Implementing an Enterprise Content Management Solution to Improve Efficiency and Reduce Costs

American Bankers Association
Stonier Graduate School of Banking
Capstone Project
Class of 2017

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Executive Summary

XYZ Bank is a $3.7 Billion Community Bank headquartered in Western AnyState, consisting of 53 retail branches and over 60 ATMs in 15 counties across its footprint. The areas in which the Bank is most dominant in market share lie in rural areas where the large competitors have a less significant presence. In recent years, XYZ has focused on expanding into the more urban areas of Marion and Eileen Counties. While this presents difficulties from a competitive standpoint, it also presents significant opportunity for growth. XYZ’s approach with its recent expansion was been to build “The Branch of the Future” which has now turned into the “Branch of Today” and has become the standard by which the Bank models all of their newly acquired and developed branches. These branches are called Financial Solutions Centers and employ Certified Personal Bankers, who are put through a six-month training curriculum where they learn about all aspects of banking and can assist customers with all of their financial needs.

XYZ struggles with a balancing act of sorts in that they strive to continue to provide an exceptional hands-on, personal experience to its customers who, based on feedback received in numerous customer surveys, appreciate the home town personal assistance they receive when they work with the Bank’s employees, while also providing products and services that keep up with the changing times. Often times, meeting the needs of the shifting environment requires the implementation of improved technology solutions, which can lead to fewer one-on-one personal interactions. XYZ continues to strive for this balance by offering self-service features in their branches and online delivery channels,
while still providing access to knowledgeable employees to assist customers who prefer to
do their banking with someone who can provide personal assistance when needed.

One of the areas in which XYZ has focused its technological advances is the area of
document management. Historically, XYZ has been a paper-heavy, paper-reliant company. They have recently implemented a software solution (Jack Henry Associates, Synergy) that allows for better, more efficient handling of reports and documents. While the purchase of this software solution allows the opportunity for XYZ to advance in the digital age, this is just a baby step toward that end. Purchasing and implementing the software is just the beginning. In order to see greater benefits, the Bank will need to embrace a whole new way of operating in this new environment.

In order to see the full benefits of this investment, there are additional modules that would benefit XYZ Bank from an operations and efficiency standpoint. Since reports and document images are already in place within XYZ Bank’s current environment, simply utilizing them through a new platform doesn’t change much from a processing standpoint. The greater benefits will be realized through a full-scale implementation of an Enterprise Content Management (ECM) solution. This would entail the purchase of additional modules of the Synergy software and a comprehensive full-scale rollout of an electronic document management process.

To implement this proposal, there are critical phases that would need to take place.

**Complete the implementation of Synergy Phase I rollout.** XYZ Bank has already committed to several modules in the initial phase of this project. The Bank is in the process of installing each of the components and all installations are expected to be completed by
the end of February 2017. This will accomplish migrating all existing reports and images to the new platform, with very few changes to workflow across the company.

**Implement workflow changes with Phase I modules.** After the installation of the software modules are complete, fully implementing the workflow changes that are available in Phase I will benefit XYZ from a back-office perspective. Auto Document Recognition, Auto Import, and eDistribution are the main time savers. Since the implementation of these modules will primarily be driven by and utilized by the Operations areas, the rollout should be able to be accomplished relatively quickly. Anticipated timeframe for complete implementation of Phase I is two months

**Commit to purchasing the additional Synergy modules.** Once XYZ has completed the initial installation and implementation of all Phase I components, the Bank should look at improving their existing workflows when it comes to document management across all business lines. There is an opportunity to save a significant amount of time from an operational aspect by implementing a full ECM solution. In addition, over time, there is a considerable cost saving associated with this solution in terms of supply costs as well as personnel expense reduction. There are several areas within XYZ that would benefit from the Bank’s additional commitment toward full ECM implementation. The Bank would see staff reduction in the Retail Branch channel as well as the Operations areas. In addition, the software will help improve workflow in a number of different areas. One area that could benefit greatly from a full ECM system is the Commercial Lending and Credit area. With Commercial personnel spread throughout the XYZ footprint, there are a lot of documents that are shared across the company lines. This creates a significant opportunity
for documents to get mis-routed and lost, creating additional time and work for employees and inconvenience to customers.

**Rollout of a full ECM solution throughout the Bank.** Once the Bank commits to purchasing the additional modules of Synergy, it will be incumbent on the Project Manager and Project Team to create a plan for implementation, gain commitment from various department heads, and begin the process of rolling out the ECM solution through a phased approach. This will present challenges in that most people are not comfortable with a change of this magnitude. The project team will have to be extremely detailed in its presentation of the materials, outlining the benefits, and following up by monitoring activities throughout the groups.

Cost reduction in the form of supplies and personnel are the most significant reasons to move forward with the proposal, however the underlying factor in both of those cost-saving areas is improved efficiency. Are the benefits gained through moving forward with this proposal worth it? Proper execution is critical for the success of this plan. If done according to plan, the software investment will pay for itself within five years and the benefits of a more efficient process will be realized for years beyond that. Therefore, implementing an Enterprise Content Management solution within XYZ Bank makes perfect sense from a productivity perspective as well as a cost-savings standpoint.
**Introduction and Background:**

XYZ Bank, a subsidiary of ABC Corporation, is a Community Bank, headquartered in Anytown, AnyState, with branches and ATM networks throughout Western and Central AnyState. The origin of the Bank goes back to the 1850’s when it was founded as New County Bank. Through the years, other banks were acquired under the holding company, ABC, and in 2005 New Bank, East Bank, South Bank, and West Bank and Trust combined to form XYZ Bank. The four divested banks each served separate geographic markets, and had a large market share in each of their respective regions. The Bank’s objective over its many years of existence has not changed; and that is to focus on its customers and the communities in which they live. Many of the Bank’s customers are located in smaller, rural communities within its footprint. However, the current goal of the company is to penetrate the neighboring markets of the cities of East Lake, AnyState and West Lake, AnyState. In order to gain market share in these two territories, XYZ will be competing with much larger banks like Manufacturers and Traders Company (M&T Bank), KeyBank National Association, and Citizens Bank National Association. XYZ Bank currently has 52 banking locations (see map below) and operates in 15 contiguous counties in Western and Central AnyState.
XYZ Bank has expanded its presence over the past few years. Part of the growth plan includes the opening of two new branches in the city of East Lake. The CityCenter branch opened in late 2015 and the CityBurb branch opened in the first quarter of 2016. Both of these branches employ newer technology that XYZ has deployed in recent years, as well as technology not previously used in XYZ’s traditional branches. When you walk into one of the new branches, you do not see the traditional teller lines and platform layout. These Financial Solutions Centers employ Certified Personal Bankers to assist you with all of your banking needs from a cash deposit to a loan application, safe deposit box to investment options, and any other banking products or services you may need. The new facilities also offer many self-service options for the more technology-savvy customer.

