



BACK-OFFICE SIMPLICITY SBA PPP Q2 INNOVATION STUDIO
 Q2 PARTNER MARKETPLACE COMMERCIAL BANKING Q2 CENTRIXIQS

Q2 Equips Texas Security Bank's Commercial Clients With Valuable, Time-Saving Digital Banking Solutions

By Q2
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Time is Money

Who values a business owner's time more than a fellow business owner? Texas Security Bank — launched by a group of entrepreneurs, business owners, and family business leaders — serves commercial banking clients exclusively. Business account holders need to complete transactions fast and get back to work; it's a consistent theme across all customers, regardless of age or business sector.

As Texas Security Bank grew, its legacy digital banking system became increasingly cumbersome and slow — words not found in an entrepreneur's vocabulary. Texas Security Bank Executive Vice President and Co-founder Shon Cass said, "(Back then), we would tell our provider that our clients were asking for certain tools and features that they already had at other banks, and our provider would say, 'We think that's on the roadmap two years from now.'"

Understanding that two years may as well be two centuries to its customer base, Texas Security Bank's leadership team began a search for a new digital banking partner.

PPP: An Opportunity and a Challenge

In 2020, the bank enrolled as a Paycheck Protection Program (PPP) lender to support businesses during the COVID-19 pandemic. This represented a huge opportunity for the bank to acquire new borrowers and expand its footprint in the commercial market. It also created a mountain of administrative headaches.

Texas Security Bank participated in the first round of PPP loans using its legacy provider, but quickly switched to Q2 in October. Because Texas Security Bank processed PPP loans on two different systems, the bank gained a rare insight into the efficiency of each platform during an unprecedented period of chaotic change.

Before partnering with Q2, Cass said conversations about innovation and creativity weren't part of the equation. "My conversations with Q2 are completely different," he said. "The advancements in technology that Q2 brings to the table — on top of the Q2 Innovation Studio and Q2 Marketplace piece — are worlds ahead of where we were."

In total, Texas Security Bank processed \$246 million in PPP loans and doubled its number of account holders. Half of the funds disbursed went to customers from other banks, giving Texas Security Bank a competitive edge and an instant influx of prospective borrowers who could potentially bring their commercial banking business to Texas Security Bank.

On Day One: New Efficiencies, Tighter Security, Better Visibility

With Q2, features the bank had long requested — such as multifactor authentication — were immediately deployed. Additionally, the account-opening process was significantly streamlined from several weeks down to just a few days — an upgrade that delighted new account holders and became immediately accretive to the bank's bottom line.

"Employee feedback is great, and the back-office capability of Q2 is so much easier to facilitate than what we were accustomed to. Even through implementation, we were able to tweak the system," said Cass. "On the ACH processing side, we were able to make some adjustments so that Q2 can communicate even better with CentrixPIQS (Q2's ACH file monitoring and risk reporting solution). Q2 was willing and able to customize the program to fit our needs, which wasn't possible in our past life. It was a take-it-or-leave-it approach."

In-house employees and commercial banking clients have both overwhelmingly applauded the upgrade. "Our deposit operations and payments team love the system and efficiency. Before, they were having to produce annual ACH audits by hand. Now, they just press a button," Cass said.

"The data is there; the data is accurate; it's easy to get to. It gives us better visibility into our clients — and we've got some large ACH clients. It gives us visibility into what they're doing; their return rates, and more — without having to do the manual calculations. I could go on and on about the efficiency lift on the back end with Q2. Those folks, I will tell you, are ecstatic," he said.

"The other big efficiency that we picked up is the ability for customers to administer their own users," Cass said. "In our previous system, we had that ability, but we didn't give it to our customers because it was too cumbersome and complicated."

Q2's Innovation Studio, The Marketplace and Q2 Partner Accelerator Program (learn more [here](#))

With digital options for every line of services, the Q2 Innovation Studio and Q2 Marketplace opened floodgates for Texas Security Bank to leverage popular fintech solutions requested by their customers.

"Q2's Marketplace is intriguing," Cass said. "Q2 has already gone out there, found the technology and done all the hard work. It makes it very simple for us to just turn it on. We certainly don't have a large IT staff; we don't have a large development staff. I'm a banker by trade. I'm a lender and a deposit gatherer. I'm not a technology project manager."

