

Union Bank accelerates return on investment



The bank's ECM strategy evolves over 18 years from imaging and workflow to case management

Overview

The need

Union Bank, N.A. wanted to further increase responsiveness and reduce costs by continuing to evolve its ECM strategy begun in 1994 to eliminate paper-intensive manual processes.

The solution

The bank teamed with IBM Business Partner Pyramid Solutions, Inc. to extend existing IBM® FileNet® content management solutions with IBM Case Manager software.

The benefit

By enabling business-driven use-case modeling and fostering reusability, Union Bank speeds deployment of process improvements, enterprise-wide.

The primary subsidiary of UnionBanCal Corp., Union Bank, N.A. offers a broad array of financial services to individuals and businesses from small firms to major corporations. It operates approximately 400 retail branches in California, Washington and Oregon. Union Bank also has commercial branches in Dallas, Houston, New York and Chicago, as well as two international offices in Asia.

Aggressively addressing risks and costs of paper-based processes

Like most financial institutions today, Union Bank faces an unfriendly environment of sustained low interest rates and increased regulatory oversight. Yet the bank continues to demonstrate resourcefulness in meeting ambitious financial goals by focusing on three priorities: creative growth, efficiency and foundational strength.

To help realize these objectives and reach its goal of becoming a top 10 bank in the United States, Union Bank has been implementing key components of the IBM FileNet Content Manager solution over a period of nearly two decades. With a comprehensive approach to bolstering its technology platform enterprise-wide, the bank streamlined processes to save steps and eliminate waste. “A primary target continues to be minimizing paper by image-enabling processes up-front so that documents and other content become part of the active workflow,” says Maureen Kennedy, vice president and senior systems manager of IT at Union Bank.



“One of the key advantages of IBM is its highly integrated enterprise content management suite. Three or four years ago, I couldn’t dream of capturing a case document image and the data all in one user interface. Today, I can do that easily.”

—Albert Pena, vice president of bank operations, Union Bank, N.A.

Realizing rapid return on investment with imaging

When Union Bank first deployed FileNet Image Services software in 1994, it had one document class. Today it has 68 classes. The savings have been impressive. “With basic document capture, Union Bank realized a 70 percent return on investment within 18 months of implementation,” says Albert Pena, vice president of bank operations.

Saving USD500,000 through automated workflow

However, while replacing paper with electronic forms and documents yielded significant benefit, the real value kicked in when those images became accessible within the context of a business activity. Initially, the bank’s business units tended to use the FileNet Content Manager repository as a downstream archive. This changed as Union Bank began implementing IBM Case Foundation software. To date, the company has developed almost 25 applications linking captured images to automated workflow. Each initiative went through a rigorous cost-benefit analysis before funding. Once deployed, the bank measured actual results against projected efficiencies to verify gains.

As an example of the scope of improvement, Union Bank is now able to complete the fee adjustment process in minutes instead of two or three days. The solution automatically validates changes against the most current customer data and updates back-office systems. There used to be 15 full-time employees needed to receive, review and approve faxed documents coming in after 3 p.m. each day from branch offices along the West Coast, from Seattle to San Diego. With the solution in place, full-time equivalent head count went down to one-half. The annual savings is roughly USD500,000.

Solution components

Software

- IBM® Case Manager
- IBM FileNet® Image Services
- IBM FileNet Content Manager
- IBM Case Foundation
- IBM Datacap Taskmaster Capture
- IBM Forms

IBM Business Partner

- Pyramid Solutions, Inc.
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“Now we can use a document to start a process and the IBM Case Manager workflow modeling capabilities put control in the hands of the business. Updating a business process rule, for example can be completed in three days instead of three months.”

—Albert Pena, vice president of bank operations, Union Bank, N.A.

Compressing process times from days to minutes using case management

Recently, Union Bank teamed with IBM Business Partner Pyramid Solutions, Inc. to deploy IBM Case Manager software. The first activity targeted for improvement was handling address changes for retail bank customers on the West Coast. Customers were filling out paper forms at branch offices to update addresses on their accounts. The office then shipped the forms to a mailroom in Monterey Park, California, where they were sorted and sent to the back office for processing. Seven to ten percent of the time, the process could not be completed because of errors or missing data, such as customers failing to list all of their accounts.

