

Findings Report: **Document Workflow Processes**

Document Workflow
Processes Study of
95 Bankers



alogent.com

Executive Summary

Study Overview

Financial institutions continue to seek more efficient document management processes, particularly with regard to workflows and approvals. Although electronic document imaging software has helped many banks and credit unions become more efficient, some institutions still struggle with achieving streamlined document management. This study takes a closer look at how automated workflows impact efficiency.

The purpose of this study is to answer the following questions:

1. What percentage of banks use electronic workflows?
2. Among banks still using paper documents, what causes inefficiency?
3. What is the greatest benefit to using electronic document routing?
4. What workflow technologies add the most value?

Audience Summary

In total, 95 people participated in the study. Participants in the survey mostly represent small to mid-sized community banks, representing an estimated \$30 billion in total assets. All participants were located in the United States. Job function ranged widely, including loan operations, loan servicing, senior management, and information technology.

Summary of Findings

As outlined in subsequent pages of this report, it is clear that automated workflows add value to financial institutions.

The following findings have been concluded from this study:

Department

49% of those surveyed are involved in “upfront loan processes” (such as applications, underwriting, etc), while 29% are involved in back-end loan processes such as servicing and document tracking.

Paper Routing

35% of institutions exclusively use paper for the routing of most internal documents. Only 20% of banks stated that internal workflows are predominantly paperless.

Common Issues

Among banks still using paper documents, speed concerns (26%) and bottlenecks (26%) were cited as common challenges. Visibility issues (23%) and data loss (23%) were also common concerns.

Speed

56% of banks identified the increase in approval and routing speed as the greatest benefit for using an electronic routing system.

Tracking

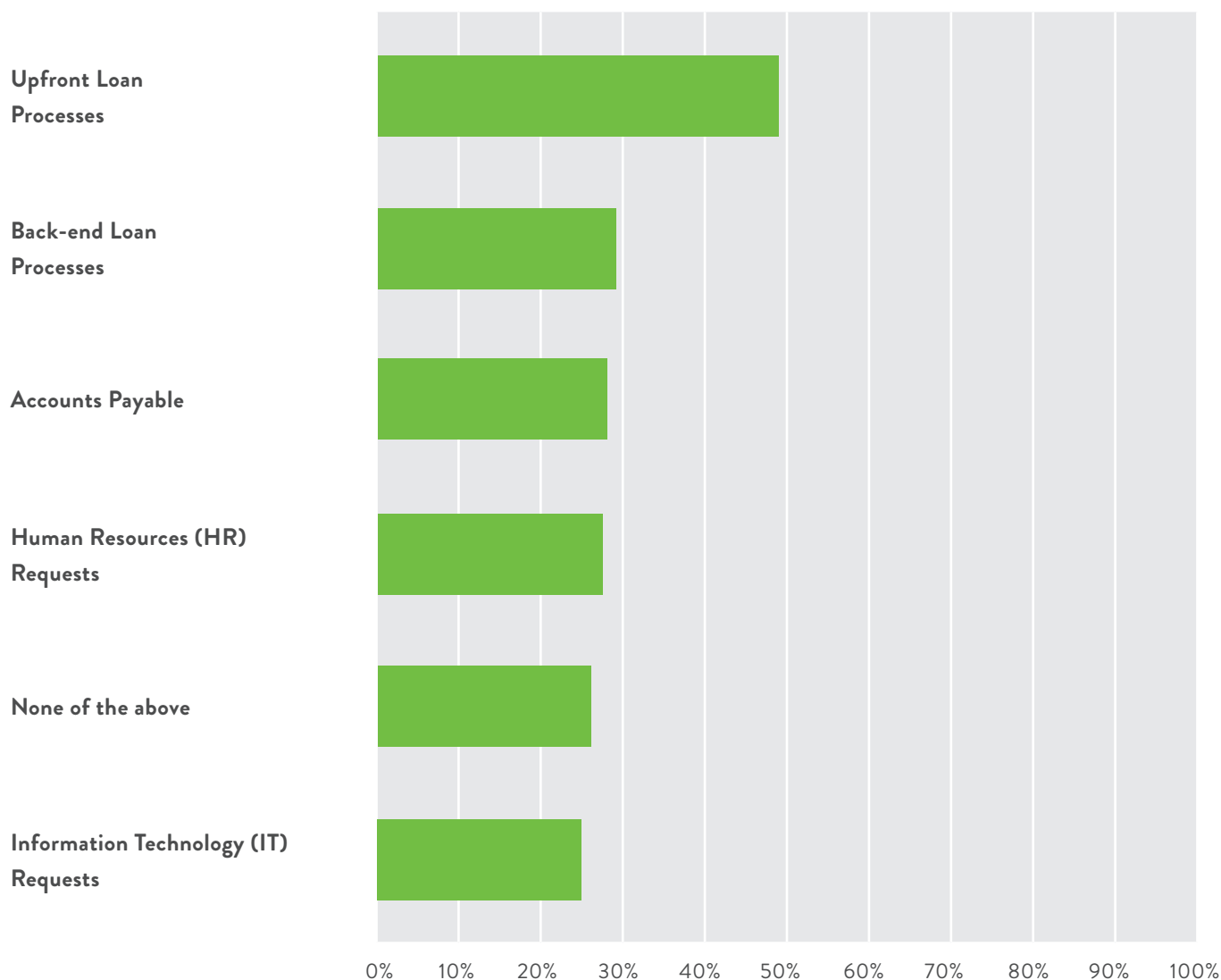
Exception automation (cumulatively 60% of responses) appears to be an opportunity for most institutions to build efficiency.