In Q4 2016, XYZ opened the doors to another new location in downtown East Lake. This new location will be the East Lake regional headquarters for XYZ Bank. In addition to housing approximately 125 employees who will be relocated from the existing
site in the East Lake suburb of New Falls, AnyState, this new downtown location also contains another Financial Solutions Center on the Concourse level. In February 2017, XYZ will also be expanding its presence in downtown West Lake, Any State with another Financial Solutions Center. This will be the first XYZ Bank location in the city of West lake.

“We are actively investing in our footprint and are committed to continuing to grow our market share. Our third financial solution center is expected to open mid-December in the newly renamed XYZ Bank Plaza located in downtown East Lake. In addition, we recently received regulatory approval for our fourth financial solution center. This branch will be located in the City of West Lake at 123 Fiesta Plaza and is expected to open in the first quarter of 2017.” stated Michael K. Bloomindale.2

In addition to growing the branch network, the Bank has also expanded in other areas. In late 2014, ABC Corp. completed the acquisition of Insurance Is Us Co., Inc., a full-service insurance agency located in West Lake, AnyState. In early 2016, XYZ Bank acquired Significant Investment Corporation, a prominent SEC-registered investment advisory and wealth management firm. “Through our strategic growth initiatives, we are a fast growing and highly respected independent provider of diversified financial services in Western AnyState,” Michael Bloomindale, President and CEO of XYZ Bank said. “We are a relationship-oriented community bank whose retail and business customers value the personal attention we deliver. At a time when other financial services providers are leaving upstate AnyState or divesting their upstate AnyState assets, ABC Corp is expanding. Significant Investment Corp. is a premier wealth manager in the region, and its addition to our family of companies is fundamental to our long-term goals.”3
The opening of new branches and the acquisitions of Insurance Is Us and Significant Investments Corp. represent important building blocks toward XYZ Bank’s strategic growth plan to become the top provider of diversified financial services in the market. In these times of interest rate compression and fierce competition in the market, XYZ has shown steady growth over the past several years. The Holding Company's stock is listed on NASDAQ under the symbol WE_R#1.

**Competition/Market Share**

In the 15 counties in which XYZ Bank operates, the Bank ranks in the top 15 in deposit market share (see chart below). The key areas that XYZ wants to focus on lie within East and West Counties, where there exists the most significant opportunity for growth.

<table>
<thead>
<tr>
<th>2016 Market Share Rank</th>
<th>2015 Market Share Rank</th>
<th>Market Rank (+/-)</th>
<th>Institution</th>
<th>2016 Deposits ($000)</th>
<th>2016 Market Share %</th>
<th>2015 Deposits ($000)</th>
<th>2015 Market Share %</th>
<th>Total Deposit (+/-) ($000)</th>
<th>Total Deposit Market Share % (+/-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>-</td>
<td>Manufacturers and Traders Trust Company</td>
<td>$27,311,447</td>
<td>37.42%</td>
<td>24,535,487</td>
<td>35.93%</td>
<td>$3,755,960</td>
<td>1.49%</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>-</td>
<td>KeyBank National Association</td>
<td>$12,962,751</td>
<td>17.21%</td>
<td>12,952,488</td>
<td>18.07%</td>
<td>$10,263</td>
<td>-0.83%</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>1</td>
<td>ESL Federal Credit Union</td>
<td>$3,179,391</td>
<td>4.51%</td>
<td>3,008,101</td>
<td>4.40%</td>
<td>$67,170</td>
<td>-0.03%</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>-1</td>
<td>Citizens Bank, National Association</td>
<td>$3,065,801</td>
<td>4.48%</td>
<td>3,046,157</td>
<td>4.46%</td>
<td>-245,654</td>
<td>-0.84%</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>-</td>
<td>XYZ Bank</td>
<td>$2,875,834</td>
<td>3.94%</td>
<td>2,672,920</td>
<td>3.82%</td>
<td>$202,914</td>
<td>0.09%</td>
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<tr>
<td>6</td>
<td>6</td>
<td>-</td>
<td>Bank of America, National Association</td>
<td>$2,764,407</td>
<td>3.79%</td>
<td>2,442,233</td>
<td>3.57%</td>
<td>$322,174</td>
<td>0.22%</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
<td>1</td>
<td>JPMorgan Chase Bank, National Association</td>
<td>$2,394,679</td>
<td>3.28%</td>
<td>2,103,493</td>
<td>3.08%</td>
<td>$291,186</td>
<td>0.20%</td>
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<tr>
<td>8</td>
<td>9</td>
<td>-</td>
<td>Community Bank, National Association</td>
<td>$2,077,682</td>
<td>2.85%</td>
<td>2,008,992</td>
<td>2.94%</td>
<td>$68,690</td>
<td>-0.09%</td>
</tr>
<tr>
<td>9</td>
<td>10</td>
<td>1</td>
<td>Canadaleague National Bank and Trust Company</td>
<td>$1,956,486</td>
<td>2.68%</td>
<td>1,821,920</td>
<td>2.67%</td>
<td>$134,566</td>
<td>0.02%</td>
</tr>
<tr>
<td>10</td>
<td>7</td>
<td>-3</td>
<td>Northwest Bank</td>
<td>$1,881,707</td>
<td>2.58%</td>
<td>2,165,815</td>
<td>3.17%</td>
<td>($284,108)</td>
<td>-0.59%</td>
</tr>
<tr>
<td>11</td>
<td>11</td>
<td>-</td>
<td>Corning Federal Credit Union</td>
<td>$1,139,461</td>
<td>1.55%</td>
<td>1,027,099</td>
<td>1.52%</td>
<td>$102,362</td>
<td>0.05%</td>
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<tr>
<td>12</td>
<td>12</td>
<td>-</td>
<td>Bank of Castile</td>
<td>$1,073,850</td>
<td>1.47%</td>
<td>955,007</td>
<td>1.46%</td>
<td>$78,843</td>
<td>0.02%</td>
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<tr>
<td>13</td>
<td>13</td>
<td>-</td>
<td>Evans Bank, National Association</td>
<td>$868,973</td>
<td>1.13%</td>
<td>777,984</td>
<td>1.14%</td>
<td>$90,989</td>
<td>0.02%</td>
</tr>
<tr>
<td>14</td>
<td>14</td>
<td>-</td>
<td>Chemung Canal Trust Company</td>
<td>$758,000</td>
<td>1.04%</td>
<td>711,463</td>
<td>1.04%</td>
<td>$46,537</td>
<td>0.00%</td>
</tr>
<tr>
<td>15</td>
<td>15</td>
<td>-</td>
<td>Summit Federal Credit Union</td>
<td>$723,521</td>
<td>0.99%</td>
<td>664,426</td>
<td>0.97%</td>
<td>$59,095</td>
<td>0.02%</td>
</tr>
<tr>
<td>All Other Institutions in the 15 Co. Area</td>
<td>$8,420,109</td>
<td>11.54%</td>
<td>7,992,205</td>
<td>11.69%</td>
<td>$427,904</td>
<td>-0.15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td></td>
<td>$72,981,499</td>
<td>100.00%</td>
<td>$68,345,710</td>
<td>100.00%</td>
<td>$4,635,789</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
**Key Performance Indicators:**

