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Don't Automate Your Financial Services Operations

Transform Them with Intelligent Information Capture

This white paper explains how intelligent information capture transforms financial application workflows and provides real-world examples of how financial organizations achieve these benefits.

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Back-office operations of financial services organizations such as banks, insurers, mortgage lenders and brokerage firms are feeling the huge strain caused by the combination of:

razor-thin margins

compliance and security requirements

ever-increasing customer service requirements

Complicating matters is the explosion of information that financial services companies must manage and the increasingly diverse channels through which paper and electronic documents arrive. A major contributor to the soaring volume of paper documents and electronic forms is the loads of paperwork required to comply with various government and industry regulations (e.g. disclosures and notices).

Financial services organizations that rely on manual and semi-automated processes in their back-offices to process remittances, applications and other documents are reaching their breaking point.

The volume and speed of newly available data is exploding. We could see 44 zettabytes of data created annually by 2020.[1]

It is no wonder that financial services organizations of all sizes are deploying intelligent information capture solutions to automate lockbox processing, integrated receivables, loan processing, claims processing, customer enrollment, accounts payable processing, and purchase order processing.

Importantly, intelligent information capture transforms financial services applications in five ways:

Reduced operational expense

Easier document preparation

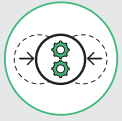Accelerated document processing cycle times

Streamlined compliance

Enhanced value

[1] PricewaterhouseCoopers (PWC)

How Intelligent Information Capture Works:

An intelligent information capture solution transforms financial business processes in five ways:

Ingest   1

Intelligent information capture solutions capture any paper or electronic document, from any channel to eliminate siloed mediums of interaction.

Aggregating information from multiple channels makes data entry:

- seamless and more accurate,
- accelerates data delivery and access,
- streamlines financial business processes,
- and allows for the consolidation of systems.

Document scanning is a key part of intelligent information management. Financial service organizations require production scanning devices that can be:
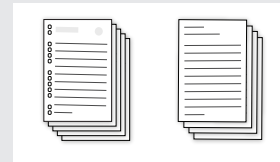
- deployed standalone, or on the desktop,
- and can process multiple document types co-mingled,
- with in-line data recognition,
- and the ability to automatically sort documents based on business rules and document type.

Recognize   2

Intelligent information capture solutions classify and extract information from unstructured and structured documents.

The technology determines the beginning and the end of a document. It classifies documents based on text such as a description field (e.g. loan number or invoice amount).

Once a document is classified, intelligent information capture solutions automatically understand the critical information needed on the document and extract critical points from anywhere on the document.

This information can start a business process or populate a database in a downstream application. Rules for data extraction can be flexibly configured based on unique business requirements.

14% of lenders do not currently have a digital mortgage and 36% of lenders do not use a borrower portal. [2]

[2] HousingWire and Maxwell

Purify

3

Intelligent information capture solutions also purify data, which results in less chaos downstream. Intelligent information capture solutions inspect, repair and enter information so data and images are exception-free. Batches of information are automatically queued for review based on the priority determined by user-configurable business rules. Poor read rates or images and data quality issues can be instantly traced to specific devices or inputs.

Connect

4

Intelligent information capture solutions route documents and data to the right people, at the right time. And information can be securely exchanged between different systems and data sources to enrich the extracted information. For example, intelligent solutions pass images, transactions and batches seamlessly to line-of-business applications such as a loan origination system, a customer relationship management platform, or an enterprise resource planning application. Merging data and workflows with intelligent information capture solutions enables organizations to eliminate information gaps, streamline operations across all its functions, and provide new ways of using data (think: analytics). Integrating data across the financial enterprise also helps identify bottlenecks.

Manage

5

As its name implies, intelligent information capture makes it easier to manage content. It enables organizations to configure, monitor and measure business processes in a single, secure environment. The inefficiencies identified by the technology empower organizations to direct staff accordingly, to improve agility and performance.

These capabilities radically change a financial services organization's back office.

Intelligent Information Transformation!

In a manual financial environment, people must classify all documents that enter the organization, manually key data from the documents, and file the documents for safekeeping. In this environment, knowledge workers can access documents only after they have been filed.

Intelligent information capture solutions automate these burdensome steps by digitally capturing paper or electronic documents from any source, automatically classifying each document and extracting data, and providing end-users with immediate access to documents and data via workflow or repository.

The only time employees must intervene is the rare event when the technology cannot automatically classify a document, or the business rules of workflow require a subject matter expert to review a document or information that does not meet a preset confidence level.

Intelligent information management solutions can capture content from any paper or electronic document, from any source, including:

Centralized batch scanning

Remote browser-based capture

Fax server integration

Ad-hoc desktop capture

E-mail integration

Shared services organization

Networked multi-function peripheral (MFP) capture

This is a critical capability considering that financial services organizations receive documents from more channels than ever, and analysts predict that document volumes will continue to grow.

5 Transformative Benefits

There are five ways that intelligent information capture transforms financial services applications:

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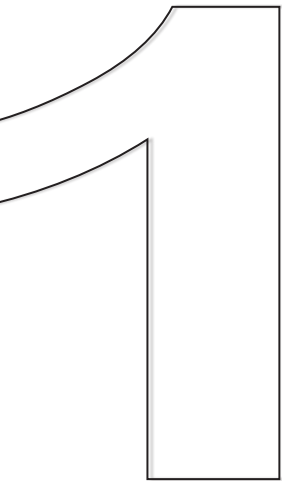
Reduced operational expense:

Intelligent information capture solutions reduce the paper handling and keying common in many financial services applications. For instance, one of the top 100 banks in the United States achieved its anticipated productivity improvements within only six months of implementing an intelligent capture solution.