Now, branch office employees guide customers through the input process by filling out an online form created with IBM Forms software. This form is integrated through the Case Manager application to the systems necessary for automatically populating customers' account information and enabling near-real-time changes.

Employees have a 360-degree view of each customer's file. They can input account-level changes, and they can edit addresses at the customer level. For example, a customer is relocating to Singapore for six months and wants a temporary change of address on five of his eight accounts. The customer service representative can easily process the request. The system handles the complexity with dynamic integrations to existing systems and individuals with various approvals and exception routing.

“It used to take one to three days to complete that kind of request. Now it takes one to three minutes,” says Dave Gomez, senior vice president for the Enterprise Content Management Program Office at Union Bank. “We’ve gotten rid of paper and reduced rework due to invalid data. Most important, the employee processing the request doesn’t have to go to 15 different screens to get a complete picture of the customer’s bank accounts.”

“With IBM Case Manager supporting business-driven use-case modeling and asset reusability, project turnaround is the fastest in the bank’s history.”

— Albert Pena, vice president of bank operations, Union Bank, N.A.

In addition, the Case Manager software automatically captures case histories, updating in near-real time what changes were made to an account, when they were made, by whom and how long it took. In less than a minute, managers can access process performance information that used to take them as much as an hour to compile.

The solution also provides some unanticipated benefits. For example, Union Bank is required by law to deactivate any account not used for a year. Now, if the inactivity is due to relocation, the new change-of-address workflow automatically adjusts the last customer contact date. This update did not occur as part of the previous, manual process. “It helps the customer and the back office. It keeps the account open and eliminates staff time spent contacting the customer or initiating other unnecessary activities,” says Pena.

Accelerating process improvement with business-driven modeling

Going forward, Union Bank sees IBM Forms and Case Manager software as the primary means of delivering process improvements quickly. Time to value is a high priority for funding any project. “It can’t take six months; it needs to take six weeks,” says Pena.

The IBM tools are designed to allow business analysts to build or modify tasks on a modular basis without requiring programming skills. Using interview-style interfaces for case construction, analysts can assemble and reassemble applications from reusable components. Analysts can also initiate automated workflows upon data input, from an image or with a request. In short, Forms and Case Manager solutions enable a rapid, iterative project approach with hands-on involvement of business stakeholders.

Deploying the change-of-address application took four months. Union Bank is also implementing an application to streamline decease processing—the workflow initiated when a customer dies. Application development of this much more complex workflow still took only four months because the project team was able to reuse so many components.

Reducing the risk of regulatory noncompliance

As part of a tightly regulated industry, Union Bank faces risks of noncompliance for process delays and undocumented procedures. Fines per incident can range from USD10,000 to USD50,000 to a cease-and-desist order.

With FileNet Content Manager, Case Foundation, Forms and Case Manager software, Union Bank has a twofold advantage. First, business rules provide the flexibility to help the bank build policy and regulatory compliance into its workflows. Second, automated audit trails help demonstrate that compliance. “Instead of showing a regulator or auditor a Visio diagram outlining how a process is supposed to work, we can now show how it actually happens, step by step. We can prove it out,” says Pena.

To further improve transparency and efficiency, Union Bank is implementing IBM Datacap Taskmaster Capture software to accelerate remote scanning and verification using a web browser. The software offers tight integration with advanced thick client capture functions, such as document ID, recognition and validation, which is helping the bank pick up the pace of process improvement. For example, a relationship manager is out of the office in a meeting with a commercial customer. “When he needs information from the customer, he can now simply take a picture with his smartphone of a document under discussion, and the system automatically ingests and starts a process for it,” says Gomez.

For more information

To learn more about IBM Enterprise Content Management solutions, please contact your IBM marketing representative or IBM Business Partner, or visit the following website: ibm.com/software/ecm

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