XYZ has marked solid performance over the past several years. With a concerted effort on growth, the Bank has gone from a two-and-a-half billion dollar institution to almost four billion in just four years. Third quarter 2016 closed out with a record total asset size of $3.7 billion, up a full billion from the close of 2012. The Company’s President and Chief Executive Officer Michael K. Bloomdale stated, “Our core bank franchise is delivering strong results as demonstrated by continued growth in loans and deposits, resulting in higher revenue and net income. Our non-bank subsidiaries are also performing well and we are experiencing synergies between our banking, insurance and wealth management platforms. I am very proud of our team and their commitment to our strategy.”

Earnings per Common Share increased from $1.60 at the close of 2012 to $1.90 for 2015 year-end. Cash Dividend Declared on Common Stock has also shown a steady increase over this period of time, increasing from $.57 to $0.80.

<table>
<thead>
<tr>
<th>(Dollars in thousands, except for per share data)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$2,750,000</td>
<td>$2,930,000</td>
<td>$3,050,000</td>
<td>$3,380,000</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$88,500</td>
<td>$91,600</td>
<td>$93,800</td>
<td>$95,300</td>
</tr>
<tr>
<td>Noninterest Income</td>
<td>$24,770</td>
<td>$24,830</td>
<td>$25,400</td>
<td>$30,300</td>
</tr>
<tr>
<td>Noninterest Expense</td>
<td>$71,400</td>
<td>$69,400</td>
<td>$72,400</td>
<td>$79,400</td>
</tr>
<tr>
<td>Total Loans</td>
<td>$1,710,000</td>
<td>$1,840,000</td>
<td>$1,910,000</td>
<td>$2,080,000</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>$2,260,000</td>
<td>$2,320,000</td>
<td>$2,450,000</td>
<td>$2,730,000</td>
</tr>
<tr>
<td>Earnings Per Common Share (Diluted)</td>
<td>$1.60</td>
<td>$1.75</td>
<td>$2.00</td>
<td>$1.90</td>
</tr>
<tr>
<td>Cash Dividend Declared on Common Stock</td>
<td>$0.57</td>
<td>$0.74</td>
<td>$0.77</td>
<td>$0.80</td>
</tr>
</tbody>
</table>

Source: ACB Corp. · Annual Report
From 2012 to 2015, total loans showed a 22% increase. Deposit balances increased approximately 2.5%. At close of 3rd quarter 2016, loans have increased to $2.3 billion and deposits have increased to $3.1 billion.

Net Interest Income has shown a steady rise, increasing $5.5 million over the four year span. Noninterest Income has shown a proportional increase as well, increasing from $24.8 million to $30.3 million in that same timeframe.
Much of XYZ’s efforts have been focused on increasing revenue, however, there is also an opportunity to improve the Bank’s performance by decreasing spending.

**Strategy/Implementation:**

XYZ Bank strives to be the bank of choice for its expanding footprint, and the customer experience is at the core of it. While XYZ is making great strides through improved facilities and technological advances, they need to also look at the experience when
interacting with customers as well as gaining operational efficiencies through utilization of the technology solutions in which they have invested. Historically, the Bank has been a slow adopter in the area of technological advances. The current strategy is to be a timely follower in terms of new technology and approaches. The Bank will not be a leader in the introduction of new technologies, but strives to introduce new technologies within a few years of their mass market introduction. XYZ has taken the leap into the 21st Century with the advent of some newer technology, but there are additional efficiencies that can be realized through XYZ's most recent investment in technology.

**Capstone Focus**

The area I have chosen to tackle for my Capstone Project involves the implementation of an Enterprise Content Management (ECM) solution and its effects on the operational efficiencies in both the branch network as well as the back office process in handling reports and documents. The project will benefit XYZ in two major areas; expense reduction in the form of (1.) reduced use of paper and printing supplies, and (2.) staff reduction. The expense reduction will be realized through the implementation of automated features within the core servicing system. In addition, a more streamlined and efficient process will provide more attractive service levels for busy customers who are looking to get in and out of the branch as quickly as possibly, still receiving the same or better level of service upon which XYZ has built their reputation. XYZ Bank's customers generally belong to an older demographic, however the new Financial Solutions Centers are attracting a younger population, who appreciate technology and are more apt
to favor online banking and email communications rather than in-branch and paper exchanges.

“One of the biggest benefits of an Enterprise Content Management solution is automation. Many businesses spend a lot of time on manual data management tasks, such as routing documents or converting items into web-friendly formats. An ECM allows a company to automate these manual steps as well as locate and get rid of redundant steps. When companies automate required tasks and eliminate unnecessary tasks, they are able to use their resources more effectively, which enables them to save money and grow their revenue streams. Businesses spend 30 percent of their working time searching for information. Traditional techniques for locating and supplying information result in significant efficiency and profitability losses, hindering the company’s ability to remain competitive. Companies must have access to the data that they need at the right time, in the right context, and at the right price. They must also be able to incorporate this information into business processes as needed. ECMs makes it simple to share and reuse content throughout the system as well as outside of the system, decreasing the risk of inconsistencies and ensuring that the data is available to everyone who needs it. These measures heighten the effectiveness of the employees and decrease printing, shipping, and storage costs.”

At this time, XYZ Bank has committed to Phase I of the project, which includes the replacement of their existing document imaging and reporting modules. The driving factor for this initial commitment is because the reporting and document imaging systems being
replaced are being discontinued through the software provider, forcing the Bank to look for alternate solutions. Additional implementations beyond Phase I are not in the scope of the project currently. My task as Project Manager will be to convince Senior Management and the Board of Directors of the benefits for further automation through implementing the additional features offered through the JHA Synergy solution.

