White Paper

Enterprise Content Management and Capture in the Banking and Financial Service Sector

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Introduction

Recent industry research confirms there is significant scope within most businesses to reduce operational costs, improve collaboration, to enhance customer engagement and to ensure compliance with internal and external regulatory guidelines by eliminating paper from their processes and by taking control of their electronically stored information. This can be especially true for the banking and financial service sector that continues to rely on paper and is heavily burdened with compliance initiatives. While this industry should be applauded for paper-free statements, online banking features and processing, and data recognition of checks from various mobile devices, there are still many processes such as on-boarding new customers, loan origination and approval, refinancing and signature card verification that remain paper-intensive. In an industry that is highly competitive these processes burdened by paper can have a detrimental impact on customer engagement. Additionally, there is perhaps no industry more heavily regulated than the banking and financial service sector. This sector must get all content under control to be able to demonstrate compliance with international, federal, state and industry regulated guidelines.

Advancing the adoption of Enterprise Content Management (ECM), including the critical capture component, in this sector opens endless possibilities to make banking and financial services more efficient, more responsive, more innovative and more secure and compliant.

This white paper will explore, at a high level, the role of ECM and capture in addressing core business objectives and applications in the following areas:

• Cost/Efficiency
• Customer Service
• Collaboration
• Compliance/Risk

Candidates

First, it's important to identify who the potential candidates are in the banking and financial service sector, as there are broad number of organizations that coalesce under this umbrella. While large banks shouldn't be ignored, most have

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implemented new core banking applications that include document management functionality.

The greater opportunity for ECM/capture adoption is in the following organizations:

- Accounts Payable in any organization
- Regional, Local and Community Banks
- Credit Unions
- Brokerage Firms
- Accounting Firms
- Financial Investment Firms
- Financial Advisors
- Wealth Management Firms
- Insurance Companies
- Leasing Firms
- Check Cashing Companies

Cost/Efficiency
Reducing reliance on paper derives many productivity benefits particularly from the capture component by providing the ability to find valuable data quickly, reducing manual classification and separation, manual keying, eliminating stacks of paper, manual filing, and eliminating lost or misplaced documents. Other cost savings are achieved by reducing physical office space, expediting access to actionable data and reducing cycle times.

Customer Service
Rapid response to customers is a key performance indicator for most organizations and is absolutely a competitive differentiator in the banking and financial service sector. Reducing reliance on paper and expediting critical processes, like setting up new accounts and loan approval cycle times, can increase customer satisfaction. Reducing paper in these processes can cut down on mail and courier delays, reduce lost or missing items and can start and complete the processes sooner.

Collaboration and Improved Customer Experience
Today's consumers have adopted mobile technologies and they expect the organizations they do business with to do the same. Customers expect to access and deliver information to banks and financial service organizations via mobile devices. While this sector has been quick to provide online banking, electronic statements and check depositing via mobile devices, other customer critical processes, such as new account applications and loan origination, remain paper centric. Progressive banks who are seeking the competitive advantage should provide the banking experience of the future today by enabling customers to capture and submit copies of required documentation through multiple channels including electronic statements, photographs from smart phones or images captured on portable document scanners, or MFPs.

Compliance
Relying on paper processes can result in critical documents being scattered throughout the organization making it difficult if not impossible to comply with the extensive regulations in the financial service sector. The digitization of these

documents enables organizations to manage and access these documents more efficiently. This ensures an accurate audit trail showing proper custodianship of documents to comply with guidelines defined by Basel Accords, Know Your Customer, Anti-Money Laundering, SEC, FDIC and FINRA. The ability to proactively respond to compliance and audit requests can save organizations significant time and money, and could be the sole cost justification for investing in ECM/capture technology.

ECM/Capture
ECM/capture solutions enable banking and financial service organizations to transition from slow, manual processes to fully automated and consistently executed processes. Digitized documents are stored in a secure and central repository and access is controlled by assigned privileges. Audit trails detail what actions were taken, when and by whom. Today's progressive ECM solutions are mobile capable and provide integration with core banking applications to ensure end to end processing.

While there has been progress in adopting ECM/Capture in banking and financial services, with an emphasis on back-end processing or post-process to reduce storage space and create an electronic archive, significant opportunities remain for up-front or scan to process applications that can have huge impact on cost reduction, better customer engagement, and preparedness for compliance initiatives.

Applications
Examples of scan to process applications where the digitized documents are used to drive the process include but are not limited to:
- Customer on-boarding (new accounts)
- Loan origination (personal – cars and mortgages)
- Refinancing
- Loan origination (commercial)
- Loan approvals
- Signature card verification
- Credit card application processing
- Insurance application processing
- Title insurance
- Claim processing
- Other documents (guardian paperwork, trust, marriage and death certificates)

Benefits
The net results of using ECM/capture to address these applications can be:
- Faster processing – significantly reduced cycle times
- Improved customer experience
- Cost savings
- Higher accuracy (automated recognition versus manual entry)
- Underwriting – route documents for decision processing (faster underwriting to funding)
- Post Close – increase speed and accuracy of land audit and review process
- Reduced shipping costs
- Integration with core banking applications
- Streamlined compliance efforts (natural extension of automated business

processes)
- Automated life cycle management (retention and disposition)
- Increased visibility to process (status review)
- Secured environment (access control and privilege assignment)

Best Practices
Some best practices to consider in order to ensure these benefits are achieved:
- Distributed capture – capture all inbound documents at the point of origin including mobile origin
- Device agnostic – capture using a wide variety of devices including dedicated document imaging scanners, portable document scanners, smart phones and tablets.
- Client portals – provide portals for customers to upload required documents
- Automatic indexing – use recognition to extract key pieces of information to populate index fields
- Automatic classification – use advanced recognition to identify document types and to classify accordingly
- ERM – Use electronic records management to ensure retention and disposition of documents
- Don't print – import documents in original electronic format versus printing and then scanning
- Backfile conversion – analyze what can be deleted, and convert documents that are likely to be requested; convert additional documents on demand
- Enterprise Application Integration – make sure to extract critical index information that can be used to link documents with core line of business applications
- Cloud – core competencies may be best served on premise but consider cloud for transactional processes

About the Author
Pam Doyle is Director of Education and Worldwide Spokesperson for Fujitsu Computer Products of America, Inc. In her role as Director of Education, Fujitsu has supported her in providing training to over 1,400 individuals in the Capture industry representing customers, VARs, ISVs and Distribution partners.

In her role as Fujitsu's spokesperson, she frequently shares her capture experience at numerous seminars and global conferences such as AIIM, ARMA and the ECM-Show.

AIIM has awarded Ms. Doyle with its "Education" and "Distinguished Service" awards, and she was recently inducted into the AIIM Company of Fellows. These awards recognize Ms. Doyle's vision and commitment to the advancement of the Capture Industry.