

ANALYTICS

Taking analytics to the last frontier

Alaska's Northrim Bank wins the
SBA Lender of the Year award, using
Qlik to target unique local needs

pomerol



CUSTOMER STORY

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Nate Olmstead, Senior Vice President and Data Analytics Manager, Northrim Bank

Supporting traditional service with innovation

Many banks highlight the unique characteristics of the region in which they operate. Alaska, however, is a world apart. The largest state in the US is also one of the least populated, and its physical landscapes are both extraordinary and often demanding.

Northrim Bank was founded in 1990 and has built its business and reputation with core values focused on serving the state and its people. For a business such as a community bank in Alaska, however, standard operating practices will only take you so far; Northrim’s success is a result of its flexibility and agility.

What makes Northrim stand out is its ability to blend traditional banking mainstays such as excellent personal service, with forward-looking and innovative approaches that many similar institutions would, even today, hesitate to embrace.

“In Alaska, you can’t always just drive over to the next town to go to a branch,” says Nate Olmstead, Senior Vice President and Data Analytics Manager at Northrim Bank. “Many communities aren’t accessible by road. For example, we’ve just opened a branch in Kodiak and the only way in and out is by boat or plane. In these communities, brick-and-mortar bank branches are still a necessity, but they also have to be supported by electronic channels.”

Exceptional bank, common problems

This quest for innovative pairing at Northrim takes many forms. For Olmstead, the essential tool that supports the bank’s customer focus while also driving key business decisions is analytics.

Solution Overview

Customer Name

Northrim Bank

Industry

Financial Services

Geography

Alaska, USA

Function

Finance, IT, Marketing, Sales

Business Value Driver

Customer Intelligence, New Business Opportunities, Reimagined Processes

Challenges

- Enhance Northrim’s digital innovation strategy
- Improve staff interaction with information and reporting across the bank
- Develop a solution with a demonstrable return on investment

Solution

Northrim worked with Qlik Elite Partner Pomerol Partners beginning with a compelling proof of concept and eventually incorporating Qlik Sense® across its analytics operation.

Results

- Qlik-based balance sheet tool was immediately adopted by senior executives
- Key applications include fraud prevention and managing Covid-19 loans
- Qlik Geocoding was a critical element of Northrim’s response to Typhoon Merbok

“We are a unique exception to many banks in that we have the ability to rapidly identify and deliver new applications that benefit us and our customers. We run towards new technology in a stable and secure fashion,” Olmstead explains. “We’re also unusual for a bank of our size in that we have a relatively mature data analytics team. It’s an area where we’ve made key strategic investments for future growth.”

While Northrim Bank is exceptional in many ways, the initial obstacles it had to overcome to ramp up its analytics and reporting processes were hardly unusual.

“We were suffering from all the common problems,” Olmstead says. “We couldn’t interact with our information, we had no ability to seamlessly transition from an executive-level summary all the way down to detailed data, and we needed different reports for every view. The standard reporting out of our core system limited our ability to gain meaningful insights.”

Northrim also saw that, as a bank, any analytics capabilities it took on needed to be backed up by tangible results. Return on investment was a primary consideration, and this led the bank to Pomerol Partners.

The test of a smart investment

Pomerol Partners is a full-service data and analytics consultancy based in London, UK, with operations throughout the US and Europe. It operates as an Elite Partner across the Qlik product range with clients primarily in the mid-market and enterprise space.

Crucially for Northrim Bank, Pomerol Partners has extensive experience in the banking sector, and its main objective when addressing clients’ challenges is to create business value through cost savings or increasing sales. Olmstead quickly realized that this would be a key factor in gaining support from the bank’s senior leadership, and began working with John Fitzgerald, a Chicago-based Partner at Pomerol Partners.

The solution that Fitzgerald proposed was Qlik Sense. Olmstead was impressed with the features and functionality it offered and devised a plan to introduce the software to the bank by having it address questions an executive had asked that Olmstead and his team lacked the tools required to answer with the bank’s existing systems.