Resources used throughout Phase I were mainly Operations personnel and required few resources from XYZ Bank’s Technology area. There were no resources allocated solely to this project. The staff involved in the project had other job responsibilities and allocated time, as needed, toward this initial implementation of the initial Synergy modules. The project team consisted of a Project Manager, whose full-time job is managing the progress of all of the corporate projects for the bank, a Project Leader, whose role was Loan Servicing Manager, and a Co-Project Leader, the Deposit Services Manager. Additional team resources included on the project team came from the Information Technology department, Deposit Operations, Banking Center/Customer Service, Loan Servicing, Electronic Banking, and Training. The Information Technology resources used during this phase were mainly used to build servers and to give Jack Henry Associates access to our internal servers for the installation. The project team had weekly half hour meetings with the entire project team, including resources from the vendor, Jack Henry Associates and held other meetings as needed with either the whole project team, or only necessary members. The idea for the limited meeting schedule was to maximize the use of others’ time if the meeting topic only required certain members of the team rather than the whole project team at every meeting. The phased implementation schedule is outlined below.
Implementation Schedule

Phase I Modules
Below outlines the features of each of the modules that will be installed during Phase I.

Synergy Reports™ – Fully Automated Report Capture and Retrieval

“Synergy Reports leverages technology to fully automate capture, archival, and retrieval functions while creating a centralized warehouse of all archived reports, statements, and notices. Users can administer, manage, and retrieve content using a single point of entry, which protects the security of documents and saves time. Synergy Reports’ built-in security system allows quick report access to authorized personnel via the Internet, LAN, or WAN. The module also helps ensure data security and integrity by providing access to report data
with all original report data remaining intact and unchanged. It also accepts output from most business applications and legacy mainframe systems."  

This is the first step in moving toward a more paperless environment. Synergy reports can be notated, annotated, highlighted, and exported without the need to be printed, as they are in today’s environment. This functionality, when fully implemented, can completely eliminate the need to print any reports, for any reason. It creates a much more efficient process for information sharing across business units.

**Synergy Document Management™ – Enterprise-Wide Document Management**

“This module's advanced imaging and storage technology provides enterprise-wide knowledge management. It integrates with existing infrastructure, providing a secure, central hub that supports virtually all types of electronic information, including reports, scanned images, PDFs, photos, sound files, and even application documents like Microsoft Word and Excel. Synergy Document Management can capture documents in a centralized, decentralized, or combination environment and provide storage, versioning, metadata, security, retention policy enforcement, and indexing and retrieval capabilities via the Internet, LAN, or WAN.”

More often than we would like, paper documents get lost, electronic documents get routed incorrectly, causing extra work for employees and creating inconveniences for customers. Synergy Document Management provides a more reliable method of document retention, retrieval, and recovery, minimizing risk and creating operational efficiencies.
**Synergy Automated Document Recognition™ (ADR)**

“Synergy Auto Document Recognition makes better document management easy with ADR, server-based document classification/indexing. This application brings a new level of speed and accuracy to the indexing process. It cleans documents, and automatically reads and extracts text and barcode index information from a batch of structured documents using template-based recognition. ADR supports de-skew, de-speckle, and black border removal document cleaning options. It also supports bar code technology using optical character recognition (OCR) that automatically reads and extracts index information from a batch of documents during the indexing process. Indexing templates are used to determine where this solution should look on a physical page for specific indexing information. When used as part of the Synergy document management process, this module provides a well-organized alternative to paper files and records.”

There are a lot of efficiencies to be gained through the implementation of these previous two modules, which work in conjunction with one another to make sure documents get to the location that they belong and are coded properly for easy retrieval. Once fully implemented, there will be a significant time savings in scanning, importing, indexing, and the overall handling of documents.

**Synergy PowerSearch™ – Natural Language Search and Retrieval**

“This module performs exact content searches or natural language searches that locate document content containing the desired words, keywords, phrases, sentences, paragraphs, or variations. It doesn’t require Boolean operators, index values, or complex
queries. This solution also searches documents and files located in accessible local or network directories outside of the Synergy system. Synergy PowerSearch enhances customer service and responsiveness by reducing the time required to conduct ongoing research.”

The PowerSearch function within Synergy will aid in researching on an individual as well as larger scale basis. By identifying individual words and phrases within documents, PowerSearch can locate misfiled documents easily in addition to identifying documents with like components when searching for account type groupings or documents within certain geographic locations, for example.

**Synergy DataMart™ – Data Analysis**

“Synergy DataMart leverages the industry’s leading database management applications to revolutionize the way you extract and import ERM report data. This dynamic solution enables users to customize templates to retrieve information based on their needs, and take advantage of automated extraction to quickly get data as new documents are loaded. Whether the need is for a few lines of a single page or hundreds of pages of multiple reports, this module streamlines data retrieval and imports it into the latest data mining solutions.”

**Synergy AutoImport™ – Automated File Batching**

“Synergy AutoImport enables users to automatically batch files into document directories. This Windows-based module polls network or local directories for new electronic documents including TIFF, JPEG, PDF, XML, and Microsoft Office files, and conveniently
organizes them into groups based on institution-defined templates and parameters assigned to each directory. Users can schedule the batching of documents based on predefined time settings or they can specify “trigger” file types that prompt the batching process. Synergy AutoImport enhances the user experience and reduces the time needed to import files with its simple drag-and-drop functionality and convenient desktop access. This dynamic module enables the importing of files from multifunction devices, fax servers, and TWAIN devices across branch locations.”

Synergy AutoImport, along with Synergy ADR, will reduce time spent indexing documents. This feature will allow for a more efficient process of getting documents to their final destination without the need for manual intervention through the use of templates and pre-determined document parameters.

**Synergy eDistribution™ – Electronic Content Distribution**

“Synergy eDistribution automates the scheduling and electronic delivery of documents, including statements, notices, reports, and even promotional material. This module provides two delivery alternatives and supports both one-time and recurring distributions. Synergy eDistribution works in conjunction with Synergy Document Tracking to distribute coming due and past due notices, as well as document tracking reports. The solution can also be used as a cost-effective promotional channel that converts traditional statement stuffers into electronic product/service promotions.”
All of the components mentioned above have already been purchased and are being installed over the course of several months. While there are some efficiencies to be gained through the implementation of these modules, XYZ will see more significant saves on the front-end (Branch and Operations staffing) if the following (future implementations) are approved.

**Phase II Modules (Future Implementations)**

Below are the additional modules that will be presented to the Board of Directors for approval.

