

AccuAccount Success Story



AccuSystems

MidWestOne Bank: **Imaging + Tracking Leads to Efficiency**



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The past decade has brought significant change for Keith Graff's loan operations team. When Keith hired on in 2004, his bank was known as First State Bank (part of the then Iowa State Bank & Trust Holding Company). The institution primarily served agricultural lending needs in the Iowa market.

Through a series of mergers and acquisitions, Keith's bank now operates as MidWestOne Bank (part of the MidWestOne Financial Group, Inc.) and has grown to become the fifth largest publicly traded bank holding company (NASDAQ: MOFG) in Iowa. The bank holds more than \$3 billion in assets and has over forty branches spread across Iowa, Minnesota, Wisconsin, Florida, and Colorado. Although still involved in ag loans, MidWestOne also provides consumer and commercial products and services.

With such an aggressive growth trajectory and increased emphasis on business loans, Keith and the MidWestOne team knew it needed a more efficient way to manage its documentation.

In this article, we'll look at how MidWestOne leverages technology to keep pace with its ambitious goals.

Better Imaging with Integrated Tracking

Shortly after Iowa State Bank acquired MidWestOne Financial Group and took MidWestOne as the name of the company in 2008, it became clear that change would be necessary. Overnight, the bank grew from eight branches to more than twenty. Three separate ways of doing things now needed to be united, and couriering paper loan documents from branch to branch no longer seemed feasible.

"We wanted to get all of our branches using the same document imaging system," said Keith Graff, VP of Loan Operations. "Our core system offered an imaging module, but it did not deliver an intuitive end user experience. It also made it difficult for our users to find what they were looking for."

So, Keith's team set out to explore other options.

"Ironically, around that time, AccuSystems reached out and scheduled a demo of their AccuAccount product," Graff said. "We were initially intrigued by the system's intuitive imaging solution and the fact that it integrated to our core."

There was also an added benefit that piqued Keith's interest.

"We were pleasantly surprised by AccuAccount's built-in document tracking features," Graff said. "Up to that point, we had used our core system's tickler to manage exceptions. Bringing imaging and exception management under one roof made a lot of sense."

To do his fair share of due diligence, Mr. Graff spent time evaluating competing systems.

"Several different systems were considered," Graff said. "We looked at products from core providers and other third parties, but in the end AccuAccount's document tracking and exception reports were too good to pass up."

Another determining factor was AccuSystems' unique position in the market.

"We wanted a vendor that was big enough to meet our needs, but flexible enough to grow with us," Graff said. "AccuSystems stressed the importance of customer feedback in its development pipeline, and we liked that."

Streamlined Operations

In 2010, Keith and the MidWestOne team finalized its decision to go with AccuAccount. Although it was a big endeavor to scan the backlogs for 20+ branches, it was an initiative that paid off quickly.

"AccuAccount has delivered positive return on investment for MidWestOne," Graff said. "Across the board, we're more efficient and we've cut down on many expenses, including paper, filing, labor, and redundant tracking."

So, how has AccuAccount delivered such value to MidWestOne?

"For starters, the file layout makes our job in loan operations much easier," Graff said. "The green and red dots tell us which files are available or missing. We can also move files from one place to the next with ease."

Thanks in large part to AccuAccount, Keith's team is able to spend less time on administrative work. "Managing electronic documents is way more efficient than hole-punching and filing documents," Graff said. "Needless to say, we don't miss paper documents."

Better Exams & Audits

This newfound efficiency has also impacted how MidWestOne prepares for exams and audits.

“Before AccuAccount, we would scurry around to find all the documents in the requested files,” Graff said. “If you were missing a tax return, for example, you’d have to locate the customer’s phone number and hope you could gather it in time.”

AccuAccount eliminates the need to “scurry around,” as everything is organized and tracked electronically from day one.

“With the AccuAccount system, we now receive weekly exception reports, allowing us to stay on top of what’s missing,” Graff said. “It doesn’t matter which file an examiner is requesting, because we’re ready for it.”

With all of MidWestOne’s loan files in electronic format, examiners are able to do “virtual audits,” rather than coming on-site.

“In most cases, examiners do not even need to come on-site anymore for exams” Graff said. “We’re able to provide examiners with a secure portal into AccuAccount, which gives full access to all of our files. If the examiner identifies a missing document, we can just scan it in and they have it instantly.”

Examiners have even provided unsolicited praise for MidWestOne’s new electronic exam process.

“Examiners have given us many compliments about AccuAccount,” Graff said. “This is especially true with the recent launch of Accuimg and PDF scanning, which will further expedite exams.”

Happier Lenders, Too

“Lenders love AccuAccount,” Graff said. “In particular, the automated exception reports help lenders to keep track of their missing documents.

The software is even changing how lenders engage with their customers.

“Our lenders like how AccuAccount aggregates customer and account information in one place,” Graff said. “After meeting with clients, lenders can log in to AccuAccount and add notes and comments. This helps everyone stay organized, including the lenders.”

A Final Thought

There’s no question that MidWestOne Bank has yielded significant value from the AccuAccount platform. But, is it the right fit for your community bank?

As you weigh your options and consider different vendors, consider this closing thought from Keith Graff at MidWestOne:

“Banks have several options for imaging these days, but finding the right vendor is key,” Graff said. “If you’re a commercial lender, you really need a platform like AccuAccount that connects imaging, tracking, and your core.”



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