

# Interoperability Key to Sound Credit Union Liquidity Visibility Project

Founded in 1940 in Tacoma, Washington, Sound Credit Union serves 119,000 members from Lynnwood to Olympia. With 25 branches & over 280 team members in the organization, Sound CU oversees \$1.4+ billion in assets.

## The Challenge

Credit unions are unique in the financial world. They have the same operating concerns as a traditional bank, but are intently focused on their member population. Credit unions face the challenge of servicing a member population every bit as savvy as the customers of a large bank yet doing it with fewer resources.

These common issues to credit unions are frequently exacerbated by internal structures and processes. Teams find themselves in silos, unable to make decisions that would accelerate the business as a whole. Members demand a seamless user experience, while the underlying organization of the business prevents holistic communication across units.

On top of that, modern credit unions, like most businesses, are heavily reliant on data and their digital systems. Sound Credit Union recognized that organizational change needed to be preceded by digital transformation.

Sound Credit Union's CIO and CTO, Tony del Fierro was faced with the problem of building solutions that would benefit the unification of the overall business. The current systems within the digital organization, however, didn't talk to one another. "The number one cause of dysfunction between systems is siloing," Tony says.

To better understand the problem space, Sound Credit Union polled the enterprise's executives to understand their needs through a voice of the customer evaluation. This led to the creation of a backlog of requests. Sound then groomed this backlog to identify the top five drivers for business success.

One such initiative was the production of a liquidity report. In the banking world it's crucial to leverage available liquid assets for profitable services, like loans. Tony explains "If you have \$250,000 in an ATM that only needs \$50,000 a day, that \$200,000 creates \$0 income."

At the time, the means of creating the report required data to be pulled from 5 disparate systems, organized, and then reporting built around that data. "Just the activity of figuring out what your capacity is was a huge endeavor," Tony states. Despite liquidity position informing major portions of the business's decisions, the complexity of reporting resulted in infrequent updates.

## The Solution

It was clear that the majority of these high priority initiatives, as well as many of the other, lower priority ones, could be addressed if information could be easily shared between systems. This included the liquidity reporting. Tony needed to provide solutions for the enterprise while advancing the interoperability of

### Sound Credit Union Profile

Founded: 1940 in Tacoma, Wash  
Employees: 280+  
Members: 119,000  
Assets: over \$1.4 billion

### Key Objectives

- Address gaps in key business drivers identified by business peers
- Initiate foundation of organizational and digital transformation
- Increase organizational knowledge and decision-making accuracy with greater liquidity visibility

### Solutions

- Partnered with PortX to advance an API-led strategy for interoperability
- Developed cross-system pub-sub process for daily liquidity analysis

### Results

- Now able to view their liquidity position on a daily basis, increasing revenue opportunities
- Lowered the barrier for additional omni-experience initiatives by implementing transformative foundation
- Increased interoperability of internal systems for enterprise level view of business information



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the business's IT infrastructure. The two would go hand in hand. To do this, Tony engaged PortX to help his team implement a durable, reusable API strategy. That strategy would provide a solution for the critical path initiatives identified by the business, while also laying the foundation for full digital transformation across the organization.

Tony knew that PortX was the right partner for their digital transformation. He describes PortX as having "Critical Strategic Agility", a term he defines as an organization that can think critically about strategy and be agile in executing it. "They can address what's coming and understand what they have done for you and be a partner in the process."

PortX aided Tony's team throughout the implementation and design. First, Sound Credit Union chose MuleSoft Anypoint Platform as their enterprise service bus for communication across systems. PortX and Sound Credit Union teams then worked to identify and expose the APIs needed for the liquidity report. Then a publication-subscription (pub-sub) microservice was created.

Because of the defined pub-sub microservice, Tony's team could use their existing dashboarding solution to pull the required data from multiple systems & display it in a user experience space already familiar to the business. What's more, the reporting ceased to be a highly manual process, freeing team members up for new tasks.

## The Results

The project successfully provided what the business had hoped for – an easy to access report on the credit union's liquidity position that was updated daily. The new report provides a mechanism for the business to make data-driven decisions on capital allocation with greater accuracy and consistency than ever before.

But this is only a single use case of what Sound Credit Union can do because of the work done by Tony's team and PortX. The liquidity report is "an MVP for a suite of reporting options", Tony says. The APIs exposing the processes for the report are flexible and reusable, so that the underlying data can be employed across the enterprise.

Beyond this, however, the project provides a toolset for Sound Credit Union to use going forward to drive their digital transformation efforts, increasing the value of offerings not just internally, but creating and enhancing member services as well.

Interoperability is achievable for the organization now, thanks to the implementation of a solution that removes the silos between the enterprise's systems. "Interoperability is about omni-experience," Tony explains, describing the flexibility to leverage multiple channels, products, and devices.

This far reaching effect of interoperability is experienced by the organization in the knowledge and understanding that is gained throughout the enterprise, while also enabling further transformation. "You cannot measure the ROI of transformation with dollars," Tony says. Instead, digital transformation leads to Objective Key Results and filters out to organizational profitability. Tony adds, "Behavior and outcome are what is important."

*"People create walls between systems and when that happens people make system acquisition decisions based on only what they need, and not with an enterprise approach."*

—Tony del Fierro,  
Sound Credit Union CIO & CTO