

## Quick Facts:

### Industry:

Banking and Financial Services

### Company Information:

Employees: 570  
Locations: 8 Branches  
General Ledger: Fiserv  
Revenue (mil.): \$76 Million  
Head Office: Fort Worth, TX  
Operating since 1996

### Scenario:

Needed to improve the budget management process, boost time efficiency, and reduce workload

### Solution:

PROPHIX solved the budgeting problems, helped the controller manage internal systems and contributed to management decision making.



## Case Study

**State National Bank**  
[www.statenationalbank.com](http://www.statenationalbank.com)



**"We are saving roughly \$2,000,000 a year... the purchase was a no-brainer."**

**Andrew Cox, AVP Financial Reporting**

### Return on Investment

- ◆ **Savings of \$2,000,000 per year in operational costs**
- ◆ **Elimination of \$35,000 per year in incorrectly reported loan recoveries**
- ◆ **Reduction in the time required for cost center coding from five days per month to three hours and savings of \$20,000 per year by reducing miscoding**
- ◆ **Savings of \$10,000 per year on double payment of invoices**

## Background

State National Bancshares, Inc., Located in Lubbock, TX, opened its doors in 1996 as a full-service commercial bank with a mission to "exceed the expectations of customers, employees and shareholders." From the beginning, this strategy was very successful, and today, State National Bank covers a market extending from New Mexico to Texas and has grown to 38 branches, 570 employees and \$1.3 billion under management.

### Recognizing the Problem

As the company grew, however, there were problems with State National's spreadsheet-based budgeting system. According to Andrew Cox, AVP Financial

Reporting, "As far as security, online banking, etc., we had top notch technology, but when you got into the back room, we did everything using spreadsheets. It was time consuming, very inefficient, and limited the amount of data you could dissect and analyze. As we grew, the monthly workload became too much and we knew we had to find a better way. We actually reached the end of our spreadsheet's capabilities because we had too many links back to prior years, which were over multiple cost centers; spreadsheets couldn't handle it any more."

Cox explained the monthly procedure as "we would get a download from our general ledger, and I would manually input the

numbers from the entire account structure into a spreadsheet. Several hundred accounts and 38 locations, that's a lot of inputting. Then those would be linked to the actual reports that we generated. It took a week to get all that done, and whenever we grew or added cost centers, adding or changing spreadsheet rows and getting all the formulas linked together would cost us several more days."

### Implementing a Solution

After searching for an alternative, State National chose PROPHIX as the best way to streamline their budgeting process.

After two days of initial training and three days for implementation, State National began using PROPHIX in January of 2003 and immediately realized tremendous results. According to Cox, "The biggest advantage with PROPHIX has been the time efficiency. Now, whether we need changes or not, we can get our reports done in two days from the time we get the download, instead of spending almost two weeks."

### Additional Benefits

Although State National initially used PROPHIX to solve their budgeting problems, their accounting team has continued to explore the software's capabilities

and now generate about 30% more reports than they did previously. Some of these reports have produced large cost savings. Cox says, "Prior to PROPHIX, we didn't even think about doing half the things we do now because it wasn't cost effective; we didn't have the resources or the manpower."

PROPHIX has also made the staff much more efficient. A single staff accountant manages a \$1.3 billion budget, effectively replacing what would typically be the responsibility of a three-person cost accounting department.

### ROI Achieved

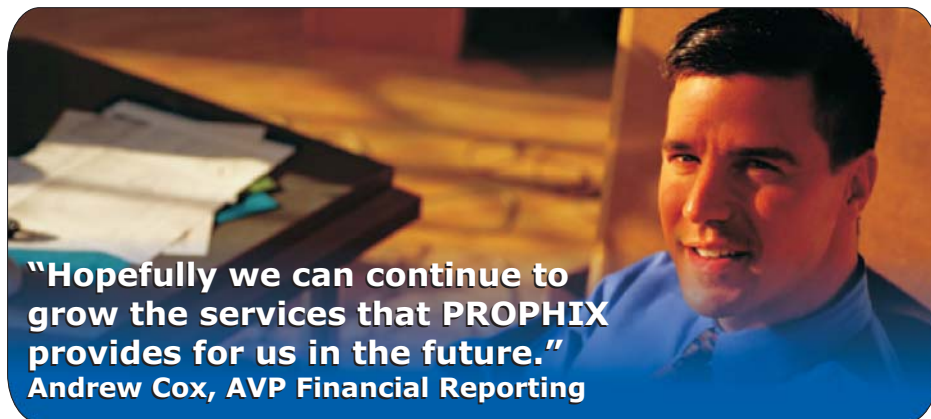
For State National Bank, the bottom-line financial results have been truly amazing. "We are currently saving roughly \$2,000,000 in operational improvements attributable to PROPHIX because of the timeliness of the data and the amount of data that we are getting to our management. PROPHIX

### Additional Benefits

Building on the success of the their PROPHIX implementation, State National is now considering adding PROPHIX Personnel Planning to help plan personnel-related costs and revenues such as earnings, benefits, taxes, and variable costs based on headcount.

Needless to say, State National Bank is very satisfied with PROPHIX Software and its implementation. As Cox says, "The purchase was a no-brainer and hopefully we can continue to grow the services that PROPHIX provides for us in the future."

Andrew Cox,  
AVP Financial Reporting



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Andrew Cox, AVP Financial Reporting

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