

case study: Webster Bank



Webster Bank relies on Expert Choice for critical decisions on vendor selection and portfolio prioritization.

Challenge	Action	Results
To select the best vendor to replace the bank's entire customer servicing systems, a complex decision involving over 50 managers in 11 business units.	After developing the RFP with over 800 requirements, Webster knew it needed a robust tool to assist in the decision process. Expert Choice was selected as the best solution due to its AHP process and ability to involve multiple decision makers.	Expert Choice enabled Webster to develop a simpler, more robust consensus decision process, make sound decisions based on cost benefit analysis; and is also being deployed for prioritizing projects.

Challenge: Vendor Selection

Webster Bank, the largest bank in Connecticut with branches also in Westchester County NY, Rhode Island and southern Massachusetts, is part of Webster Financial Corporation, a \$17B asset based diversified holding company.

The bank's front-end customer servicing, which included their teller, account opening and Contact Center support systems were outdated, requiring increasing levels of internal maintenance. Therefore, Webster Bank began the process of looking for replacement systems and created a team to review current system providers and develop a detailed Request for Proposal document (RFP).

Due to the complexity of the systems being replaced and the bank's desire to incorporate functionality that would take customer servicing and internal processes to a new level, the RFP had more than 800 requirements. Having pared down the original list of vendors from 12 to 5 based on a high-level review of capability and organizational fit, the question remained: How would Webster Bank objectively choose between the 5 vendors with so many decision criteria requiring input from many areas of the Bank?

Action

Webster Bank conducted industry research to find the best vendor selection and decision-analysis tool that could assist in the process. The research indicated that Expert Choice, using the Analytic Hierarchy Process (AHP), was the only solution for Webster Bank because Expert Choice allowed multiple managers to participate in the weighting of the attributes and rating of the vendors. Also, the product was easy to learn and use because of its logic-based design.

After Expert Choice was acquired, a decision model was built based entirely on the structure of the RFP. Using the AHP functionality within Expert Choice, the model was weighted by the project team, with senior management having input on particular sections of the model.

For specialized areas of the RFP, subject matter experts were identified and pooled together to review vendor responses and rate them using wireless keypads to capture individual ratings. The Expert Choice software automatically aggregated the ratings as they were made, allowing the subject matter experts to review and agree on the outcomes without delay. This process

engendered debate and forged a consensus among the participants that led to an overall feeling of intrinsic value and ownership in the final decision.

In total, over 50 people representing more than 11 different business groups participated in the decision. The final result was ultimately presented to a steering group of senior managers.

Results

When presented with the results, the steering group asked some “what-if” questions to better understand the priorities. Using Expert Choice’s powerful sensitivity analysis graphs, the team showed senior management that the top two recommended vendors remained the same despite different weightings on the criteria, which solidified senior management’s trust and belief in the robustness of the process and in Expert Choice.

To determine which of the final two vendors should win the contract, senior management identified and agreed to the benefits of the new systems and processes. Expert Choice was then used to restructure the original RFP model, aligning its criteria with key revenue streams while keeping the priorities and model integrity intact. This allowed Webster to perform cost-benefit analysis for each of the top two vendors based not only on which vendor had the best overall “score” but, given a differential in cost, which vendor’s strength in specific functional areas attributed to tangible financial benefit.

In summary, the use of Expert Choice resulted in a simpler, more robust consensus decision process for Webster to select the right vendor. In addition to other vendor decisions, Expert Choice is now being applied in other areas of the bank such as project prioritization based on strategic, corporate and financial objectives.

Lessons Learned

- **Earlier deployment:** In hindsight, using Expert Choice before developing the RFP would have ensured a simpler and more focused RFP with fewer criteria and less redundancy.
- **Share the wealth:** Webster plans on training the trainers for every business group so that each group can build their own models around their specific objectives. This will push the use of Expert Choice and a more comprehensive decision-making process further down into the organization and result in better, more justifiable decisions in each group and across a variety of applications, including vendor selection, portfolio management, cost-benefit analysis, resource allocation and more.