Q2 has empowered Cass and Texas Security Bank's leadership team to shift their focus back to banking and away from IT management. "I'm optimistic because Q2 is out there looking for technology and building that integration long before I have that need. Plus, the other parts of the program give me access to a programmer if Q2 hasn't already built that into the integration," he said.

"Fintech is so important right now with all the technology out there—not only to banks, but to outward-facing customers who then want to tie it back to their banks. When I saw the diagram of all the different legs of the Q2 Innovation Studio, I told 20 or 30 folks about it. It reinforced that we made a good decision and let us see quickly which technology we could leverage. With so many solutions available, why wouldn't I want to take advantage of everything? Even if only one account holder uses them, that's enough to justify putting it in there, so that that account holder doesn't have to go look for it somewhere else. We're leading, not following, the pack."

Through the Q2 Partner Accelerator program, Texas Security Bank was able to provide innovative fintech apps to account holders by simply selecting and deploying pre-integrated apps onto their system. Integrations do not require Q2 Product and Development resources, increasing their speed to market.

"The Q2 Partner Accelerator program really blew my socks off because one of the things as we move upstream looking for business — and we're starting to get into more property management companies and title companies — is they're constantly asking us, 'Hey, can you guys integrate with this technology? Can you integrate with that technology?'" I can tell you, in the past, I cringed when I would hear that," he said.

"But now, I feel optimistic that Q2 is out there looking for and deploying that same technology and building that integration long before I come to you with a need. And then the other parts of the program give me that ability to work with a programmer if a solution is not already built into the integration. That's huge. There is so much opportunity surrounding fintechs, not only for banks, but outward-facing technology to customers, who then want to tie it back to the bank. And I just think that those who move fastest will win.

Re-Imagining Texas Security Bank as a Virtual Bank

The shift to digital has been overwhelming. "I tell our leadership that we are as close to a virtual bank as we can get without calling ourselves a virtual bank," said Cass, noting that 85% of all deposits are electronic. "Only about 15% of our deposits are coming across the counter in branches. Because we are solely a commercial bank, we don't want that branch system where we've got folks standing in line to cash checks, make deposits, transact," he said.

"You can't do that without having incredible technology and a robust platform for digital banking. So, how does that impact the bottom line of the bank? Lower overhead and higher efficiency ratios all lead to more profitability.

Learn More

For more information on the solutions in this blog, please click on the following links:

- [Q2 Innovation Studio](#)
- [Q2 Partner Marketplace](#)
- [Q2 CentrixPIQS](#)

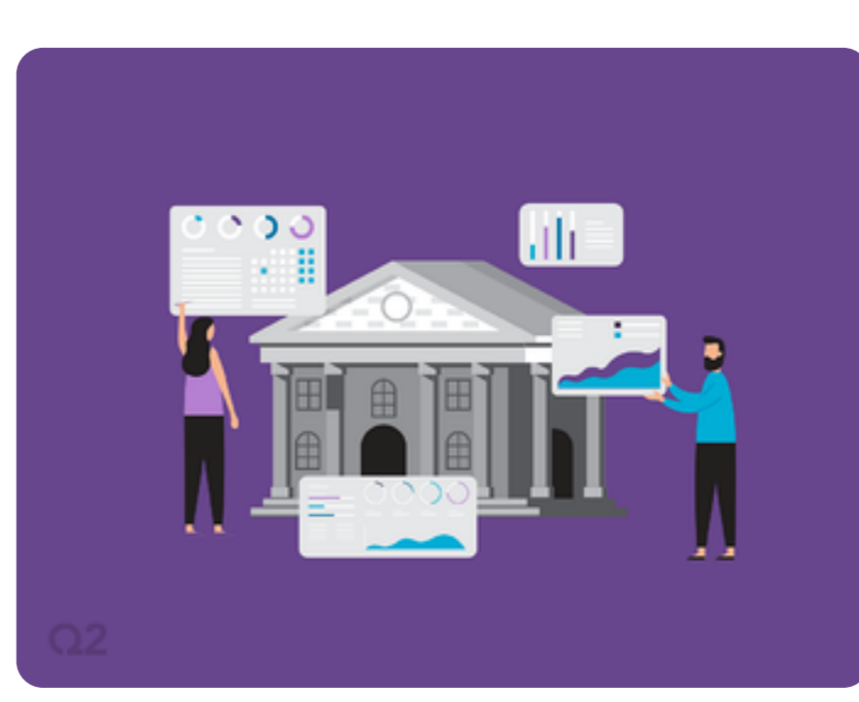
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