

Illinois National Bank Reduces Costs, Achieves a Competitive Advantage with ibml Scanning and Document Capture Solution

Case Study

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Lockbox processing remains a lucrative business for financial institutions, representing billions of dollars annually in fees and interest income, plus revenues from ancillary bank treasury services. It also is a critical differentiator in a financial institution's ability to win and retain corporate clients.

For years, the lockbox market has been dominated by large financial institutions who have flexed their financial might to invest in the infrastructure necessary to meet the needs of corporate clients.

But Illinois National Bank, an 11-branch institution based in Springfield, Ill., is using a scanning and document capture solution from ibml to level the playing field against its larger competitors, some of whom are among the top U.S. banks, and one of which has a processing facility in the same town.

Since deploying the ibml scanning and document capture solution, Illinois National Bank has reduced its full-page scanning and processing costs, won new business in the lucrative healthcare and government markets, and grown its scanning and data capture revenues from existing customers. Illinois National Bank is using two ImageTrac® high-speed scanners powered by ibml's Capture Suite software. The bank keeps a third ImageTrac scanner at its disaster recovery site.

The Situation

Illinois National Bank processes wholesale (business-to-business) and retail (consumer-to-business) lockbox transactions on behalf of corporate, financial, government, healthcare, legal and higher education organizations. Not surprisingly, the bank processes documents of varying size, weight, thickness, and type.

Before deploying the ibml scanning and capture solution, Illinois National Bank processed full page lockbox transactions on two standalone workstations that combine mail extraction and document scanning.

"We were getting choked," recalled Brian Payne, senior vice president of operations for privately held Illinois National Bank. "We had more work than the workstations could efficiently handle."

The root of the problem was a requirement by several of the bank's customers for their documents to be sorted before scanning based on a variety of business rules. One of the bank's largest lockbox customers requires documents to be pre-sorted based on 11 business rules, such as the presence of a check. In some cases, the bank must perform a pre-edit routine to qualify a document for scanning.

Illinois National Bank's mail extraction and scanning workstations were ill-suited for pre-sorting. "Making a lot of sorting decisions on our old workstations significantly impacted our productivity," Payne said, noting that the workstations were idle while operators made pre-sort decisions. The tipping point came when the bank signed several new lockbox customers that required full-page scanning. "We determined that we would need 15 to 20 more of our old workstations to support the volume. We had to decide whether we were going to fill a room with workstations that would sit idle most of the time, or purchase one high-speed capture device and stage the work before scanning."



The Solution

Illinois National Bank purchased an ibml capture solution consisting of ImageTrac scanners and ibml's Capture Suite. "ibml offered the most affordable solution that we evaluated," Payne said, crediting the ability to pre-stage work before scanning for a significant part of the cost savings.

Illinois National Bank also was impressed by the ease of configuring scanning jobs using ibml's software and the ImageTrac's flexibility in processing and sorting a wide variety of document types.

Another selling point was that ibml manufactures the ImageTrac in the United States (Birmingham, Ala.), which the bank believed would help make spare parts and service more readily available.

The bank began production with the solution less than a week after delivery. Payne was particularly impressed with the pre-planning and coordination by ibml's project coordinator. "ibml's installation and training was better organized than most IT solutions we have implemented," Payne said, adding that ibml's onsite acceptance testing enabled the bank to verify that the solution functioned properly.

The ibml scanning and document capture solution also integrated easily with the bank's existing systems. For instance, ibml's PostScan software enables Illinois National Bank to export images and data in a file format specified by the bank to back-end systems for further processing.

Illinois National Bank's staff also found the ibml solution easy to operate. "ibml's solution doesn't require a lot of upfront training," Payne said. This enables the bank to cost-effectively manage the peak volumes of a couple of large government processing contracts. "During tax season, we are busting at the seams with work. The ImageTrac is so easy to use that we allow temporary staff members to run it. We could never allow temporary staff to operate our old mail extraction and document scanning workstations."

The ImageTrac's open-track design and accessible modules also make it easy for operators to clear any jams, Payne added. And the scanner's drop-feeder allows operators to quickly re-scan items.

One year later, the bank purchased another ImageTrac to support its growing volume. Recently, the bank purchased a third ImageTrac and moved one its older devices to the bank's disaster recovery site.

The ibml solution is also opening the door to lucrative new business for the bank. Without the ibml solution, they wouldn't be as competitive in the full-page scanning business – and with check volumes declining, that's the future of lockbox processing.



The Benefits

“ibml delivered immediate cost savings, lowering our cost for full-page scanning,” Payne said.

Payne said that it is more cost-effective to stage work and scan it on a single device than to make decisions on a mail extraction and scanning workstation. “It’s a more efficient use of equipment, and the people required to open and stage work are on a different pay scale than a workstation operator. There’s no way our old workstations could have supported our current page scanning volumes.”

End-to-end, the ibml solution also provides faster turnaround than the bank’s old workstations.

The ibml solution is also opening the door to lucrative new business for the bank. “Without the ibml solution, we wouldn’t be as competitive in the full-page scanning business – and with check volumes declining, that’s the future of lockbox processing,” Payne said. In one case, a demonstration of Illinois National Bank’s ibml solution convinced a state agency that the bank could meet its processing requirements.

“Ordinarily, prospects almost immediately dismiss bank lockbox providers of our asset size,” Payne said. “But the ibml solution puts us on equal footing with large banks. It provides a ‘wow factor.’”

Payne said the ImageTrac is especially ideal for processing explanation of benefits (EOB) documents on behalf of healthcare providers. Illinois National Bank currently provides its healthcare clients with images of EOBs for reconciliation. The bank also indexes EOBs by provider name. “The ibml solution has helped us win new healthcare clients and deepen our relationship with existing clients.”

The Bottom Line

“The ibml solution enables Illinois National Bank to provide its new and existing customers with a flexible and cost-effective scanning and data capture service. This has helped make our bank more competitive in the lockbox market, even against the largest financial institutions,” Payne said.

“Our full-page scanning business would not have been as successful without ibml,” Payne concluded.