



FIRST VOLUNTEER BANK OF TENNESSEE

ECM Technology Addresses Bank's Need For Cost-Effective Security and Access Across 21 Branches

First Volunteer Bank of Tennessee (FVB) operates 21 branches across central and eastern Tennessee and has assets of approximately \$450 million. This community bank has evolved and grown over the years through various mergers. While this increases the financial position of the bank and the level of products and services it can offer to customers, it also increases the challenges of sharing information across an organization that includes more employees at a greater number of locations.

As a result of a merger of three banks in 1999, FVB found itself with three COLD solutions, and it was clear those systems would have to be upgraded and consolidated. Soon after, FVB merged with five more banks and began looking for a document imaging solution that would allow for the centralization of operations and integrate with its Jack Henry core processing application. The bank also wanted to reduce the amount of floor space dedicated to document storage, make documents more accessible, and increase efficiency of loan and back office processes.

Because the existing COLD solutions were OnBase® from Hyland Software, Inc., representatives from FVB attended the 2002 OnBase Training and Technology Conference to learn more about consolidating the three to reduce complexity. During that conference, the group from FVB met with representatives of PROFORMANCE, an authorized OnBase solution provider specializing in banking applications. PROFORMANCE demonstrated how OnBase could also address FVB's document imaging needs. OnBase is enterprise-class software that combines integrated document management, business process management and records management in a single application.

"We were pleased with the level of sophistication OnBase had as an imaging system and as an enterprise-wide document management system as a whole," comments Scott Harrison, senior VP and IT manager. As we moved forward we realized that having COLD, images and other data in a single repository that would gather information from various sources would be powerful for the bank. Another huge advantage was that OnBase would work with systems other than our core, so all of our business lines could be imaged with vendor independence. We did our due diligence on Hyland, OnBase and PROFORMANCE and found nothing but positives."

Access Documents From Any Branch Without Leaving the Core Processing Application

The first phase of the project, consolidation of the COLD system, was a tremendous success. By reducing personnel and the administrative complexity of maintaining three databases, ROI for that project was realized in about six months. Not only do more employees have the ability to retrieve data easily by performing nearly immediate searches of complex reports, but more data sources have also been added to the repository. The OnBase COLD system stores Jack Henry CIF20/20 reports, as well as ATM, Internet Banking and Annuity reports.

The next step was to begin eliminating paper in order to increase the efficiency of various processes. FVB settled on a centralized scanning strategy in which all scanning is completed at the corporate headquarters. Loan documents are prepared for scanning at branches and then sent by courier for scanning. Using software utilities created by PROFORMANCE, bar code

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AT A GLANCE

A centralized repository for documents of all types has helped First Volunteer Bank of Tennessee manage the challenges of maintaining consistency through mergers and maintaining a high level of customer service. At the same time, a centralized strategy for managing COLD reports and document imaging has significantly reduced labor with very little training.

BENEFITS

- Six month ROI for consolidation of COLD solutions
- Estimated 12-18 month ROI for document imaging and image-enabling
- Need for training was virtually non-existent
- Reduces burden of compliance and fraud detection
- Centralization allows branch offices to focus on improved customer service, resulting in the reassignment of 12 branch personnel

APPLICATION

- Consumer Loans
- Commercial Loans
- Mortgage Loans
- Deposit Department (Bookkeeping, Customer Service and Tellers)
- Bank Administration

ONBASE SOFTWARE

- Application Enabler
- CD Authoring
- COLD/ERM
- Production Document Imaging
- DVD Authoring
- Web Server

COMPLEMENTARY PRODUCT INTEGRATIONS

- Dell™ PowerEdge™ 2550 and 2650 servers
- Fujitsu® Computer Products of America M4097, fi-4220C and fi-4340C document scanners
- Kofax® Image Products, Inc. Virtual Rescan® (VRS) and EH-850s and 650i Adrenaline Cards
- Jack Henry CIF20/20 core processing application

separator sheets are generated and inserted into loan files to index documents. Additionally, a host synchronization process keeps the OnBase system in sync with the Jack Henry host system. The majority of documents are scanned using a Fujitsu Computer Products of America M4097 document scanner. Documents requiring color are scanned using a Fujitsu fi-4220C. After scanning, the data from the bar code is used to completely automate indexing of documents. "We don't want to key in anything except the loan number," comments Harrison.