“We engaged Pomerol Partners to build a proof of concept and share their industry experience,” Olmstead notes. “Within a week or so, Pomerol Partners had it up and running, providing the answers we needed. It was a great way to show our executive team that it would be a smart investment.”

Within a few short weeks, the purchase of Qlik Sense was approved and Pomerol Partners had completed the installation process.

Northrim makes the national news

Northrim Bank didn’t have to wait long before Olmstead and his team were delivering impressive results with Qlik. An early win was the balance sheet tool, which highlighted key changes and their causes in Northrim’s asset position. It replaced a previously slow, manual, and cumbersome process that revolved around e-mailed PDF files.

“Our CEO/President/Chairman, COO, and CFO all started using it immediately,” Olmstead recalls. “It was so accessible. If they saw a change at the end of day on Friday, they didn’t have to wait until Monday to find out why and keep things on track. As soon as we had the data, it was online and available 24/7. They could access it from their iPads while having their morning coffee if they wanted. It’s still heavily used by our C-suite to this day.”

It was an impressive achievement, but more followed. When the US Small Business Administration (SBA) launched Paycheck Protection Program (PPP) loans during the Covid-19 lockdown, some banks struggled to develop processes to ensure that funds were available where needed. Northrim Bank, however, turned to Qlik.

“We used Qlik in several different ways to push applications through as quickly as possible,” Olmstead says. “Qlik sat in the middle, taking data from the SBA, our internal systems, customers, and loan documents, and giving us a dashboard to manage everything. Thanks in part to Qlik, Northrim was the leading PPP provider in Alaska, funding nearing a third of all Alaska PPP loans. And a big part of the reason that the Bank was named SBA Lender of the Year again that year.”

A strong and growing deployment

Elsewhere at Northrim, Qlik Sense is playing a central role in the battle against fraud. Olmstead explains that the Alaska Permanent Fund Dividend, which pays state residents a share of Alaskan investment royalties, is prone to fraudulent activity that other fraud-management platforms tend to ignore.

“We’ve been able to plug many of the gaps using Qlik Sense,” Olmstead continues. “Our security and fraud department uses Qlik Sense daily to monitor a growing list of conditions that other software just can’t handle. It means our customers’ money is safer and the bank is protected.”

Qlik Sense is now used extensively across Northrim with a user base of 200. Olmstead now plans to explore Qlik Sense's predictive capabilities to identify the most suitable products for individual customers or highlight potential issues such as underperforming loans.

Northrim has also augmented its Qlik presence with Qlik Geocoding, enabling the bank to quickly identify customers in specific geographic areas. A function that came into its own when Typhoon Merbok hit Alaska's West Coast, as Northrim used Geocoding to identify and offer support to potentially affected customers.

"Alaska has plenty of natural disasters and they're a geographic problem – typhoons don't care what zip codes they hit," Olmstead says. "Typhoon Merbok was a prime example of where we used good information from Qlik to mobilize quickly and make a positive outreach that customers may not have expected."

The keys to success



400+ employees and \$2 billion in assets



200 Qlik users across Northrim Bank and its lending subsidiary

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About Qlik

Qlik, with the recent addition of Talend, delivers an industry leading portfolio of solutions for data integration, data quality and analytics. This includes advancements in real-time, AI, ML and automation. The most successful organizations are investing in data to make sense of the increasing amounts and varieties of data from diverse sources. The challenge is to effectively integrate, analyze and act on the data while ensuring its trustworthiness. With more than 40,000 active customers in over 100 countries, Qlik's solutions work with any data source, target, architecture or methodology, to ensure customers have the data they need, whenever they need it.

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About Pomerol Partners

Pomerol Partners builds industry leading business-focused data solutions. We are not general technologists; we specialize in data and data-driven projects. We provide business value to our clients through simplifying data and making data actionable. By assuming the role of conduit between business strategy and IT, our team of highly-skilled, tool-agnostic consultants are ready to facilitate cross-functional dialogue based on solid empirical evidence. We are strategic advisors who integrate, disparate and disconnected data sources within an organization through a process of flexible problem analysis.

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