

MCIF Vendor Due Diligence Questions

Like so many technology initiatives, it seems that every vendor appears to do the same thing. As the saying goes...the devil is in the details. Interestingly, many of these details may not seem important (much less apparent) until after the agreement is signed. Not every question listed below is necessary or important for your institution. The key point is; on features that are important to you, nail down the "how" and the "how much". These important elements should not be left to a checkbox on a spreadsheet.

1. Will the system reside at the institution or at the vendor? Does your institution have security policies that must be managed with IT and compliance for the off-site management of your confidential client information? Does the vendor have a SAS 70 II?
2. Does the MCIF have data cleansing tools that improve the accuracy of your Householding? How? Does the system include the ability to automatically CASS certify and Geocode your records for reduced mailing costs and better geographic analysis? *If so is there an additional fee for this service?*
3. Can you dictate the Householding rules that define the order of priority when determining who is included, and who will be the head of household. Can you limit minors from becoming heads of households, and if so how? Is there a way to Super-Household (combining small business with its related retail accounts) relationships? *Is there an additional fee?*
4. Can you then perform research at the Account level, Member/Customer, and Household levels within the same query/filter?
5. Every vendor initially will set up profitability. However new products are added and the distribution of balances and number of accounts change. How do you keep in balance with the General ledger? Do you have to send the system back to vendor to correct every 3-6 months? If you must send it back, is there a fee?
6. Is Profitability calculated at the account level which can roll up to household level, and product level? Can you also measure Profitability by Branch, Region, Line of Business and Officer?
7. Can the MCIF's Profitability be customized for your institution to include margin allocation, and account specific activity-based costing (transaction data)? *Is there an additional fee?* Can the MCIF's profitability incorporate your institution's actual cost and fee data? *Is there an additional fee for this?* Can you upgrade the profitability model later? *Is there an additional fee for this?*

8. Can the MCIF bypass its profitability module and instead import the results from a stand alone profitability system?
9. Is graphing and mapping integrated (built-in) into the MCIF? *If not, is there an additional fee?* Does the mapping allow access for analysis, such as Site-selection? Can the map software display census demographics of customers and prospects?
10. Does the MCIF come with "Board Ready" reports built-in? In other words, are the built-in reports organized, understandable and clear enough to take directly to the Boardroom? Can the Reports be e-mailed and/or posted on your corporate Intranet? Can you create custom reports and or export the data to your favorite report writer and excel?
11. Does the MCIF vendor allow you to add customized "user-defined fields"? If so how many? Can you also query, report and map on these fields? *Is there an additional fee* to add these user-defined fields - either upon initial set-up, or later when you decide to add them?
12. Is the MCIF system architecture flexible and open? Via ODBC (Open Database Connectivity) Is there an additional fee associated with exporting data? This maybe important later if you want to populate a CRM system.
13. Can you easily update the MCIF with fresh data, yourself - without vendor involvement? Does the vendor also offer data update services as an option? *If so what is the fee?*
14. How much IT involvement is necessary in preparing and managing the interface? Does the system require a separate interface to be written for each database you want to include i.e. (Core, Credit Card, Mortgage, Insurance, etc.)? If so, does the vendor provide this *and at what cost?* In the months and years ahead...if you add new products, want to add some additional fields, or the core provider simply needs to change the layout - you will need to change this interface. What is the average time it takes to wait for the interface to be re-written (because you can't run the system without it)? Can you easily modify the interface without vendor involvement or with just telephone support? Are you required to merge all the files you want to import into one master file before you import or can you import the files separately?
15. Is direct mail Campaign Management & Tracking *automated?* Is it built-in *or is it an extra fee?* Can you create multiple independent campaigns that can be tracked simultaneously? Is there a method whereby you can evaluate a campaign's potential return on investment before you invest in them?
16. Is a Matrix mailing program for direct mail campaigns included? Is it an option, if so how much is the *additional fee first year, and ongoing?*
17. Is Predictive Product Modeling (the next product a household will buy) available in the MCIF? If so, *does it cost extra?*

18. Does the system have a product pricing tool that draws upon the profitability model to evaluate potential changes in product pricing? Is "What-If" Product Re-Pricing available within the MCIF? *Does it cost extra?*
19. Does the MCIF allow you to easily append additional Household demographics and/or a prospect file? Can you use the MCIF's filtering to campaign management and mapping tools with this prospect data just like your own customers? *Is there an additional fee from the MCIF vendor for this feature?* Can you identify duplication of customers on your prospect lists?
20. Will the MCIF integrate with your Internet Banking or ATM systems? Can it create and distribute custom messages for each relationship that can be exported to these "touch point" systems? Is this an option? *Does it cost extra?*
21. How does the vendor provide MCIF training? *What is the fee?* Is there a limit to the number of people who can attend? Does the vendor have any advanced training courses? *What is the fee, if any?* Is on-site training available?
22. Is the support & maintenance fee fixed for the term of the Agreement, or does the vendor reserve the right to raise the fees, after you have signed the Agreement? Is support & maintenance included in the first year license fee?
23. Does the vendor offer a Money-Back Guarantee? In other words, will the vendor guarantee that you will make at least as enough money to cover the cost of the MCIF within the first year, and if not...will the MCIF vendor return your money?
24. Does the vendor offer an integrated CRM solution that leverages the information you have developed in the MCIF.

Be sure to get a formal proposal from each vendor that outlines what you get for the money, and what items may be optionally available (more money). Also, be sure to clarify anything that you are not certain of. In order to make the right decision for your institution, you must understand what makes each offer unique.