**Synergy eSign™ – Document Presentment and Signature Capture**

“This browser-based document presentment solution uses state-of-the-art signature capture technology. This module of Synergy, powered by Integrated Media Management (IMM), digitally captures signatures and permanently and securely embeds them into non-editable and auto-indexed PDF files. This eliminates the time and resources required to scan, copy, and file paper documents. The solution also supports multiple signatories at separate locations. It can be used in any business transaction that requires electronically captured documents and signatures, such as signature cards, loan applications, HR, and insurance enrollments. **Synergy iSign™ – Apple® iPad® Signature Capture.** With Synergy iSign, institutions can add to the convenience of Synergy eSign electronic signing by enabling signatures directly from an iPad. This allows institutions to take the electronic
signing process to the customer, instead of requiring the signer to be present at the institution.”

**Synergy eSignWeb™ – Web-based Signature Capture**

“Synergy eSignWeb captures e-signatures via the web and includes secure document delivery. This gives an institution’s customers the ability to view and sign documents securely on the Internet with a true PKI (public-key infrastructure) signature. Customers can quickly and confidently send lending, customer service, and trust documents to customers, law offices, or business partners.”

Synergy eSign and Synergy eSign Web will not only save on paper and printing costs, but will also reduce the time it takes to open accounts. Once implemented, XYZ will be able to schedule closing appointments with customers immediately, without having to wait to coordinate schedules for customers and closing agents. This will also reduce paper and printing costs. Closing documents will be received more timely, freeing up sales employees to focus their efforts on acquiring more sales. This feature will also aid in indexing and filing documents more efficiently, reducing the time Operations staff spends on these tasks today.

**Synergy ID Scan™ – Automated Card Scanning**

“Synergy ID Scan accurately captures, indexes, and archives a variety of personal identity cards including driver’s licenses, passports, and medical cards. The contextual information retrieved from the initial scan can be cross-referenced with related scanned items, enhancing content storage and retrieval capabilities. This module simplifies business
processes, automates workflow, and reduces the errors generated in manual processing. It eliminates time wasted on manual data entry and helps ensure that customer profiles are accurate at the point of entry.”  

The implementation of this feature will assist branch staff in identifying customers when completing transactions and performing routine maintenance requests. This time saving feature also minimizes risk associated with fraudulent activity in that it makes customer identification available at the time of transaction.

**jhaEnterprise Workflow™ – Enterprise-Wide Business Process Management Solution**

“jhaEnterprise Workflow is built for institutions looking to automate business processes that include manual and automatic steps. It generates material operating efficiencies, reduces operating costs, and reduces operational risks. jhaEnterprise Workflow has tight integration with Synergy ECM and part of that integration is the ability to share documents and document content across the entire enterprise.”

Implementation of this module will require significant changes to existing processes, and will affect several different areas within the Bank. Workflow for back office employees will be the most significant change, but will affect a small number of employees. While the front line employees, mainly branch staff, will see less significant changes in the workflow, the number of employees affected will create a more considerable impact from the process changes.
**Complete ECM Solution**

All of the modules described above contribute to a complete Enterprise Content Management solution. "ECM is an umbrella term covering document management, Web content management, search, collaboration, records management, digital asset management (DAM), workflow management, capture and scanning. ECM is primarily aimed at managing the life-cycle of information from initial publication or creation all the way through archival and eventually disposal. ECM applications are delivered in three ways: on-premises software (installed on the organization’s own network), software as a service (SaaS) (Web access to information that is stored on the software manufacturer’s system), or a hybrid composed of both on-premises and SaaS components.

ECM aims to make the management of corporate information easier through simplifying storage, security, version control, process routing, and retention. The benefits to an organization include improved efficiency, better control, and reduced costs. For example, many banks have converted to storing copies of old cheques within ECM systems as opposed to the older method of keeping physical cheques in massive paper warehouses. Under the old system, a customer request for a copy of a cheque might take weeks, as the bank employees had to contact the warehouse where the right box, file, and cheque, would need to be located. The cheque would then need to be pulled, a copy made and mailed to the bank where it would finally be mailed to the customer. With an ECM system in place, the bank employee simply queries the system for the customer’s account number and the number of the requested cheque. When the image of the cheque appears on screen, the
bank is able to mail it immediately to the customer, usually while the customer is still on the phone.”

Implementation of the software will take place over the course of several years, beginning in November 2016. Phase I will consist mainly of replacing the existing software, but without implementing a significant amount of change to existing processes. The plan is to initially install the new software and utilize it in the back office while having very little effect on the front line staff. With 52 branches and hundreds of bank employees who are involved in the account opening process, the best approach was determined to be gaining an understanding of the technology and its capabilities before launching a full-scale rollout of the programs involved. Once the new software is implemented and “live tested” the next phase of the project will be to roll out the automation features to the branch network. The rollout will begin with a few branches for which we will change the processes so any issues can be worked out prior to going live full-scale. The initial change will involve the way in which branches send their customer documents and communications to the back office. With the installation of Synergy, the branch staff will scan the same information to a file location, previously created by XYZ’s Information Technology team. Once the batch is saved to this new location, Operations staff can work with the document online, split the batch into the customer’s account where it should be scanned. This change alone will save hours in the document imaging process.

While Phase II will require more involvement from XYZ’s IT department, the team members will be the same individuals who were involved in Phase I. There are no resources planned to be solely dedicated to this project.
Financial Impact

The cost of Phase I is outlined below. This phase has already been budgeted and paid for, so this will not be included in the financial analysis. It is listed for illustration purposes only. Note, training costs are a one-time cost for the initial installation of the Synergy software solution. This charge will not be recurring as additional modules are added.

Phase I Costs:

<table>
<thead>
<tr>
<th>JHA Synergy Implementation Costs - Phase I</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-time Costs - amortized over 5 years</strong></td>
</tr>
<tr>
<td>Installation of the Synergy Production Module:</td>
</tr>
<tr>
<td>Education/Training:</td>
</tr>
<tr>
<td>Installation of the Synergy Test Module:</td>
</tr>
<tr>
<td><strong>Subtotal</strong>:</td>
</tr>
<tr>
<td><strong>Ongoing Annual Costs - current environment</strong></td>
</tr>
<tr>
<td>Annual maintenance/support for Synergy Production Module:</td>
</tr>
<tr>
<td>Annual maintenance/support for Synergy Test Module:</td>
</tr>
<tr>
<td><strong>Subtotal</strong>:</td>
</tr>
</tbody>
</table>

*Total Implementation Costs for Current Environment (over five years):* $900,626
Phase II Costs:

