

# Case Study

## Fidelity Bank Takes a Proactive Approach to Helping Customers Improve Their Cash Flow

*“Our customers realized that they had been too loose with their credit policy.”*

~ Jeff Campbell, Vice President at Fidelity Bank

Fidelity Bank is one of the premier, independent commercial banks in the Minneapolis / St. Paul area, serving approximately 700 businesses. Fidelity’s philosophy of Intellectual Capital continuously sets it apart from other banks. It encompasses a drive to go above and beyond the P & L report in order to truly understand a client’s business so that their team can better serve the long term needs of that client.

The impressive length of Fidelity Bank’s relationship with their clients - with many lasting over 20 years - is a testament to their Intellectual Capital approach to business banking.

### **THE CHALLENGE: EMPOWER BUSINESS CUSTOMERS TO IMPROVE THEIR OWN A/R AND CREDIT POLICIES WHILE CREATING A TRUE WIN-WIN SCENARIO IN THE PROCESS**

If a business sends invoices to their customers after delivering a product or service, they are in the business of providing credit. Many small businesses often do not think of themselves as being in the credit business. However, this can cause problems down the line if they do not keep a good handle on aforementioned credit.



A smart B2B based business will:

- Watch their A/R every bit as closely as they watch their sales because they know it takes cash flow to run their business
- Be as selective about who they sell to as who they buy from in an effort to maximize the likelihood of getting paid consistently and on time

Since Fidelity Bank maintains such close relationships with its customers, they understand that many of their customers face these challenges on a daily basis and consistently have to make credit based decisions that will affect the health of their company.

As one of the premier commercial lending banks, Fidelity has refined its processes and policies for its own credit practices. Understandably, while Fidelity's customers are focused on their core business and their credit practices oftentimes are not front and center.

In the spirit of the previously mentioned Intellectual Capital mindset, Fidelity made a decision to help customers get better at the credit business. Fidelity Bank knows that a business customer's financial health is much more than a simple credit score. While that is valuable, there are many additional factors to consider. For example:

- Is the business currently embroiled in any lawsuits?
- Are there any tax liens on the business or any of its assets?
- What is the ownership structure of this business? Do they have multiple shell corporations set up under the same ownership in multiple states?
- Are there any recent public filings nationwide?
- How are the competitors doing financially?

Fidelity Bank knows the due diligence it takes to gauge the financial health of a business. It also understands the type of operational hurdle it can be. Just to do all the necessary digging on one business customer can take hours, if not days. When you have hundreds of customers, or even dozens, a diligent process can quickly become unmanageable.

## THE SOLUTION: ARGOS RISK ONLINE

Fidelity Bank did its homework and decided to introduce customers to Argos Risk Online ([www.argosrisk.com](http://www.argosrisk.com)) in an effort to help them get on top of their credit procedures and to identify potential A/R issues before doing business with them.

With Argos Risk Online, companies can enter their customers, suppliers, and competitors into a process that provides ongoing, real-time monitoring of their creditworthiness and financial health. A proprietary algorithm provides a score assessment based on the creditor's selected risk tolerance level.

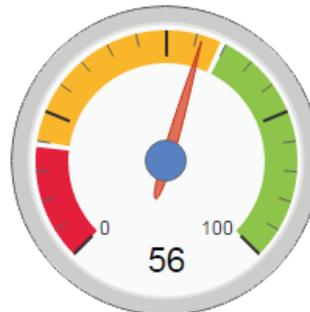


Jeff Campbell  
Vice President at Fidelity Bank

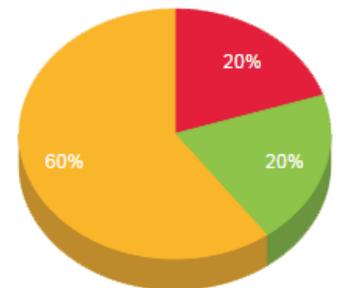
***“If bankers do not have this knowledge, this sort of thing can keep them up at night worrying [...]”***

***Knowing our customers are serious about their own credit policies is very comforting [to a commercial lender].”***

Average Argos Risk Score ?



Companies by Risk Group ?



**Argos Risk**  
Online

## WORKING WITH ARGOS RISK ONLINE

“Our relationship with Argos Risk is an ideal fit with our brand. Going above and beyond is the message our Intellectual Capital communicates to our customers and Argos Risk plays an important part in that,” explained Julie Stokes, Marketing & Communications Specialist at Fidelity Bank.

