WACHOVIA'S NEW IMAGE-BASED REMITTANCE PROCESSING SYSTEM

WACHOVIA RESOLVES INTEGRATION ISSUES TO CREATE A BEST-OF-BREED SOLUTION

Best-of-breed applications allow you to mix and match the most powerful software packages on the market to create a solution customized to the needs of your company. When the implementation proceeds smoothly and all the pieces work well together, the best-of-breed approach can create a significant competitive advantage. Yet many implementations stall because of difficulties integrating the various systems.

When Wachovia was building its new remittance processing system, its project team decided that the additional functionality that would be gained from building a best-of-breed system was worth the extra effort it would entail to connect the different packages. A minor component of one of the software packages was the key to making the pieces work together.

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In early 1997, Wachovia made the decision to build an imaging-based remittance processing system. Wachovia consistently has been named one of the best providers of treasury management services, leading the industry in customer satisfaction. So when its customers started asking for imaging, Wachovia began to look for a way to deliver the capabilities customers wanted.

Customer Focused Design

From the beginning, Wachovia focused on how the remittance system would be used by both customers and in-house support staff. Fortunately for the remittance team, a strategic decision on check image storage had been made years earlier. The strategic decision was made to have all of the bank's check images stored in one central location. Wachovia had developed its own enterprise-wide check image archive to store checks from all departments including the remittance area along with whatever supporting

documentation might be needed: adding machine tapes, invoices, remittances, letters and other correspondence, even the envelope in which the check was mailed.

"The Check Image Archive gives instant access to all of the images related to a deposit," said Terry H. Beck, director of item and image processing for Silas Technologies™, a wholly-owned subsidiary of Wachovia that now markets the check image archive solution to other banks. "Within minutes after a deposit is closed out, Wachovia's remittance customers can look at the documents and make ship/no-ship decisions the same day. They no longer have to wait until the next day when they receive their remittance package. Wachovia's customer support staff also has access to the data and images and can pull up information immediately to help their clients."

Imaging Software Selection

The next component to be chosen by the remittance team was the imaging software. Wachovia needed software that could provide images in the right format for the archive. IA Corporation's RemitVision™, one of the leading systems used by banks to automate remittance processing operations, was able to meet that requirement.

IA's software scans the checks and remittance documents and turns them into digital images. The documents are organized in electronic folders. Wachovia then uses a data entry system to key information from those images and append that information to the image.

Selecting the Data Entry System

The operations staff was very content with their old data entry system. However, the system would have to be replaced. It was not Y2K compliant and would not work with the new imaging system. "We wanted software with the same or better functionality than our old system and a package that could carry us into the new millennium," said Chris D. Ledford, vice president of Wachovia Operational Services Corporation.

Viking Software Solutions had software that met Wachovia's requirements. Viking's new VDE+Images® ran

under Microsoft Windows NT and promised the same or better performance. It offered customization options that would allow Wachovia to keep the same look and feel as the old data entry system, easing the conversion for the data entry operators. In addition, Viking could help with the 500 programming jobs that would have to be converted. And VDE+Images would allow Wachovia to key from paper or images with the same job setup—an important factor since the data entry system would be moving from paper to images in stages.

"We examined several data entry packages, but Viking's was the one that best met our needs," said Ledford. "We had been very satisfied with the way our old system worked and expected to have to settle for less when we converted. Fortunately, we got much more."

Integration

The next question was whether Wachovia would be able to integrate VDE+Images with the other components of the imaging application. Data formatting was the major concern—would VDE+Images be able to import and export data in formats that would work with the other best-of-breed components?

"We knew our software could be integrated easily," said Sherrill Lindsay, the sales representative at Viking who worked with Ledford. "Our API is one of the strongest parts of the product. But we had to convince Wachovia."

"Wachovia gave us the format in which the data would be delivered to us and the format for the data when we were finished with it," Lindsay added. "We were able to show that it was no problem to import and export data in those formats."

Wachovia then determined that if Viking easily could accept and export a variety of formats of data, that it might provide the glue that would hold the other pieces of the application together.

"We originally thought we were going to have to build a conduit to transfer information from one system to another ourselves," said Ledford. "We were very pleased to discover that Viking could handle the transfer for us."

"What we did was take the data that came out of the new imaging system and format it to look exactly like the output from their old data entry system," said Darlene Hutson Chavez, Viking's project manager for the conversion. "We were able to set up an import program that constantly polls the imaging system to see if new batches of data are available. When batches are ready, we pull them in and prepare them for keying."

Viking's software captures all of the data output from the imaging software, even information not needed as input for data entry. Then Viking adds its own keyed information to this file. The result is a combination of both data sources, formatted in a consistent fashion.

One advantage of having the data formatting as part of data entry is the flexibility it offers Wachovia. Typically, each customer has specific requirements about what information is to be captured and how it should be reported. From time to time, these output formats change.

Designed for Change

"We built the system to make it quick and easy to make modifications to the jobs," added Hutson Chavez. "This helps Wachovia respond to customers' requests faster."

"Once the keying has been completed, we have an export program that regularly checks for finished batches," continued Hutson Chavez. "We run checks and edits and then send the batch to the mainframe for posting to the customers' accounts. Data flows constantly in both directions."

"We are very pleased with the way things have worked out," said Ledford. "We are catching errors sooner because we are able to run edits on each batch as it is keyed instead of waiting until the end of the day. And we are able to post data faster, which is important to our customers."

Improved Productivity

Ledford added, "In addition, we have seen benefits on the data entry side. On average, our operators have increased their keying speed per hour by 38 percent. And a few of our operators are doing 90 to 100 percent more.

Any time you can improve productivity as much as we have with this system, you get a competitive advantage."