

Information Management

TD Banknorth approves loans in less than 24 hours with IBM Enterprise Content Management solution

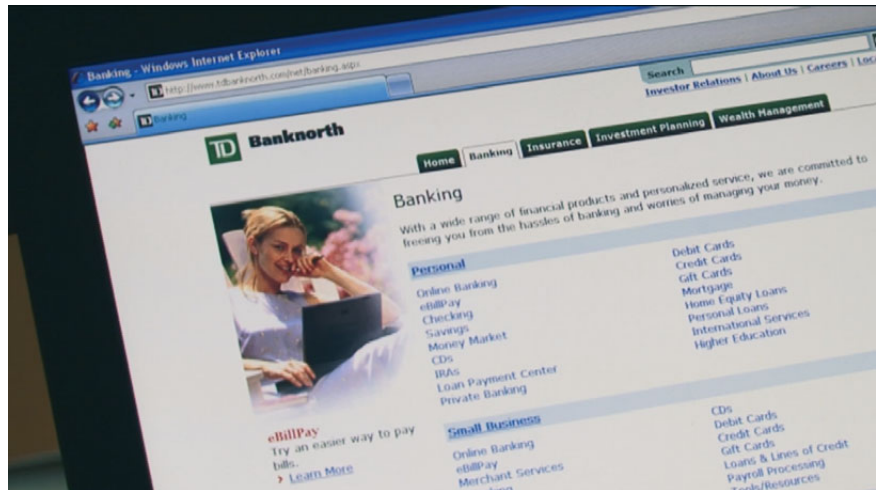
Overview

■ Challenge

- Provide immediate access to imaged documents from anywhere in the enterprise
- Reduce “cycle time” from application through post-closing by improving speed of delivery to customer
- Reduce and/or eliminate redundant tasks and unnecessary movement of paper

■ Solution

- Consolidate six file centers into one centralized Imaging Center of Excellence
- Perform a backfile conversion of more than 12 million pages
- Build technology to support a paperless loan origination process



■ Benefits

- Reduced expenses through the consolidation of multiple filing centers and off-site storage of paper
- Reduced travel associated with loan review, audit and compliance functions
- Enables delivery of superior levels of customer service through improved response time
- Enabled bank's Residential Mortgage team to process loan applications within 24 hours while supporting three times volume originally estimated

“We can now close residential mortgages within 24 hours of receiving an application. This has been a tremendous contributor to our success.”

- Cindy Dufrane, Senior Vice President, TD Banknorth

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– Paul D. Smith, Senior Vice President, TD Banknorth

For companies looking to effectively manage and make intelligent use of enterprise information, one of the first steps is replacing cumbersome paper-based processes with an electronic content management system that helps ensure that content is easily accessible when and where it is needed.

Take TD Banknorth, a leading banking and financial services company headquartered in Portland, Maine. The bank, which is owned by TD Bank Financial Group of Toronto, Canada, provides customers with a full range of financial products and services at nearly 1,100 convenient locations from Maine to Florida.

“With a mission to be ‘America’s most convenient bank’, we wanted to reduce the time required to respond to customer inquiries and approve loans,” says Paul D. Smith, senior vice president, TD Banknorth. “But standing in our way was a reliance on paper-based processes.”

For example, when internal lenders or support staff needed a consumer-related document, they had to contact the consumer file management center where the information was manually pulled, copied and then either faxed or mailed. The consumer file room received more than 200 requests daily and needed seven full-time employees to keep up with demand. Likewise, the bank’s Small Business and Commercial Divisions had to maintain six stand-alone file centers to store and manage more than 12 million pages of documents.

“Delays in delivering documents to staff and customers had significant implications on both service and loan acquisition,” says Smith. “In this competitive banking environment, it is critical that lenders, branch and operational team members have information available at their fingertips to quickly make sound lending decisions. Whichever bank responds first to the customer usually wins the business.”