<table>
<thead>
<tr>
<th>JHA Synergy Implementation Costs - proposed Phase II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-time Costs - amortized over 5 years</strong></td>
</tr>
<tr>
<td>Installation of the Synergy Enterprise Workflow:</td>
</tr>
<tr>
<td>Installation of Synergy iSign, eSign, eSign Web:</td>
</tr>
<tr>
<td>Installation of Synergy ID Scan:</td>
</tr>
<tr>
<td>Cost of ID Scanners in branches:</td>
</tr>
<tr>
<td><strong>Subtotal:</strong></td>
</tr>
<tr>
<td><strong>Ongoing Annual Costs - proposed features</strong></td>
</tr>
<tr>
<td>Annual maintenance/support for Enterprise Workflow:</td>
</tr>
<tr>
<td>Annual maintenance/support for Synergy eSign, iSign, eSign Web:</td>
</tr>
<tr>
<td>Annual maintenance/support for Synergy ID Scanners:</td>
</tr>
<tr>
<td><strong>Subtotal:</strong></td>
</tr>
<tr>
<td><strong>Total Implementation Costs for Proposed Environment (over five years):</strong></td>
</tr>
</tbody>
</table>

Expected Savings:

XYZ is expecting a reduction in staffing due to efficiencies gained with the implementation of JHA Synergy. Phase I is expected to see a slight reduction in branch staffing and Phase II is expected to see a significant reduction in both branch staff and operations staff over time. Based on discussions with JHA Synergy consultants, the time involved in the account opening process can be cut in half through the implementation of eSign/iSign, eSign Web, and Enterprise Workflow. In speaking with another bank in East Lake that implemented
JHA Synergy approximately five years ago, they confirmed that the time involved in the account opening process has decreased significantly and they have seen other benefits throughout the back-office, mainly in the document imaging process. While the other bank did describe a learning curve involved after implementation for approximately a year to a year and a half, they said that they've definitely seen the benefits of this solution. Prior to their own implementation, members of the XYZ team involved in this project were shown a demonstration from this other bank, which provided a forum to not only see the system, but to also have questions answered. It also allowed XYZ the opportunity to learn from some of the things the other bank would have done differently while preparing for the installation so as to optimize the performance of the software. XYZ is estimating a 3.68 FTE reduction in branch staff over the next five years based on the account opening time being cut in half. This, of course, is dependent on a successful, full-scale rollout of both Phase I and the proposed Phase II of the project.

Buy-in from the Retail Division is crucial to the staff reduction goals being achieved. This will not be an easy task. Over the past several years, staffing levels in the branch network have been reduced significantly already due to strict monitoring and analysis of transactions per teller and sales efforts at each branch. Further reductions can only be realized if every phase of this project is implemented and executed as planned.

Below is a breakdown of the potential staff saves in the branch channel over the next five years.
In addition, the staff required for the back office operations will be reduced cumulatively by one FTE in year one, two FTE in year two, three FTE in year three, and four FTE in years four and five, as illustrated below:

<table>
<thead>
<tr>
<th>Branch Saves over Five Years with Full Implementation of Synergy</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Accounts Opened 2016 [proj.]</td>
</tr>
<tr>
<td>Time spent at account opening (in hours)</td>
</tr>
<tr>
<td>Time savings with proposed features (in hours)</td>
</tr>
<tr>
<td>Total hours spent on account opening (current environment Phase I)</td>
</tr>
<tr>
<td>Total hours spent on account opening (proposed Phase II)</td>
</tr>
<tr>
<td>FTE saves @ 40 hrs/week</td>
</tr>
<tr>
<td>Average salary of CSR</td>
</tr>
<tr>
<td>Average benefits cost of CSR</td>
</tr>
<tr>
<td>Total average cost per branch FTE</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Salary saves for Branch Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total average annual cost of FTE saves - year 1 (.68 FTE)</td>
</tr>
<tr>
<td>Total average annual cost of FTE saves - year 2 (1.68 FTE)</td>
</tr>
<tr>
<td>Total average annual cost of FTE saves - year 3 (2.68 FTE)</td>
</tr>
<tr>
<td>Total average annual cost of FTE saves - year 4 (3.68 FTE)</td>
</tr>
<tr>
<td>Total average annual cost of FTE saves - year 5 (3.68 FTE)</td>
</tr>
<tr>
<td><strong>Total Salary Saves for Branch Staff (over five years)</strong></td>
</tr>
</tbody>
</table>
Further cost reductions will be realized in the reduction of paper and printing costs. The assumption is that we will see a 10% reduction in these costs year one, 20% in year two, 30% in year three, 50% in year four, and 75% in year five. It is not realistic to think that XYZ will become 100% paperless in the near future, but a 75% reduction in costs associated with printing is a realistic goal for XYZ Bank.

<table>
<thead>
<tr>
<th>Operations Saves over Five Years with Full Implementation of Synergy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations staff needed pre-Synergy installation</td>
</tr>
<tr>
<td>Average salary of Operations Staff</td>
</tr>
<tr>
<td>Average benefits cost of Operations Staff</td>
</tr>
<tr>
<td>Total average annual cost of Operations Staff</td>
</tr>
</tbody>
</table>

**Salary saves for Operations Staff**

| Total annual FTE saves with implementation of Synergy - year 1 (1 FTE) | $32,500 |
| Total annual FTE saves with implementation of Synergy - year 2 (2 FTE) | $65,000 |
| Total annual FTE saves with implementation of Synergy - year 3 (3 FTE) | $97,500 |
| Total annual FTE saves with implementation of Synergy - year 4 (4 FTE) | $130,000 |
| Total annual FTE saves with implementation of Synergy - year 5 (4 FTE) | $130,000 |

*Total Salary Saves for Operations Staff (over five years)* \( \$455,000 \)
Net Present Value Calculation of Phase II:

Taking the initial cost of the project and calculating out the cash flow intake over time at a discount rate assumption of 11%, based on XYZ Bank’s Strategic Plan goal, it would take five years for the investment to pay for itself, as illustrated below.
“With a discount rate of 11.00% over a span of 5 years, the projected cash flows are worth $900,961.79 today, which is greater than the initial $693,300.00 paid. The resulting positive NPV of the above project is $207,662, which indicates that pursuing the above project may be optimal.”

The assumptions made in the financial impact section are based on a full-scale rollout of the features described in previous sections. One factor that could affect this plan is a lack of commitment on XYZ employees’ part when it comes to implementing the features of the workflow automation. Management will have to implement the changes proposed and monitor the progress of these changes. The implementation will be a work-in-progress as XYZ implements each stage and learns where and how to create efficiencies based on
their specific needs. Another area that can prevent XYZ from reaching its goal of cost reductions is retraining staff to trust the software program and work the features online, as the technology is intended. When making the change, it is expected that many staff members will continue to print reports because they are more comfortable with a hard copy than an electronic version. This will be a challenge that will need to be managed in order for XYZ to achieve its goal for expense reduction.

