support that [strategy]. We implement something at least six months or a year before we actually need it so that we are well ahead of the curve for demands placed on us."

The key elements of First California's IT environment are a Citrix Systems (Ft. Lauderdale, Fla.)-based platform for remote computing administration; Austin, Texas-based CoreTrac's Resource One CRM system; the LaserPro and DepositPro lending and account opening solutions from Harland Financial Solutions (Lake Mary, Fla.); and Hutchinson, Kan.-based Data Center Inc.'s (DCI) iCore core banking system. The iCore system was implemented in 2004, when the bank had six offices, and has been expanded as the bank has grown, Pelaez relates. "The core application is instrumental in each of our organic growth initiatives," she says.

First California has learned many lessons since that first conversion, Pelaez acknowledges. With the first project, she says, "There were a lot of different anxieties, trying to make sure it all ran smoothly."

Based on that experience, for the subsequent conversions Pelaez created what she calls the "Core Team." It's "kind of a play off of iCore. We had a core team of individuals that would actually project-manage the whole conversion — myself, the heads of our operations and the retail banking division, our central operations division manager, our lending division manager," Pelaez says. This group collaborated with a team from DCI, "so we had constant communication ... to make sure all issues were addressed and the testing was completed."

Collaboration Pays Off

This collaborative approach has been very successful — not just from a technical perspective, but also in terms of creating confidence among end users at all levels of the bank, according to Pelaez. In fact, getting people to accept change is one of the biggest challenges to accomplishing a successful conversion, she notes. To do so, Pelaez says, she

emphasizes the ways in which the new systems will help people do their jobs better and also help the bank be even more successful. "Not to belittle the fact that there are a lot of things we need on the technology side, but how successful [a conversion] is based on how end users are perceiving it," she asserts.

In addition to training, a "buddy system" was created that paired application experts who were very familiar with the new system with people based in the offices that were being converted (mainly due to acquisitions). "This was a person they could go to when they were a little hesitant to use the systems, [who could] hold their hands and make sure that everything was going OK," Pelaez relates. "That way, they also buy in to the technology."

Pelaez's empathy for end users may stem partly from the fact that she has worked on the technology, operations and business sides of banking. She started out in proof operations and moved on to stints in lending, real estate and cash management services. This background "was a pretty good blend in terms of anticipating and knowing all the goals the bank had and how to accomplish them," she says. "It really increased the value of my role as CIO."

As CIO, Pelaez tries to get her IT team to share this perspective. "I stress to my group that not only do we have to be very technical — to support end users and be ahead of the curve, infrastructurewise — but we also need to be able to service them as nontechnical folk," she says. "That's always a challenge we have — trying to communicate with end users who may not be as savvy as we would be on technology."

Looking ahead, priority items for Pelaez include the implementation of a voice over IP system that is being launched in conjunction with the opening of the new data center, as well as the introduction of video for training, meetings and internal information distribution. She also will be looking into ways to create a more "green" computing environment at the bank, in part by expanding remote computing beyond the IT group to other teams within the organization, in addition to building on the investment in virtualization First California already has made.

"One thing we're also looking at — which is going to be a big challenge — is attempting to do paperless in a banking society," Pelaez reports. "Again, it's just like a conversion — working without paper is a change in workflow and work style for end users." ●

Sara Pelaez

First California Bank

SVP and CIO

Years With Bank: 9

Years in Current Position: 5

Size of IT Staff: 6

Influences: Pelaez says First California Bank CEO C.G. Kum has been key to her success: "He was my mentor who really challenged me and showed me the ropes as far as management. He still challenges me, every minute."