

Image Is Everything

Financial Institutions Embrace Image Benefits

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We have all heard the phrase "Image is everything." In a world dominated by Hollywood, MTV, slick advertising campaigns and the Internet, it is easy to dismiss "Image" as a synonym for "unreal." This, however, is far from the truth when it comes to "Image" within the financial industry.

Image in this discussion is a shorthand term relating to a financial institution's use of specialized cameras attached to document processing equipment to digitize paper documents, such as checks, into image files for storage and use both internally and externally. The process of capturing the checks is known as "Check Imaging," the process of storing the images is called "Archiving," and the process of distributing and accessing the images is known as "Delivery." The actual image-based solutions used by banks to reduce costs, increase revenues, prevent fraud, and enhance customer service are called "Image Applications."

A Brief History

Image technology has been around since the early 90s, before the Internet blossomed, and was one of the hottest technologies going. "Image Processing to Slash Back-Office Costs," read the typical trade headline of the day. "Bank CIOs Add Image to Top IT Priorities," the surveys reported. The appeal was instant and compelling. Not only were paper volumes flooding banks and their customers, but as large banks consolidated to form huge banks, the sheer logistics of moving paper from place to place, storing it, retrieving it, keying in its data, and perhaps keying it in all over again - coupled with extreme pressure for speed and accuracy - threatened to turn banks into reluctant but accomplished paper handlers.

But the rollout of image lagged the initial appeal. As with most technologies in their early days, the ante was high. Image was tough to justify purely on the first application required, and secondary applications with incremental benefit were yet to come. Some banks pulled back after getting burned by early investments that did not pay off as quickly as expected. Others took their image bets off the table when the Internet came along; they gambled on online ventures instead. With little constituency pressure, regulatory and legislative initiatives moved lethargically through the traps that hindered electrification of payments. Image did gain a good footing among devout believers and early adopters who produced some sturdy case studies, but by and large, it remained a technology heavy on potential, light on proof.

The Future Is Now

Today the tide has turned, as evidenced by a mounting wave of image commitments by leading players. A number of large banks and their providers are placing solid, safe bets on image applications that can enhance the payment business by using image to meet customers' expectations for value-added services and information. Its best justification is not just in cutting costs, but in boosting revenues by giving customers additional reasons to do more business with their banks.

In recent months, in a series of stunning advances, image processing technology has landed front and center on the banking technology stage. In the first half of 2002 alone, bank after bank and vendor after vendor announced large dollar commitments to the technology and its promise. Each tells a slightly different but energetic story about an image installation or agreement designed to exploit the vast potential of this long-respected but under-utilized technology. For the banking industry, the image momentum surge represents an urgent and fairly concerted effort to get its payment house in order - to shore up revenues jeopardized by the shift from paper to electronic payments. For the individual banks involved, it represents a groundswell of recognition that image brings both revenue and expense benefits. And for Carreker Corporation, the conspicuous build-up of image successes affirms the company's image innovation and leadership and validates its acquisition of Check Solutions, a premier provider of a lengthy line of image-enabling and image-leveraging solutions.

The Image Cascade

Today's environment is seeing a cascade of image applications built upon initial investments in image technology. Basic cost savings and efficiencies are generated by providing instantaneous access to captured check images from operational areas within the bank rather than pushing paper throughout the organization. Additionally, revenue opportunities are enhanced by offering customers access to their images through a variety of media, to include printed and electronic image statements, CD ROM, direct on-line access, and the Internet. Customer service is greatly enhanced by the ability to effectively respond to customer requests for information and electronic copies of images. Back Office operations, i.e. the processing of return items, exception items and



adjustments, is dramatically improved through the access to images and associated customer data, resulting in reduced costs and greater customer service satisfaction. Check fraud detection is uniquely enhanced through the ability to automatically compare check images to the data provided by the issuing customer, thus identifying possible fraudulent check alterations.



Image Building Blocks

Carreker is proud to be playing a key role in the explosion of image-based banking solutions as the recognized leader in image capture, archiving and delivery technology and applications. Today seven of the thirteen largest U.S. banks, representing more than 60% of the U.S. check volume, have chosen Carreker's archive technology platform, as has Symcor (which processes checks for three of the six largest Canadian banks) and the U.S. Federal Reserve System. Currently these archives house over 10 billion check images, with volumes growing rapidly each month. The development of the software, systems and support functions that facilitate the processing of such extensive image volumes is the result of many years of evolution and experience integrating the key elements of an image strategy.

Check Imaging includes capabilities to capture, validate and balance check data and images, and inspect image quality to ensure the bank's quality standards are maintained. Over the years, Carreker Corporation has developed an extensive array of proven software solutions to accomplish these functions in an effective and seamless fashion.

Archiving provides for the indexing and storage of captured check images. Carreker's Check Image Archive MVS runs on a host system for customers utilizing a centralized archive repository site processing small to large image volumes for short to medium storage periods. Check Image Archive AIX, running on an IBM pSeries (formerly known as RS/6000), handles multiple repository sites and is designed for very large enterprise image volumes for long-term storage.

Delivery consists of the access, distribution and viewing of stored images by a variety of internal users and external customers. Carreker has a menu of solutions to address these functions along with integrated applications for image statements, return items processing, remittance payments processing and fraud detection and management.

A Strong Alliance

Carreker is an IBM Development Partner for financial industry technology and applications. Additionally, since 1996 Carreker has worked closely with Datatrend Technologies, Inc., an IBM Premier Business Partner, relying on their expertise to evaluate, configure, test, propose, supply, and install the IBM hardware and software supporting our high-volume archive technology solution, Check Image Archive AIX. Especially significant in this relationship is access to Datatrend's TotalStorage Solution Center (TSSC) where Carreker developers can test and validate archive applications on the latest IBM systems and storage devices. As an example, Carreker used the TSSC in testing the CIA AIX application for an IBM pSeries p660 with the new Shark ESS 2105 External Mass Storage Device. As a result of the test, several key modifications were made, resulting in a fully functional solution that secured a significant sale of an in-house enterprise-wide archive solution to a super-regional bank.

Carreker Image Solutions

Image Capture	Image Storage	Image Delivery	Image Applications
Application Library Services	Check Image Archive AIX	Image Enhancement Products	NeXGen Remittance
Branch Truncation Manager	Check Image Archive MVS	Image Delivery System	Adjustments/Express
Electronic Check Presentment	Check Image Import	Image Statements	Exceptions/Express
Reject Repair	Check Image Export	Delivery Express	Inbound Returns/Express
Document Repair	Check Image Retrieval	Image Request Broker	All Transactions File
Image POD Products	Check Image Archive Load	CheckView CD	Amount Encoding Verification
Image Bulk File/Fine Sort			Payee Name Verification
NeXGen Image Processor			
XPLSI and ICAP			
Input/Express			



About Carreker

Carreker Corporation improves earnings for financial institutions around the world. The company's integrated consulting and software solutions are designed to increase clients' revenues and reduce their expenses, while improving security and increasing the value of their customer relationships. Carreker provides products and services to more than 250 clients in the United States, Canada, the United Kingdom, Ireland, Australia, and South Africa. Clients include the full range of community, regional and large banks, among them more than 75 of the largest 100 banks in the United States. Headquartered in Dallas Texas since 1978, Carreker Corporation also has offices located around the world including London, Toronto, and Sydney. For more information, please visit www.carreker.com .

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