Given the potential for revenue gains and improved efficiencies, it is recommended that XYZ move forward with the implementation of Phase II of this project. In previous sections, we touched on some of the challenges that may affect the success of this project and we will go into some of them in more detail in the next section. While there are factors that exist that could jeopardize the success of this initiative, the benefits in the form of efficiencies gained and a significant reduction in costs seem to outweigh the risks and it seems prudent for XYZ Bank to move forward with implementing Phase II of the Synergy project.

**Non-Financial Impact**

With the fallout from the financial crisis of 2007 and 2008, and the millions of dollars of fines that banks have been assessed over the mortgage lending industry shenanigans, it has brought about a significantly increased amount of oversight that is so prevalent in the industry in the form of Internal Audit exams, Federal Regulator site visits, State Examiner
audits, Compliance reviews, as well as third party Independent Audit examinations. All are looking to ensure that the banks are acting not only in the best interest of the customer but heavily weighted toward customer benefits at every turn. Even before the Examiners arrive to review the Bank’s underwriting and servicing practices, their first request is for “files”. Many of the regulatory agencies specifically ask for the paper files. They want the credit files and the collateral files, they want them in their entirety, and they are very specific about how they want them organized and presented, and if you can't produce documents that they are looking for, the Bank’s practices fall under scrutiny. They also look for work product and source documents, providing ample back-up for decisions that were made to ensure that the bank does everything in their power to educate and protect the consumers, at times even from themselves.

Banks are hesitant to move forward in the digital age because they don't want to face the scrutiny of having to defend their position when confronted by a regulatory agency. As a result this bank, in particular, relies heavily on over-documenting every action. Loan files contain back-up documentation and checklists galore in the hopes that the data used to make decisions is well documented when it comes time for review. Panic sets in when an examiner asks for a source document that you can’t produce. So it’s understandable why we are so hesitant to move toward an imaging solution and enterprise content management system that we are told will take care of all of the paper that is being utilized today. If we can’t see and feel the document, how do we know it will truly be there when we need to produce it? Blind faith, especially among the less technologically savvy, is an uncomfortable concept. That, however, is not a valid business reason to remain in an
inefficient, paper-driven world. The implementation of a digital solution takes time for people to fully embrace. Even after implementation, you will find some that will still print a document and keep a “shadow file” until they can prove that the document, form, spreadsheet, presentation, or other form of data is available on-demand. That is one of the reasons why it takes years to realize the full financial benefits of going digital.

Once a platform has been selected for the implementation, the next step is to decide on the approach for the implementation. There are mainly two different approaches to this solution. “Historically, content management applications were used to address separate lines of business (LOBs), slowly converging over time to address the needs of the entire organization.”

**Rollout Approach**

Using this approach, certain departments or lines of business would be selected to roll out the solution over a period of time. Another avenue in following this approach would be to select only certain components of the solution to start with and add others on after a period of time. While this approach lessens the pain associated with a wide-scale operational change, it also takes a lot longer for full implementation and requires resources for an extended period of time. It could take years for this approach to come to fruition and in that time, key roles may change, requiring retraining for certain areas.

The other option when determining how to deploy an ECM is through a unified approach, rather than the integrated approach, as described above. “Unified ECM provides the full
array of content management functionality—including document and imaging management, Web content management, digital asset management, and records and retention management—on one platform. The unified approach yields much greater return on investment (ROI) in just a few years, especially if more than one application is used. Consolidating the overall architecture on a single code base, security model, and API eliminates “Band-Aid” integrations, leverages a common IT infrastructure, and minimizes application development and support costs, thus lowering costs; improving user experiences; and enabling simple upgrades, maintenance, and training.”

On the surface, it seems as though the unified approach is a more efficient way to implement an ECM, however, the recommendation for XYZ Bank is to implement more of a two-step integrated approach. It’s a more conservative approach and allows for the full cost of implementation to be spread over several years. It also accounts for the hesitancy that exists in this paper-driven bank.

The first phase was implemented in November 2016 and was rolled out to the entire bank at the same time. This phase required minimal support from an internal Information Technology standpoint. The software vendor, Jack Henry Associates, handled most of the installation and training involved in the implementation. The Operations area worked hand-in-hand with the vendor on the requirements and mapping of data and documents. Once approved, we plan on rolling out Phase II with a similar approach, however this phase will require more involvement from IT as it will encompass components and concepts that are more technology driven.
Successful implementation will require excellent communication on the part of the project team, a comprehensive training program, diligence in monitoring usage after rollout, and a significant amount of cross-functional teamwork. All affected areas must be willing to work together in order for the new products and processes to be successful. With full rollout, implementation, and acceptance by Bank employees, it is expected that XYZ Bank will see significant efficiency gains in workflow.

Another area within XYZ Bank that can benefit significantly from an ECM solution is the Commercial Department. Employees who are involved in the Commercial Lending, Commercial Credit, Commercial Processing, and Commercial Servicing areas are located across XYZ’s footprint. As one can imagine, there is a significant amount of information and document sharing that are involved when working with Commercial customers. The Lenders work with the customer on the application process, gathering a multitude of information, including application, financial analyses, business papers, tax returns, etc. In addition, there are appraisals, environmental reports, commitment letters, participation agreements, title documents, hazard and flood insurance documentation, approvals, and closing documents, etc. involved in loan closings. In XYZ’s current structure, these documents are managed in many different ways in many different locations. Documents are saved on personal drives, shared drives, databases, content management software programs, the core servicing system, the Intranet, a CRM platform, and in some cases, desk drawers. When talking about multi-million dollar deals, you want to make sure that you have a comprehensive, organized, easily retrievable solution to access all of a customer’s information in one location. In XYZ Bank’s environment
today, this is lacking. As a result, what you often find are misplaced documents, closing packages missing required forms, time spent trying to locate information, wasted time and, occasionally, loss of customer relationships.

**Business Impact**

The implementation of an Enterprise Content Management solution would make a significant impact in this area of the Bank. If all information relating to a customer’s relationship was housed under one platform and easily retrievable, it would help the Commercial Lending process to become more efficient, thus improving turnaround times, reducing risk, and increasing profits. There would be a steep learning curve in order to get an ECM system fully integrated into this area. The Commercial Department relies very heavily on paper. To retrain all of the players involved would be a significant undertaking, but the efficiencies gained in the form of time savings and customer retention make a strong case for implementation.

