

**White Paper**

Optimizing, Centralizing and Capturing Remote Deposits



# A New Approach to Managing the Shift in Deposit Traffic

Check 21 went into effect in October 2004. Now, nearly every top 100 bank and more than half of all banks in the United States have adopted check imaging and remote deposit capabilities, at least to some degree. Banks and many customers alike have welcomed this continuing shift from face-to-face interactions at the teller window to the capture of image-based deposits from multiple channels.

For banks, remote deposit means reduced staffing needs, less paper to handle, lower transportation costs and the potential to increase revenue. For customers, the benefits are enhanced convenience and service and accelerated availability to their funds. The savings in paper and energy also create environmental benefits for everyone.

## Optimizing Deposit Channels

Realizing the benefits of remote deposit capture is not without challenges. Once, financial institutions could depend solely upon pedestrian and drive-up traffic to generate deposit business. Now, banks must deal with multiple deposit systems while at the same time contend with changing check volumes, shifting payment traffic patterns and increasing customer demand for self-service options. Disparate systems make it difficult to spot duplicate deposits from different channels, understand how volumes are changing, identify opportunities and measure performance and profitability.

There is evidence that banks are beginning to address these challenges by looking beyond channel-by-channel implementation. Aite Group, for example, has found that up to 7 percent of remote deposit capture solution installations this year will consist of replacement technology. This finding suggests that banks are looking to achieve more centralized, cost reducing, enterprise-wide benefits as technology matures.

“Banks today are taking deposits from a multitude of sources,” noted Christine Barry, research director of Aite Group. “Providing a universal platform would allow those sources to integrate seamlessly, creating a simplified, one-stop shop for capture while lowering the total cost of ownership.”

## **A Single Platform to Reap Enterprise-wide Benefits**

What would such a universal and integrated platform look like? Based on experience and insights gained from supporting deposit capture at more than 1,100 banks, Fiserv determined that an effective and efficient platform would need to have the following capabilities:

- Provide image-based deposit capture across all channels, from the teller, branch, regional centers and ATM networks to the offices, stores and homes of corporate, merchant and individual customers
  - Deliver clear benefits to customers, including accelerated funds availability and the convenience of fewer trips to the branch and less time waiting in the teller line
  - Deliver robust reporting and monitoring capabilities that will enable corporate customers to better manage their businesses and banking
  - Build on a true thin client, Web-enabled platform to reduce deployment costs, eliminate software installations and ensure ease of use
  - Provide banks with rich data about all deposit activity across the enterprise, as well as by site, user or deposit status
  - Help banks to better manage risk and opportunity by assessing deposit trends with greater agility
  - Reduce or eliminate deposit silos, redundant systems and resource-intensive processes
  - Incorporate features such as image quality control, fraud and duplicate detection, courtesy amount recognition, legal amount recognition, remittance processing and ACH conversion
  - Reduce bank employee training effort and costs by using a common interface for all components
- Allow banks to choose from either an in-house or outsourced/ASP deployment model and offer flexibility in moving from one mode to another

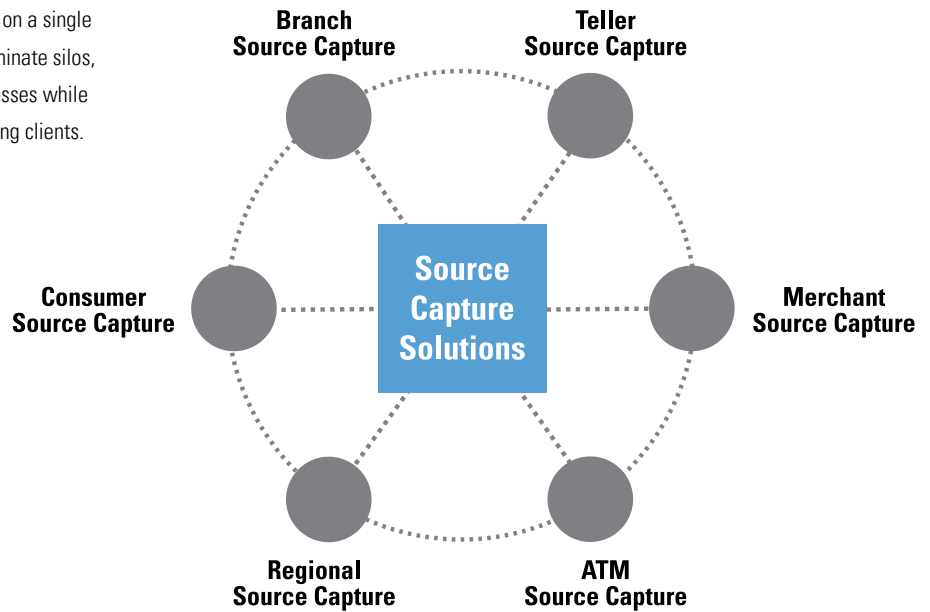
Fiserv calls this approach to deposit capture Source Capture Optimization<sup>SM</sup>. It's a holistic approach that centers on providing an enterprise view of all deposit sources using a single platform to standardize reporting and processes. This makes it easier to detect duplicate transactions, analyze the performance of each deposit channel and better measure customer profitability.

Risk and opportunity are better managed because deposit trends can be assessed with increased agility. Streamlined systems and interface maintenance and the elimination of transportation expense associated with moving paper substantially reduce check clearing and processing costs.

The Source Capture Optimization platform itself combines thin client technology—a Web-based application in which software is not loaded on the client's computers—with existing image capture solutions to enable consistent functionality for all deployment models including in-house, outsourced and ASP.

Source Capture Optimization can be realized with our Source Capture Solutions of easily deployed components for branch, merchant and consumer/small office deposit capture. These solutions provide industry-leading functionality for image quality control, fraud and duplicate detection, courtesy amount recognition (CAR), legal amount recognition (LAR), remittance processing and ACH conversion. And, because all component functionality is integrated into the single platform, financial institutions can adapt to shifting channel volumes by adding points of capture incrementally or all at once.

An integrated approach to deposit capture, built on a single platform, can enable financial institutions to eliminate silos, redundant systems and resource-intensive processes while delivering additional value to payments processing clients.



### Customer Benefits

Optimizing deposit channels provides significant value for bank customers who are accustomed to the immediacy of Internet bank transactions and information delivery. The option to transact deposits remotely makes for enhanced convenience and customer satisfaction. Online deposits give customers faster access to their funds, enhancing cash flow for their business.

Small business, home-office users and individual depositors have the ability to transact deposits with the convenience of a Web-based platform. Corporate users gain enhanced reporting and monitoring capabilities. With this technology, bank customers also avoid the time and expense of traveling to a branch and waiting in a teller line.

As the convergence of deposits from a wide range of sources continues to be a trend, the Source Capture Optimization approach will offer significant value to financial institutions that may be dealing with a number of disparate capture solutions or changing check volume demands. By helping banks increase image-based deposits, traffic on the streets will be reduced while customer interaction and profits will be enhanced.

### Connect With Us

For more information about Source Capture Optimization, please call us toll-free at 1-800-872-7882 or visit our website at [sco.fiserv.com](http://sco.fiserv.com).

# About Fiserv

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