Within a matter of months, FVB has made significant progress toward reducing the existing backfile of paper documents. Approximately 40% of more than 20,500 mortgage and commercial loan files have been scanned. That averages out to about 1,200 files a month, each with an average of 76 pages and 45 document types. Because the documents are available to any employee with authorization, the loan departments no longer have to fulfill document requests. If someone requests a loan that hasn't been imaged, a clerk scans the file and sends e-mail notification when it is available. All front-line lenders at 21 branches, lending assistants and loan operations personnel (a total of nearly 50 people) have access to the system.

Operators have scanned 39,984 signature cards, providing tellers with immediate access from any branch to reduce the risk of fraud and support regulatory compliance. All deposit information is also scanned using a Fujitsu fi-4340C document scanner. Several operational employees were instructed in overseeing the scanning process, which Harrison estimates takes only about an hour each morning. More than 100 bookkeepers, CSRs (customer service representatives) and tellers can retrieve these documents immediately. The system has also been rolled out to almost 40 executive administrators and branch management. About half of FVB's IRA documents have been prepped, bar coded and scanned.

In keeping with its original goal of implementing a system that could be used across departments and applications, FVB has plans to extend

the OnBase solution to other areas of its business. These include finance and AP (Accounts Payable), HR (Human Resources), Insurance, Audit, Information Security & IT and contracts.

However, users don't have to use the OnBase interface to access the document repository. In fact, most don't. Using the OnBase Application Enabler module, FVB has "image-enabled" its Jack Henry CIF20/20 software, which is an integrated application with one browser interface for deposits, loans, AP, GL (general ledger) and other core banking systems. At this point, they have enabled six key inquiry screens among deposit and loan subsystems. This allows users to double click on fields within the screens and bring up documents without logging into OnBase.

Image-Enabling with the Application Enabler module provides FVB with a cost-effective technology that can evolve with the bank. Because it is point-and-click configurable, Application Enabler is rapidly deployed and doesn't require expensive custom programming. Using its existing license, FVB can enable an unlimited number of Jack Henry screens. Application Enabler also integrates OnBase with virtually any other Windows-based application, providing the flexibility to continue to use OnBase even if it switched core processing systems, as well as to use OnBase in conjunction with other applications.

Centralizing Operations Improves Productivity, Reduces Labor

OnBase helps FVB meet the demands faced by banks everywhere: the need to stay competitive by continuously improving customer service and to meet regulatory compliance requirements without unreasonable labor costs or compromising efficiency. Because tellers have access to the OnBase system from within the screen they normally work, they can fulfill a request for account information nearly immediately from any branch. OnBase also reduces the burden of compliance and fraud detection by allowing a teller to immediately pull up a signature card for

verification. Harrison reports that regulatory examiners are also pleased with the ease of document research. Increased efficiencies from centralized document preparation and scanning resulted in the reassignment of 12 branch personnel while allowing the branches to be more focused on customer service by removing back room operations from remote sites.

Because OnBase is so easy to use, its deployment made very little demand on the end users. An estimated 90% of users simply access documents through the core processing screens they've always used. "Originally, I began to plan a strategy for training employees on the system," remarks Judy Cartwright, Senior VP, Loan Administration. "Instead, I was able to simply e-mail a training overview to all of our employees."

"The system is so tightly integrated that end users believe that the imaged documents are simply an imaging enhancement to the core application," adds Harrison.

Because it was part of a larger bank-wide reorganization, the hard ROI is difficult to calculate, but Harrison states that it is expected to deliver a return in 12 to 18 months. On the other hand, the soft dollar ROI as measured by increased efficiency, better communication and other process and customer service improvements was realized very quickly.

Used by thousands of organizations in countless vertical markets worldwide, OnBase provides FVB with a content management system that is flexible enough to meet the needs of departments throughout the bank as well as at FVB's insurance division. "The flexibility of using open databases and industry-standard hardware from any number of vendors allows us to control costs to meet our specific requirements," says Harrison. "If we change core systems in any of our business lines, then OnBase will move transparently."



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