The bank's old document imaging system required a full-time equivalent (FTE) employee to do nothing but scan consumer loan documents for nine hours each day. With the intelligent information capture solution, it now takes the same individual only three hours daily to scan all the bank's consumer and commercial loan documents. The bank also reduced the labor required to prep documents and generate slip sheets from one and three-quarter FTEs to a fraction of an FTE.

Most bank CEOs believe they will see significant return on investment from their digital program: [3]

ROI

21%

31%

44%

■ 12 Months ■ 1-3 Years ■ 3-5 Years
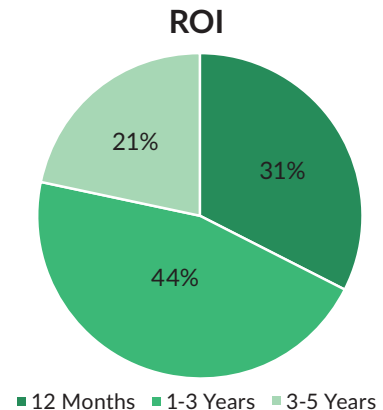
[3] KPMG's 2018 CEO Survey

2

Streamlined document preparation:

Deploying an intelligent information capture solution enabled one bank to reduce the time required to prepare documents and generate slip sheets from an average of 30 minutes to less than a minute. Employees no longer need to physically sort document types and create a single-use slip sheet for every document in the lending file. The new solution uses only two slip sheets for an entire lending file.

The intelligent information capture solution automatically classifies and separates documents within batches, extracts data elements from various document types, and routes document images and the extracted data to the bank's back-end document management repository. The ability to "virtually" batch documents is a huge time savings for lockbox processors, among others.

Similarly, a financial services company that purchases auto loans no longer needs to insert separator sheets between each document as a result of deploying an intelligent information capture solution. The new solution determines the start of a new document without separator sheets. Separator sheets are now used only in the rare event where a document is missing (this assists with business rules verification later in the processing workflow).

Reducing separator sheets reduces the cost of paper and eliminates the time and labor cost spent pulling separator sheets out of scanned batches. What's more, there is no longer the need to hand stamp an account number on each document for tracking; the account number is printed on each document in the loan package as part of the intelligent scanning process.

Only 37% of financial services respondents said that internal data and analytics will drive their next big decision. [4]

3

Accelerated document processing cycle times:

Intelligent information capture solutions can reduce the time required to process documents from several days to just a few minutes.

Within one month of deploying an intelligent capture solution, a financial services company that purchases auto loans eliminated a 3 1/2 month backlog of pre-funded loans that needed to be processed. The company now scans all of its loan documents within 24 hours of their purchase. The company also processes multiple loan packages co-mingled in the same capture workflow; the intelligent information capture solution reads a barcode on the cover page of individual loan packages to automatically separate each package into a batch. This helps the financial services company make quicker decisions on loans.

[4] 2018 PwC Big Decisions Survey

Help meeting compliance deadlines:

Audit and regulatory requirements place a big burden on financial services operations. Lenders face hefty fines and penalties for not providing borrowers with accurate closing information in a timely manner.

One of the largest 25 banks in the United States has replaced a slow HUD-1 document review process with an intelligent information capture solution to help meet its compliance deadlines for mortgage loans. The bank's staff used to read each HUD-1 and compare the many line items to the bank's loan origination database. When errors were discovered, the document was sent back to the loan closing agent for correction. It was not uncommon for this process to repeat multiple times.

With intelligent information capture, the documents are submitted to the bank via fax or email, then the software opens the HUD-1, extracts line-item information and validates it against the data in the bank's loan origination system. Any incorrect information is identified and presented to the reviewer, who can accept or reject the data and annotate comments for the loan closing agent. Revisions are tracked and included in the final document.

Enhanced value:

Deploying an intelligent information capture solution has enabled one bank to capture much more information from its loan files, including the dollar amount, date, address, and other descriptive fields. The bank uses this information to index the files, providing easier access to stored documents and data. The additional information also could prove invaluable when examiners review the bank's loan portfolio.

Similarly deploying an intelligent information capture solution has enabled a company that purchases auto loans to transfer images downstream in a fraction of the time it tool the company's old scanning and capture solution; this enables knowledge workers to take much faster action on documents.
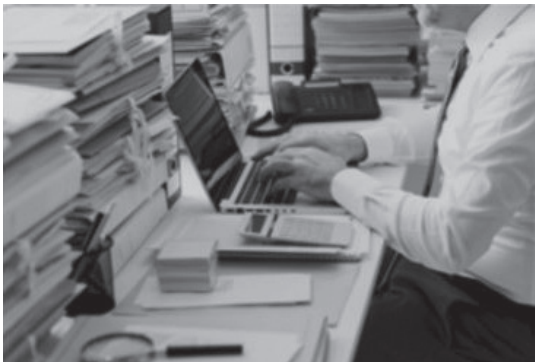
Intelligent capture helps to meet the challenges of thin margins, security and customer service demands.

The Bottom Line

Intelligent information capture solutions result in faster document workflows with:

- fewer manual tasks and less people required to do them,

- puts valuable information securely into the hands of front-line employees at a faster pace,

- and helps to meet stringent requirements for regulatory compliance.

More importantly, the technology helps financial services organizations meet the challenges of razor-thin margins, heightened security demands and ever-increasing customer service demands.

It's time to
transform your business.

ibml is the world leader in high-volume intelligent capture automation. Using industry-leading intelligence and accelerated speed, ibml helps organizations extract actionable data, capture insights, and expedite critical decision-making. The world's largest enterprises in Banking, Financial Services, Insurance, Healthcare, Government and Business Process Outsourcers rely on ibml to help overcome their core information management challenges. With a comprehensive suite of hardware, software and services ibml products can be found in over 80% of the world's top mailrooms.

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February 2020