Cutting response times dramatically

Today, using an IBM Enterprise Content Management (ECM) and Business Process Management (BPM) solution based on the IBM FileNet® P8 platform, TD Banknorth is optimizing operational and compliance processes to gain a competitive advantage. Now as documents are created in the bank’s originating mortgage system, they are automatically captured by IBM FileNet P8 software and immediately made available online to authorized bank staff. Paper documents sent by attorneys or customers can be faxed into third-party software and made available in just two hours via IBM FileNet P8 software without any scanning.

“Our strategy is to improve workflow efficiencies by promoting a paperless environment within which our teams can reduce, and even eliminate, unnecessary tasks,” says Cindy Dufrane, senior vice president of TD Banknorth. “By capturing documents in digital form early in the product cycle, we can increase our speed of delivery and response time to customers.”

Now lenders, branch staff and customer service representatives have on demand access to customer information, loan applications, lending documents and much more, directly from their desktops so they can easily track and manage the loan cycle. The residential mortgage team creates residential mortgage applications in the loan origination system, which are then automatically routed to the appropriate team member throughout the approval and closing processes. Because bank staff can review documents simultaneously, any issues or questions can be resolved without having to copy, mail or wait for additional information.

Most dramatic has been the impact on the residential mortgage loan process as staff can now close loans in less than 24 hours. This has enabled the bank to process more than three times the number of loans originally estimated.

“Our staff now has the ability to respond to both internal and external requests, quickly and accurately,” says Dufrane. “We can now close residential mortgages within 24 hours of receiving an application. This is a dramatic reduction in processing time and has been a tremendous contributor to our success.”

Reducing expenses through consolidation

The bank is also using IBM ECM and BPM software to cut the time and cost of managing Small Business and Commercial loans. With IBM FileNet P8 software, the bank consolidated six stand-alone file centers into a single Center of Excellence for Imaging and converted more than 12 million pages of information into electronic files. Doing so enabled the bank to cut the time to deliver documents related to Small Business and Commercial loans from 7 days to less than 48 hours.

“With IBM FileNet P8, we’ve reduced the staff, space and related costs required to support our file centers,” says Dufrane. “Travel expenses for internal audit, risk and compliance teams have also been cut as auditors can now view documents at their desktops.”

Using IBM Content Manager OnDemand, TD Banknorth also streamlined the reporting and distribution of electronic bills, invoices and statements. This helped the company to minimize the risk of loss due to a disaster. It also significantly reduced paper usage to further the bank’s green initiatives.

Solution Components

Software

- IBM Enterprise Content Management (ECM) solutions
 - IBM Content Manager OnDemand
 - IBM FileNet® P8
 - IBM FileNet Business Process Manager
 - ♦ IBM FileNet Process Analyzer
 - ♦ IBM FileNet Process Simulator
 - IBM FileNet Content Manager
 - IBM FileNet eForms
 - IBM FileNet Systems Monitor

Business Partner

- Lighthouse Computer Services
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Gaining results quickly with expert advice

According to bank staff, the transition to IBM ECM and BPM has been seamless. IBM Premier Business Partner Lighthouse Computer Services was selected to provide technical design and implementation of the solution.

“Support from an IBM Business Partner was invaluable,” says Dufrane. “Lighthouse offered a wide range of expertise, including needs analysis, business functional requirements, solution design and configuration strategy, along with technical support and education to help us successfully meet our goals.”

Once implemented, employees needed just 15 minutes of training to use the system. Today, more than 4,900 bank staff, including lenders, administrators and back office staff across the organization’s Commercial and Small Business division, Deposit Operations, Loan Operations, Branches, Compliance, Audit and Risk, and Residential Mortgage Operations use the IBM ECM and BPM solution. Bank executives expect this number to grow to more than 8,000 users as the software is deployed across its human resource, insurance and legal departments.

Additionally, the solution offers an expandable and scalable platform to support the bank’s growing operations. Currently, the bank scans about 750,000 images a month. By the end of 2009, TD Banknorth expects to scan nearly 2.5 million images monthly.

For more information

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