Fidelity Bank’s customers are able to more effectively monitor the health of those who they do business with by utilizing Argos Risk Online. The web-based solution gives them the power to:

- Determine to whom they should sell goods and services
- Exactly how much to sell
- Assist with decisions about credit limits
- Take action through an intuitive, visual dashboard that gives leading indicator metrics
- Monitor their customer’s payment history and tax liens

**“Once Fidelity Bank’s business customers have the power of these insights, they can set formal and structured credit policy for their clients.**

**Argos Risk is a key component of this process.”**

		Company	AR Score	Business Health Index	Likelihood of Consistent Payment	Days Beyond Terms	Suggested Credit Limit/Action	Trend
		COMPANY NAME	--	0	0	--	Review Suggested	
		COMPANY NAME	72	67	78	3	\$35,000	
		COMPANY NAME	55	38	78	8	\$500	
		COMPANY NAME	65	38	100	5	\$20,000	
		COMPANY NAME	88	94	80	0	\$5,000	

Example of a dashboard. Note that the top company disappeared from the index. That business also moved out of their office on a Sunday morning.

From: Argos Risk Alert <admin@argosrisk.com>  
 To:  
 Cc:  
 Subject: Argos Risk Online - ALERTS

**Argos Risk Online**

**COMPANY NAME** - Risk Level for Argos Risk Score changed from Low Risk: (79) to Moderate Risk (72)

- Argos Risk business credit evaluation reflects some decline and increased relationship risk
- Credit information reflects a recent deterioration of payment experiences
- Argos Risk suggested proactive evaluation of your business relationships, evaluating trends

These alerts are provided to you as part of your Argos Risk Online subscription.

One of the key benefits that Fidelity Bank’s customers utilize is the proactive business health alerts available through Argos Risk Online. This aspect of the program is imperative when it comes to proactively monitoring your business risk.

**“It would be nearly impossible to monitor everything without a tool like Argos Risk Online.”**

Fidelity Bank Business Customer

Example of email alert sent when a material business change occurs



## CLIENT PROFILE

### Fidelity Bank

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952-831-6600

[www.fidelitybankmn.com](http://www.fidelitybankmn.com)

Founded in 1970, Fidelity Bank is headquartered in Edina, Minnesota, and is one of the premier commercial banks in the Twin Cities. Fidelity demonstrates its strength in the market with a strong balance sheet and consistent growth providing commercial lending and banking services to approximately 700 Minnesota businesses. Specializing in commercial lending services since 1979, Fidelity's commercial loan services include working capital lines of credit, term loans, asset-based lending, real estate loans, and SBA Loans. The bank is particularly known for its experience in the area of asset-based lending, providing working capital to companies backed by short-term assets such as accounts receivable and inventory. Asset-based lending arrangements through Fidelity Bank have fueled the success and growth of many growing businesses.

Along with its asset-based lending, Fidelity Bank also provides mortgage warehouse facility arrangements Fidelity Bank developed the mortgage warehouse facility program to provide our mortgage clients with greater flexibility and a competitive edge. Since its inception in the mid 1980s, Fidelity has expanded its footprint to service mortgage clients in Wisconsin, Colorado, Kansas, North Dakota, South Dakota, Texas, and Utah.

Fidelity Bank provides commercial loans primarily to privately-owned businesses in the Twin Cities metropolitan area, but its client base extends throughout Minnesota. Most of the bank's clients range from start-up businesses to those with \$50 million in annual revenue. In addition, Fidelity Bank is privately owned and has total assets at December 31, 2014 of \$450 million.

## EXTENDING BENEFITS TO FIDELITY BANK'S CUSTOMERS

Customers of Fidelity Bank who have used Argos Risk Online have accrued a wealth of information they did not have access to previously. The key takeaways include:

1. Realizing they have been too loose with their credit policy
2. Monitoring the business health of customers, vendors, and competitors is very beneficial for their business to succeed
3. There is more to the health of a business than just a simple credit score
4. This process is necessary, but trying to do this manually would be difficult, if not impossible

Once Fidelity Bank's business customers have the power of these insights, they can set a formal and structured credit policy for their clients. By incorporating the Argos Risk product directly into their credit determination process, the business customers of Fidelity Bank can feel confident that they are making well educated decisions.

One of Fidelity Bank's clients was asked the following question:

**Q:** When looking at the data and insights that Argos Risk is able to provide, what kind of effort do you think it would take to learn all those insights without a tool like Argos Risk Online?

**A:** It would be nearly impossible to monitor everything without a tool like Argos Risk Online.

Fidelity Bank has been able to enhance their long standing reputation of outstanding service by introducing the Argos Risk Online platform as a key component of a customer's credit process. Fidelity's business-banking relationships have strengthened as a result of enabling customers to more easily set formal credit policies and provide in-depth knowledge of their own customers' business health.

Fidelity Bank has formally partnered with Argos Risk to offer an affordable, monthly subscription to their clients for this service. Contact us today to learn how your company can partner with Argos Risk.



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