



AT A GLANCE

By replacing an inadequate document imaging solution with a fully integrated solution for document imaging and management, collateral tracking and exceptions, Irwin Union Bank, a 33-branch bank with \$5.5 billion in assets, has improved control and mitigated risk in its loan operations.

SYSTEM BENEFITS

- Doubled scanning volume with better results and enhanced tracking capability but did not increase the number of scanner operators
- Single solution for tracking collateral and loan files
- Improves control of loan documents and risk management
- Allows users to retrieve intuitive virtual loan folders directly from the core
- Scalable to meet the document management needs of other departments across the enterprise
- Improved access to documents at remote locations and for traveling employees

APPLICATION

- Loan Operations: commercial, residential mortgage, construction, consumer and installment

Irwin Union Bank

Centralized Solution Increases Control of Loan Documents to Reduce Risk

Irwin Union Bank traces its history back to the 1860s when the safe in Joseph I. Irwin's dry goods store became known as the "safest safe in town" for neighboring merchants to keep their cash. Today, there are 33 branches of Irwin Union Bank, F.S.B., and Irwin Union Bank and Trust Co. (both wholly owned subsidiaries of Irwin Financial Corp.) in 10 Midwest and Western states, and the bank manages \$5.5 billion in assets. Needless to say, maintaining efficient loan operations as well as its "people-first" philosophy as it continues to grow and expand is challenging for Irwin Union, which specializes in providing a broad array of personalized financial services for the owner-operated business, entrepreneurial and professional markets.

In 1999, Irwin Union implemented a document imaging solution, but the solution couldn't meet the needs of the loan operations department to share documents between the 25 markets where the loans originate and the credit files are stored and the centralized location in which the collateral files are stored. Many locations didn't even use the system because the retrieval times were slow and the images were of poor quality.

Meanwhile, management also calculated the rising costs of storing documents, including having to buy filing cabinets and secure a place to store the rapidly growing number of commercial, residential mortgage, consumer installment and construction loan files. A more accessible solution would also allow the many employees who travel frequently to review files while on the road, increasing convenience and productivity to prevent delays.

After inviting 11 vendors to demonstrate their product offerings, Irwin Union chose a solution proposed by PROFORMANCE, an Authorized OnBase Solution provider. An integrated enterprise content management (ECM) suite with core capabilities in document imaging and management, COLD/ERM and automated workflow, OnBase offered the capacity to facilitate paperless processes across the enterprise as well as loan operations and produce clear images quickly, even from remote locations. One of the factors that set PROFORMANCE apart was its ability to tightly integrate the document imaging and management capabilities of the OnBase with collateral and exception tracking.

"We also liked some of the features of the solution," recalls Mary Griggs, VP and Loans Project Manager at Irwin Union. "The foldering capabilities, for example, have the look and feel of a paper file, so there's not as much of a learning curve for users. They can open a folder right from a Silverlake [from Jack Henry, the bank's core] screen and go to the tab they need."

DOUBLED SCANNING VOLUME WITHOUT STAFF INCREASES

After closing, loan files are sent to Irwin Union's centralized document scanning facility, where 1.2 full-time employees (FTEs) scan an average of 8,344 pages facility, per day using scanning hardware from Böwe Bell & Howell. Trailing



PROFORMANCE SOFTWARE

- INFO-ACCESS
- Host Synchronization
- INFO-INDEX
- INFO-VIEW
- INFO-REPORTS
- INFO-PRINT

COMPLEMENTARY PRODUCT INTEGRATIONS

- Jack Henry & Associates Silverlake® core processor
- Böwe Bell & Howell Spectrum document scanners

documents can be added to the loan file by the banking associates at the 25 remote locations using multi-function peripherals (MFPs), reducing the time it takes to get these documents into the system.

To eliminate manual indexing, bar-coded cover sheets are generated using INFO-ACCESS, a software application developed by PROFORMANCE to link document imaging to loan document tracking, exception processing and collateral management. The OnBase Web Services Toolkit is used to validate the keywords, and PROFORMANCE's Host Synchronization application is used to update INFO-ACCESS.

"On the scanning side, we are scanning so many more documents than we did before because we have better hardware and software," Ms. Griggs comments. "Even though we haven't hired any additional scanner operators, we're scanning at least twice as much as we did with the old solution.

In addition to incoming documents, Irwin Union Bank is also gradually eliminating the backfile of paper-based documents. In order to prioritize, the bank ran reports from the core to identify which should be imported into the solution first. For instance, accounts on the Watch List that have an above-normal credit risk and require closer observation were among the first to be scanned to make them readily available for auditors and attorneys. Each of the markets was also asked to identify its top 20 accounts and scan all renewals as part of its normal processes.

Working with PROFORMANCE and a third-party service, Irwin Union migrated 391 GB of existing document images accumulated during the seven years in which the previous solution was used. This provides users with a centralized location from which to retrieve all of the information they need.

A focus group is currently reviewing the document retention policies related to these files. These policies will be automated and enforced using a combination of OnBase Document Retention and enhanced INFO-ACCESS functionality.

COST SAVINGS AND PRODUCTIVITY INCREASES COMPLEMENT RISK MITIGATION

"We have much better control with this system," asserts Ms. Griggs. "Our risk management is much better. In the past, we had one product for loan documents and other products for collateral tracking. Now everything is in one place, and exception reports are all in one system. We've also centralized tracking of financial requirements. In the past, we were manually entering 'ticklers' in another product, which was very inconsistent because each market interpreted the policy differently. Now we don't have that inconsistency because we use INFO-ACCESS for tracking.

In addition to the compliance benefits, the solution has saved employees in the various markets a considerable amount of time that had been spent creating files, filing documents and pulling physical files, freeing resources for customer

CUSTOMER SUCCESS STORY



ABOUT PROFORMANCE

PROFORMANCE is a leader in the design and implementation of document automation solutions for the financial services industry. Using structured methodology, we develop proven document management strategies that significantly improve lending, deposit and other paper-intensive operations at the enterprise-level.

We know how to best integrate applications, such as the OnBase document management system with our INFO-ACCESS and INFO-CAPTURE products, to create industry-specific solutions that are highly functional and adaptable to changing needs. With over 20 years of financial services experience, PROFORMANCE delivers industry leading solutions backed by a significant knowledgebase and exceptional technical support.

PROFORMANCE, Inc.
24900 Pitkin Road, Suite 250
Spring, Texas 77386
281.292.9000 • www.pf-inc.com

IRWIN UNION BANK

service. A significant amount of paper has been recycled and warehouse costs have been reduced. "We're not allowed to order any more filing cabinets," Ms. Griggs adds.

The benefits of OnBase will soon be extended to deposit operations. Signature cards, wire agreements, ACH documents and other documents will be stored in the OnBase repository and made available to employees directly from the Silverlake interface. Unlike the previous solution, the existing OnBase investment could potentially be scaled to meet the needs of other departments, such as the human resources, trust, insurance and accounts payable departments.

"PROFORMANCE has been good to work with and open to new ideas," Ms. Griggs concludes. "So this solution will continue to grow."