



Take Branch Capture to the Teller Lines *Move Beyond Back Office Capture*

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Every Financial service provider today faces challenges to increase revenue, improve the brand image, improve quality of the consumer touch points, manage risk, improve delivery and improve availability. Many of these challenges today have been fostered by the change in the payments system. In the evolution of check 21, taking advantage of the technology plays a codified role in the strategic initiatives of the financial institutions overall market penetration.

The speed and accuracy at which a Teller completes a monetary transaction at a teller station is increasingly becoming a prevalent issue among financial institutions. The need for the teller line to be more agile in identifying new sales opportunities rather than being only transaction based has developed into a new technological challenge for most institutions.

Innovation in the check processing payment system

Changing from a paper based clearing model to a fully electronic based system has been the goal of many in the industry over the last decade. Starting off with the exchange of electronic MICR information and now with the use of image as well, the system has seen a tremendous change in a short period of time. Check 21, although not a mandate to do image exchange has become a catalyst for the change in the industry to move beyond the exchange of MICR information to the exchange of images and data. The exchange of both images and data in standard formats (X9.37/x9.37.180) across institutions and the Federal Reserve has enabled financial institutions to put major focus on their infrastructure with one common goal of moving images out of the institution rather than paper.

As the implementation of image exchange has spread across the country so has the opportunity to increase the efficiency of the system. Old opportunities verses new opportunities have created the demand for more intuitive software platforms to take a much departmentalized solution to the greater market of a financial institution. More demands by compliance and fraud departments in an effort to reduce losses are major contributors to the demand. Regulation and compliance have certainly made a play into the day to day activities for every FI.

Branch Item Capture – Back Counter

Most institutions that have deployed image technology at the branch level have done so through the back counter. Based on early attempts to roll out first generation Branch Item Truncation at the teller line, back counter deployments was determined to be less intrusive to both tellers and customers. In back counter capture the teller would intermittently bring all the transactions to a back counter PC with a scanner attached to capture the transactions. If equipped to do so the teller then would proceed to balance the work and make any corrections to the items such as amounts or bad MICR. For institutions with central operations a teller may only be responsible for capturing the work. Central operations would be responsible for data perfection and balancing.

While back counter capture lends itself more to commercial type deposits it has been used as an initial step to adept the teller line with the advantages of image capture and the workflow associated with putting this into action. This initial step of capturing the images in the back counter is operationally transparent and is very effective as a first step in bringing an institution up on image capture at the branch level.

Migration from Back Counter to the Teller Line

With the added focus on Imaging at the “point of entry” into the payment stream, thanks due in part to the passing of Check 21, the overall technology platforms have become vastly more improved over those first generation solutions that were first made available in the mid 90’s. Following closely on the “coat tale” of Check 21, many hardware vendors and software houses worked together to develop efficient API’s that allowed a “faster” and more effective workflow. This next generation solution framework, allowed critical workflow functions (CAR/LAR, Image quality and duplicate item detection) to get pushed closer to the point of entry without the deterioration of service, experience in the Pre-Check 21 Era.

Today, many of the financial institutions want to take full advantage of the enterprise wide savings and improved customer services that this next generation technology can provide.

In the migration from back counter capture to teller line capture there are several questions that a financial institution needs to ask itself. For the institution that has not decide to do either the same questions apply.

1. What types of deposits are coming into the institution?
2. Are they mostly retail based? (1 to 5 items)

3. What types of control documents can be eliminated?
4. Does your teller system support an interface to a teller image capture platform?
5. Deployment strategy, enterprise-wide or more selective deployment.
6. What is your strategy for commercial accounts? (Will you be deploying merchant item capture?)

Value of Teller Line Capture

Even with the initial cost savings involved with back counter capture a financial institution can achieve even larger cost savings with teller item capture. As a migration strategy to move from the back counter to the teller line develops there are solutions that can help mitigate the downsides and take advantage of the benefits.

Cost avoidance

- Eliminate most of the paperwork that tellers create
- Reduction in errors
- Eliminate or reduce courier costs
- Alleviate the need for maintenance and replacement of check proof machines
- Funds availability

While cost avoidance is certainly a compelling reason to take on teller image capture there are also additional benefits to moving to the teller line. A shared branching transaction is one example. In shared branching today you may need to separate the transaction from your work and handle for special processing. In a teller capture scenario each transaction is electronically endorsed with the actual BOFD (bank of first deposit) and settlement occurs at the financial institution performing the transaction, balancing and reporting are unaffected.

Why Use Teller Capture Over Branch Item Capture?

Using the teller image capture system technology to electronically enhance the workflow of the teller line is just one of the many benefits of moving to the teller line. The benefits of branch item capture can easily be identified and taken into practice very quickly. What is less self-evident are the benefits of teller image capture. Outlined below are the many benefits of teller image capture.

Consumer Benefits

- Provides better service at the time of the transaction
- Each transaction is balanced before the customer leaves eliminating customer deposit adjustments
- Improves customer confidence that the transaction was handled correctly
- Identifies non-negotiable items at the time of the transaction
- Extension of deposit cutoff time

Retail Operations Benefits

- All checks captured at the teller window
- Streamlines the check capture work throughout the business day
- Reduces supply costs
- Simplifies your teller training (Cuts teller keystrokes by 50%)
- No need for a deposit slip, cash in, out or control tickets
- Aids the teller with check holds

- Avoids the possible contention at the back counter scanner
- End of day processing is greatly reduced

Central Operations Benefits

- Eliminates, duplicate items and batches
- Speeds balancing process at end of day
- Consolidation can be done by teller or branch
- No need for start of day or end of day
- Virtual tickets are added to image archive for easy research
- Eliminates geographic boundaries
- Clear on us items more timely

Fraud Mitigation Benefits

- Duplicate item detection
 - Fraud files (at the time of capture)
 - Third party fraud detection integrator
- Negative file
- On-Ups Check Verification
- Account verification against a CIF file or CDV mod checks
- Fraud Rules – Fraud Suspects
- Thompson Routing Transit Database for Transits

Even with all its benefits teller item capture does not have to be a all or nothing decision, it is common place to start off with a back counter and supplement it with teller item capture reserving the back counter for larger commercial deposits or as a back up capture workstation.

The Road to Capturing at the Teller Line

Teller item capture is a compelling business case and VSoft Corporation is up to the challenge to provide the right solution for your goals and needs. At VSoft, we not only recognize these challenges at a business level, but have provided cutting edge solutions that meet these challenges for today and tomorrow. VSoft is partnering with many of the leading teller platform software providers to build seamless Teller item capture interfaces that will provide our clients with a next generation solution, today. Working closely with our clients and partners, Teller Item Capture will become common place within the industry over the next few years.

Our seasoned team of business and product management professionals has extensive financial industry experience and our solutions leverage both this internal experience as well as that of our most valuable asset, our customers. At VSoft, we build solutions to solve business problems for our customers.

Call your VSoft representative today for a solution that will put you ahead of your competition and take you into tomorrows world of remote deposit TODAY.