



USE CASE: MOVING FROM BRANCH TO TELLER CAPTURE

New technology resolves credit union's check processing challenge

Credit union seeks simple, affordable check processing solution

Although electronic banking has become increasingly popular in recent years, checks remain a common and highly used method of payment in the United States. A 2010 Federal Reserve Payments Study estimates that there are still 24.4 billion checks written in the United States annually. In fact, checks written from person to person increased by three percent per year between 2006 and 2009.¹

Consumers and businesses still using paper checks benefit from the security and flexibility provided by this traditional payment method. Credit unions, with their strong customer service business ethic, aim to cheerfully accommodate their customers' preferences. But this accommodation needs to be in balance with the business requirement of controlling or reducing costs.

Paper checks are increasingly costly to process and financial institutions are looking for simple, affordable ways to manage this challenge.

A forward-looking approach

A credit union processes deposits with check volumes of 800 to 1,600 checks per day, at each of seven branches. A currency processor and a horseshoe-type check scanner were used to perform branch capture. Using scanners interfaced with a teller system, the branch capture process was taking 30 to 40 minutes per batch of checks.

As an early adopter of branch capture, the credit union hoped to further increase speed and efficiency by moving to teller capture with the application of new technology. Their ultimate goal was to improve check and deposit processing, saving time, providing better customer service and making employees jobs easier.

Pain points in current process

- **Preparation time:** time-consuming facing and sorting checks for the horseshoe scanner's feeder
- **Slow processing speed:** horseshoe scanners perform too slowly for the quantity of checks processed
- **Document condition:** poor machine handling of wrinkled documents
- **Equipment jams:** machines subject to frequent jamming
- **Large footprint:** space limitations prohibit using two machines for teller capture
- **Off-site service:** need redundant scanners due to off-site repairs
- **Machines unreliable:** repairs needed more often than seems reasonable

Customer qualifying criteria

The customer needed to build a business case for a new solution and brought forward some additional factors for consideration:

- Check volumes alone might not justify purchasing a new machine
- Branches where lower quality checks and currency are typically processed should receive precedence in upgrading

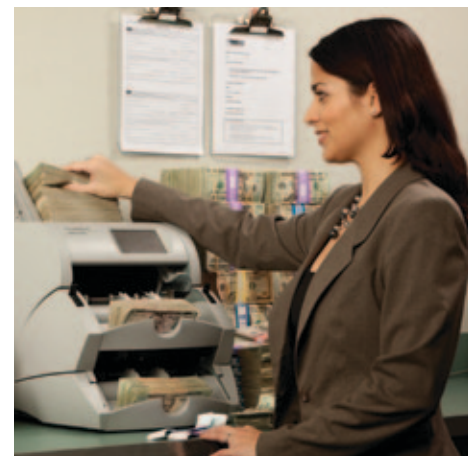
Perceived barriers to new solution

Not everyone in an organization welcomes change, and there were employees who initially resisted the proposed process shift. They said that a new machine and new software interfaces would have a steep learning curve, incurring time and costs for retraining. Some maintained that the current process was acceptable – so why was there a need to change?

Doubters become advocates

When skeptics had an opportunity to see firsthand the ease of use, the speed, and increased image quality provided by the new solution, no further doubts were raised. Everyone was eager to move forward on a trial of JetScan iFX® check and currency scanner.

JetScan iFX proved fast and simple to use, with cashiers remarking on its ease of operation compared with their previous currency scanner. One step jam recovery, wrinkle removal by special software and the ability to process large deposits considerably faster than before won over the tellers, branch managers, and credit union decision makers completely.



Ease of operation made converting to a new process fast and simple.

¹ Federal Reserve System, www.frb-services.org/files/communications/pdf/research/2010_payments_study.pdf



Processing checks three to four times faster enables tellers to provide better customer service to members.

Show us the money

Operational improvements

- 3 to 4 times faster check processing
- Elimination of a half-time position
- Reduction in transaction processing times

Speed of operations was greatly increased via conversion to JetScan iFX. Three to four times faster check processing at the teller station enabled the credit union to eliminate a half time position dedicated to processing each day's checks. In addition, the advanced currency processing capabilities of the i100 visibly impacted overall transaction times.

A teller stood ready every afternoon to count the currency brought in by a single customer – the bills' poor condition requiring considerable processing time. With its unmatched ability to scan bills in almost any condition, JetScan iFX shaved more than nine minutes from this daily transaction, reducing it from 10 minutes to less than one minute. This exceptional

case demonstrated that dramatically improved processing of poor quality bills would reduce deposit transaction times.

Other opportunities for direct cost savings included:

- Rescanning greatly decreased or eliminated
- Reduced footprint by replacing two machines with one
- Less down time and maintenance cost for one machine and one vendor
- Need for redundant equipment eliminated with greater reliability and on-site service

JetScan iFX also captured better quality images than the credit union's previous scanner, resulting in fewer rejects. Rejects are costly both in terms of time and processing fees. Prior to the 10-week trial of JetScan iFX one or two items per day – or approximately 750 items – had been rejected due to poor image quality. During the entire trial, however, only one item was rejected – a very significant reduction.

JetScan iFX has the unmatched ability to scan bills in almost any condition.



Better quality images plus fewer rejects equals lower costs.

Other cost savings

Additional savings and benefits the credit union acknowledged includes:

- Simple operation made conversion to the new process quick and easy for all concerned
- Increased customer satisfaction with cashiers able to spend more time interacting with members
- Increased employee satisfaction, making a critical task easier, faster and more rewarding

Mission accomplished

The credit union's ultimate goal was to save time, provide better customer service and make employees jobs easier by improving their check processing. By giving JetScan iFX a trial, they accomplished that goal and more.

At triple and quadruple the processing speed they blazed through checks at a pace they hadn't imagined possible, removing the need to process checks as a separate operation. In addition, the superior image quality produced by JetScan iFX reduced the need to rescan checks, yielding unanticipated time savings.

Frequent rejects became a thing of the past, with only one reject reported over 10 weeks rather than 1 to 2 per day. Even currency processing results were significantly improved – by more than 90 percent when processing poor quality bills – within a reduced footprint and with greater accuracy and imaging options.

Best possible outcome

But for a credit union, improved customer service is arguably the most highly prized and sought after benefit – and there was no argument that the tellers now had more time to interface with members in a positive way. And, since employee satisfaction generally translates to better service, the new equipment's ease of use, dependability and the elimination of all their pain points added up to the best possible outcome for this customer.



Call today for your trial of this award-winning solution. For more information about JetScan iFX solutions, please visit cumminsallison.com/checks



852 Feehanville Drive
Mt. Prospect, IL 60056
800 786 5528
cumminsallison.com

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Cummins Allison is a global leader in developing solutions that quickly and efficiently count, sort and authenticate currency, checks and coin. With a 125-year heritage of leadership in technology and product innovation, Cummins Allison serves the majority of financial institutions worldwide, as well as leading organizations in retail, gaming, law enforcement and government. Ninety-seven percent of our customers recommend our products and services.

CA holds more than 350 U.S. patents and invests double the industry average in R&D. Our world-class sales and service network includes hundreds of local representatives in more than 50 offices in North America, 4 wholly-owned subsidiaries in Europe and is represented in more than 70 countries around the world.