One can compare the roll-out of a full-scale Enterprise Content Management system to the invention and ultimate acceptance and wide-spread use of email as we know it today. Before email became so widely accepted and utilized as a preferred method of communication in business, most inter-office communications only came in the form of courier deliveries or USPS “snail” mail. In addition, much of the research needed to move a product or process forward was researched using encyclopedias and trade books. When email and the World Wide Web took off and even when people started seeing the
extraordinary benefits of these electronic processes, it still took time for these channels to be fully accepted as alternative and improved methods of doing business. The first email message was sent in 1958 as a military project and had minimal functionality compared to how it works today. In 1965 the first email program was available to people outside of the military, but its capabilities were limited to message sharing on a single computer terminal. In 1971, a man named Ray Tomlinson sent the first email over a computer network, and in 1989, Compuserve launched the first email service as we know it today, albeit still somewhat limited and expensive.⁹

“Things really took off in 1996 with the launch of Hotmail. This was a free service that allowed anyone to create their own email addresses and access them through their Web browsers. It was also one of the first webmail services, and launched at the same time as RocketMail, which would later become Yahoo! Mail. In just a year, Hotmail attracted almost 8.5 million users. That number would be impressive even now, but back in 1997, it was unheard of. Microsoft would eventually acquire Hotmail for a cool $500 million and turn it into Microsoft Outlook.”⁹

As commonplace as email is in the business world today, it’s been almost 60 years since its birth. It’s not expected to take XYZ Bank that long to fully embrace an ECM solution, but it will also not happen overnight. The benefit that exists here versus the origin of email is that Enterprise Content Management systems are in place and being utilized today. There are many resources from which to draw to assist in a successful deployment of such a system.
The rollout needs to be strategically planned to gain the maximum benefits and expected success. The two-step integrated approach will involve piloting the new processes on pockets of departments which employ staff members who embrace new technology and utilizing those employees to aid in the rollout to other departments. The target departments will have a varied demographic including Gen Xers, and Baby Boomers, and a considerable representation of Millennials. The Millennials are more likely to embrace the technology and assist in the process to move it ahead. However, it is important that as they discovery efficiencies and alternative methods of fulfilling their job duties, they also share this information with others so that the benefits are dispersed among the whole department. A certain amount of empowerment is necessary for employees to explore and test theories to maximize their own efficiency so that the department, and ultimately the bank as a whole will benefit from the investment made in this technology. After rollout to each selected area, they will be given 6-8 weeks to utilize the system, discover and document processes that will improve the workflow within their own departments, then share these practices with another department they will be partnered with and assist in the rollout plan. Somewhat like the “telephone game” it is expected that with each future rollout, the new department will uncover additional features or functionality that the previous area either didn’t need or didn’t know about and a back-and-forth sharing process will ensue. This is the area of the project that will require the most teamwork. This “train the trainer” approach will continue until all areas of the bank have been converted to the new software and full rollout is achieved.
Once all employees are on the new platform and are utilizing it with varied degrees of success, an internal user's group will be developed to address and improve upon the less successful processes being followed as well as share success stories from which others can learn. The user's group will meet on a regular basis (monthly or quarterly) to discuss issues that any department or individual may be having as it relates to the Synergy program. In addition, it would be helpful if this forum were used as a resource for members to talk about other processes that may not be directly related to the Synergy software, with the hopes that another department may have been faced with a similar challenge, used Synergy or a process developed in the Synergy project, and can share with the group what they did to overcome their difficulty. With this constant sharing of information, along with future enhancements from the software vendor, the hope is that XYZ will become a resource for other Jack Henry banks who are either exploring the implementation of the Synergy program or who have already had the software installed but don’t feel that they are utilizing it to its fullest potential.

Networking in the banking world is a crucial component to success. As competitive and cut-throat as banking can be, the most successful companies and individuals utilize industry resources, often competitors either within their footprint or in another geographic location, to compare best practices. Being open to an exchange of information and sharing of best practices with colleagues across the industry can help significantly when looking to make changes in the way a bank is currently operating. Successfully implementing and effectively utilizing an Enterprise Content Management system will make XYZ Bank an attractive partner to those who have not yet made the decision to move forward with an
ECM solution. Exposure to best practices employed by other industry leaders in the banking community not only benefits the individual employee from an educational and personal growth aspect, but also benefits the Bank as a whole when trying to make decisions on how to move the bank to the next level. Do’s and Don’t’s and success stories, as well as stories about mistakes made, help in the planning stages for any project of any size. The larger the pool from which one can call on resources for information, the more successful the implementation will be. Advances in technology can benefit the Bank from an efficiency standpoint, but in the end, the advances must point to an improved bottom line from an investor standpoint and an increase in customer satisfaction, whether that be through financial gains, improved products, more efficient processes, or a combination of some or all of these things.

Once the ECM is in place and working successfully, auditors and examiners will have to adjust their processes to account for this change. As more and more banks go through a similar exercise and implement technological advances, the audit process will need to adapt. While some of the Regulatory agencies are already on board with a paperless environment and remote audits, others who are used to the old ways will experience a similar learning curve to what employees went through. Eventually, it will become the norm for exams to be performed via electronic methods, thus reducing the number of on-site exams that need to take place. Performing exams remotely will also cut down on travel expenses for auditors and banks having to cover third party auditors’ costs.
**Measurements of Success**

The measurements that XYZ Bank will use to evaluate the non-financial impact of the implementation are:

- **Successful installation of the technology employed**
  - Was the software successfully installed with no issues?
  - Did the installation of the software affect any other programs currently used by the bank?

- **Are users utilizing the ECM program as intended?**
  - Are documents being stored and routed electronically?
  - Are users finding document retrieval to be a user-friendly, efficient, and reliable alternative to maintaining paper records?
  - Have paper and printing costs gone down?

- **Has XYZ Bank’s Commercial area seen improvements?**
  - Reduction in turn-around times
  - Decrease in document exceptions
  - Increase in sales

While some of the results can be objectively measured by comparing numbers from prior to the implementation of the ECM system to afterward, others are a bit more subjective and will need to be monitored more closely. Additional results will be gained by having ongoing dialogue with the areas affected. Continual communication on the changes and tweaks along the way will benefit the process and those involved, leading to an improved
employee experience. This can also be measured, to some degree, through the results of the semi-annual XYZ Bank Employee Satisfaction Survey and the annual Technology Services Survey.

Conclusion

Based on the information provided in this paper, it is the opinion of the author that XYZ Bank move forward with the implementation of an Enterprise Content Management System. The full-scale rollout of Jack Henry Associates Synergy product will enable XYZ to operate more efficiently, particularly in the Commercial Lending and Credit areas where there exists a high risk for customer dissatisfaction and loss of revenue in the event of error. Additional benefits include reducing costs through staff reduction and a decrease in supply costs. Once fully implemented, the solution will pay for itself within five years and due to the scalability of the software, the bank will have the advantage of future product enhancements and will benefit from the solution for many years to come.
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