FSI Banks on VSoft's Imaging Solution to Gain Competitive Edge

After decades of attempting to revamp the laws that govern the financial services sector, Congress has passed financial modernization legislation that has transformed the banking industry. Now commercial banks and other financial institutions provide "one-stop" shopping for all of their customers' financial services. The increased demand for convenience, coupled with innovations in technology, has turned the industry on its ear and has changed the way lending organizations process and store information.

For more than 45 years, Financial Services, Inc. (FSI) has provided its client banks with low-cost, high-return tools designed to enhance their products, services and profitability. Headquartered in Glen Rock, NJ, FSI has kept pace in an increasingly aggressive financial services marketplace by employing data processing, item processing, and Internet services that garner a competitive edge for its customers.

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a specific image takes seconds." The later addition of an Internet Research module allows banks direct access to search for images through a secure web site.

FSI Cashes in With Imaging

During the mid-nineties, FSI transitioned from traditional processing and storage of paper checks to a more modernized imaging solution. "Conventional processing of paper checks is a cumbersome operation," said Kevin Courtney, vice president of Financial Services, Inc. "Checks are initially captured on microfilm, which causes you to lose a day or two to film processing. Then, if a client bank makes a request for a particular check, there's no simple way to find it." FSI employees had to load the microfilm reels and scroll through them endlessly until the right one was found. And further complicating matters, the company had the headache of storing paper checks until they were returned to customers at the end of the statement cycle.

FSI made the switch to imaging using two Unisys NDP-1150 high-speed document processors equipped with Capture and Archive technology from VSoft. "Capture and Archive provides immediate access to any check image," Courtney said. "Now, searching for

VSoft Lends Flexibility, Deposits Feedback

"We chose the VSoft solution for several reasons," said Courtney. "During our vendor review, VSoft offered the only true Windows NT solution, and the Oracle database appealed to us -- rather than proprietary software that would prove harder to manipulate. And it was clear that working with the VSoft team would allow us to influence the development of features we were particularly interested in." That's proven true. FSI provided feedback to VSoft on the Internet Research product, which resulted in some redesign of the interface.

VSoft engineers welcome customer suggestions and requests, according to Vic Imes, vice president of sales for VSoft Corporation. "Our newest product, called IRIS, is a response to a request made by FSI's deployment team. It uses OCR technology to cut down on the number of checks rejected during the automated imaging process, yielding substantial labor savings."

Positioned for the Future

FSI's latest technology implementation integrates Unisys' Source NDP with the Branch component from VSoft. Source NDP is a desktop document processor that captures front and back images of checks and other documents. Its compact size and simple operation make it an easy way for comparatively low volume locations, such as branch banks, to capture their check images onsite. "This technology is going to become very important, thanks to the implications of recent legislation," Courtney said.

The Check Truncation Act, currently scheduled to go into effect on January 1, 2006, makes it possible for banks to present images for payment rather than physical checks. "Currently, checks are picked up from the bank when it closes around four o'clock and driven to our processing center," said Courtney. "The checks are encoded there and couriered to the Federal Reserve with a travel time that limits us geographically to a radius of 100 miles or so."

Allowing use of images, rather than physical checks, helps FSI break through that barrier and create a much more distributed model for processing. That sets the stage for the NDP 300 and 600 to play a pivotal role in the growth of its business at the bank level, with Source NDP filling a similar role at the branch locations.

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As always, developers and engineers at VSoft will be working closely with FSI and other clients to provide software that takes advantage of these legislative and technological advances. "We consider every client relationship a strategic partnership," Imes said. "Our mission is to consistently provide innovative and reliable solutions that keep us, and our customers, at the forefront of payment processing technology."

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