Enterprise Solution Modernization Program Update

Office of the Executive Director
Office of the Chief Information Officer

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Briefing Agenda

- **Enterprise Solution Modernization (ESM) Background**

- **Introduction to ESM Program**

- **Accomplishments**

- **Data Analytics**

Background

ESM is the most complex program ever undertaken at NCUA

- NCUA Board provided necessary funding and dedicated resources to support the ESM Program in 2016

- Many NCUA legacy IT systems will be replaced with "next generation" tools that establish a new foundation for the examination program

- "Next generation" out-of-the-box tools are significantly more powerful and highly process driven as compared to NCUA's legacy systems

- Modified processes and new technology will touch all NCUA Central and Regional office staff, state examiners, and credit unions

ESM Key Objectives

➢ **Replacement of antiquated IT applications and infrastructure**

➢ **Provide for more offsite examination and supervision work**

➢ **Provide a single entry point for credit unions to transact business with NCUA and for staff to access the information they need on each credit union**

➢ **More robust data analytics that leverages currently available information to better direct field resources**

Introduction to ESM

Purpose: Modernize NCUA's technology solutions to create an integrated examination and data environment and facilitate a safe and sound credit union system.

The Enterprise Solution Modernization (ESM) Program is a multi-year effort established to manage the modernization effort and includes three key projects.

Examination & Supervision Solution (ESS)

Replace the existing legacy examination system and related supporting systems such as AIRES, TMS, MARS, and NSPM tools
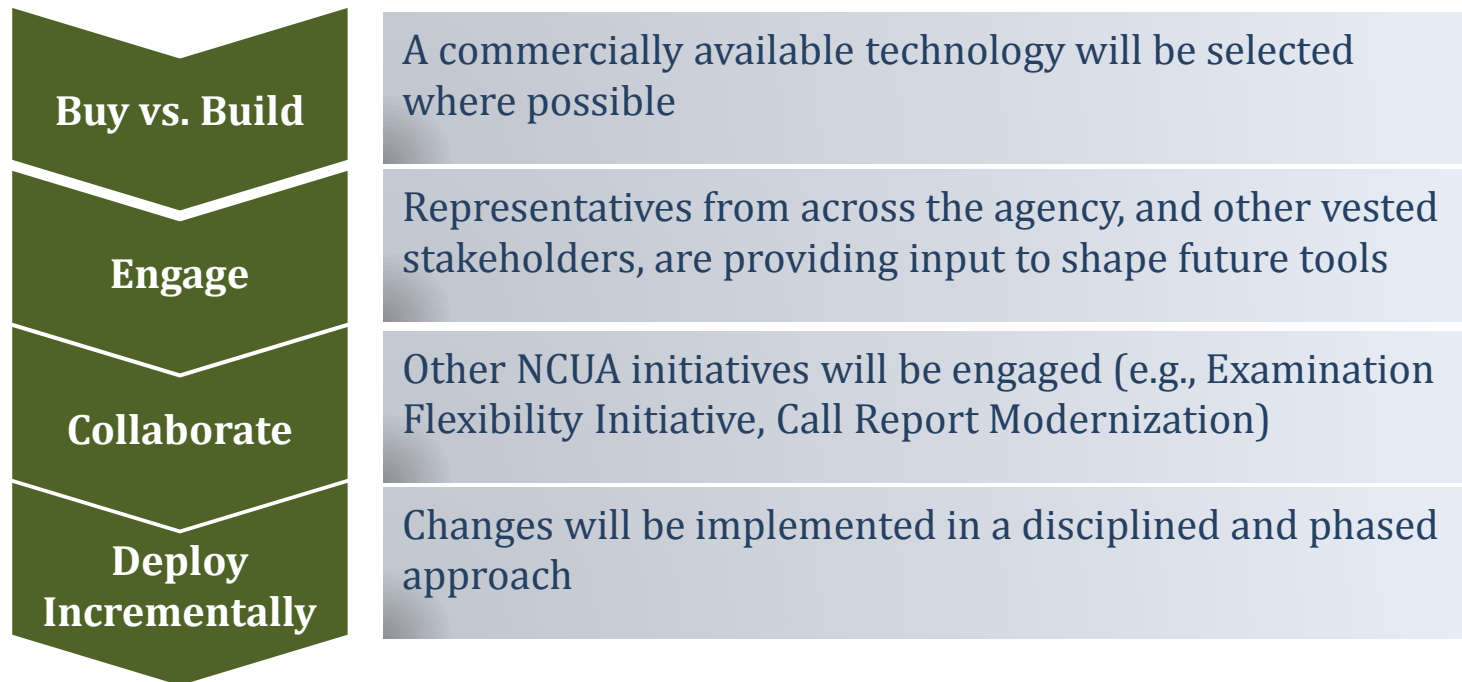
Data Collection & Sharing (DCS)

Define capabilities required for a common platform to securely collect and share financial and non-financial data

Enterprise Data Reporting Solution (DRS)

Implement business intelligence tools and establish a data framework to enhance analytics and provide more robust data reporting

How will we get this done?

The ESM Program has implemented effective tactics to manage this long-term effort.

Buy vs. Build	A commercially available technology will be selected where possible
Engage	Representatives from across the agency, and other vested stakeholders, are providing input to shape future tools
Collaborate	Other NCUA initiatives will be engaged (e.g., Examination Flexibility Initiative, Call Report Modernization)
Deploy Incrementally	Changes will be implemented in a disciplined and phased approach

What are the benefits?

The modernized solution is expected to provide value and create a positive impact across the Agency.
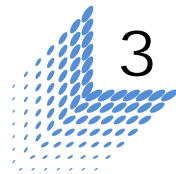
1 Emerging Technology

2 Secure Data Exchange

3 Reliable Data

4 Central User Interface

5 Centralized and 360° View

6 Enhanced Analytics

7 Earlier Risk Identification

Accomplishments

- **Established ESM Program governance**

- **Set up Program Management Office**

- **Engaged NCUA subject matter experts**

- **Developed organizational change management strategy**

- **Conducted extensive market research**

- **Solicited innovative strategies from industry software providers and system integrators**

Examination and Supervision Solution & Infrastructure Hosting

- **Request for Proposal**
  - AIRES Replacement Solution
  - Technical Foundation for ESM
  - Central User Interface and Secure File Transfer Portal
- **Phased due diligence**
  - Technical capabilities, past performance and price
  - Operational capabilities demonstration

Credit and Deposit Analytics

- **Portfolio segmentation, composition, and performance**

- **Collateral valuation**

- **Trending**

- **Integration with third parties, e.g. credit bureaus**

Enhanced Data Collection

- **Quality of analytics depends on the data fields collected**

- **Should NCUA pursue collecting additional data fields?**
  - Request for Information
  - Stakeholder Calls

QUESTIONS?