Automation

31% of respondents stated that they “desperately needed” a more automated system to close more loans.

Banker Involvement

Which of the following processes are you personally involved with?
(check all that apply)

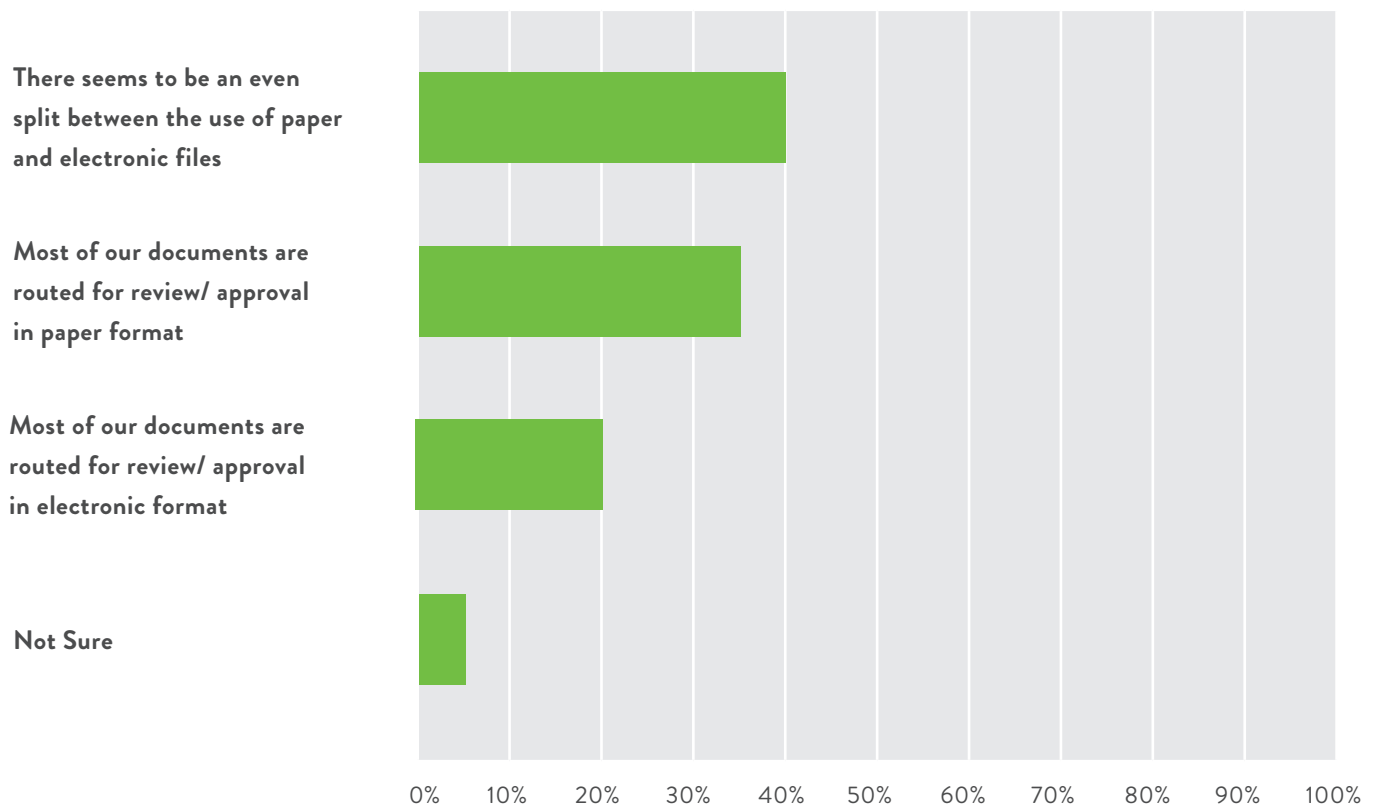


Banker Involvement in the Routing of Documents

The majority of those surveyed are involved in various aspects of the loan approval or management processes. Specifically, 49% of those surveyed are involved in “upfront loan processes” (such as applications, underwriting, etc), while 29% are involved in back-end loan processes such as servicing and document tracking. Fewer participants stated they are involved in accounts payable (28%), human resources (27%), or information technology (24%).

Paper vs. Electronic Routing

Which of the following best describes your financial institution with regard to routing of internal documents?

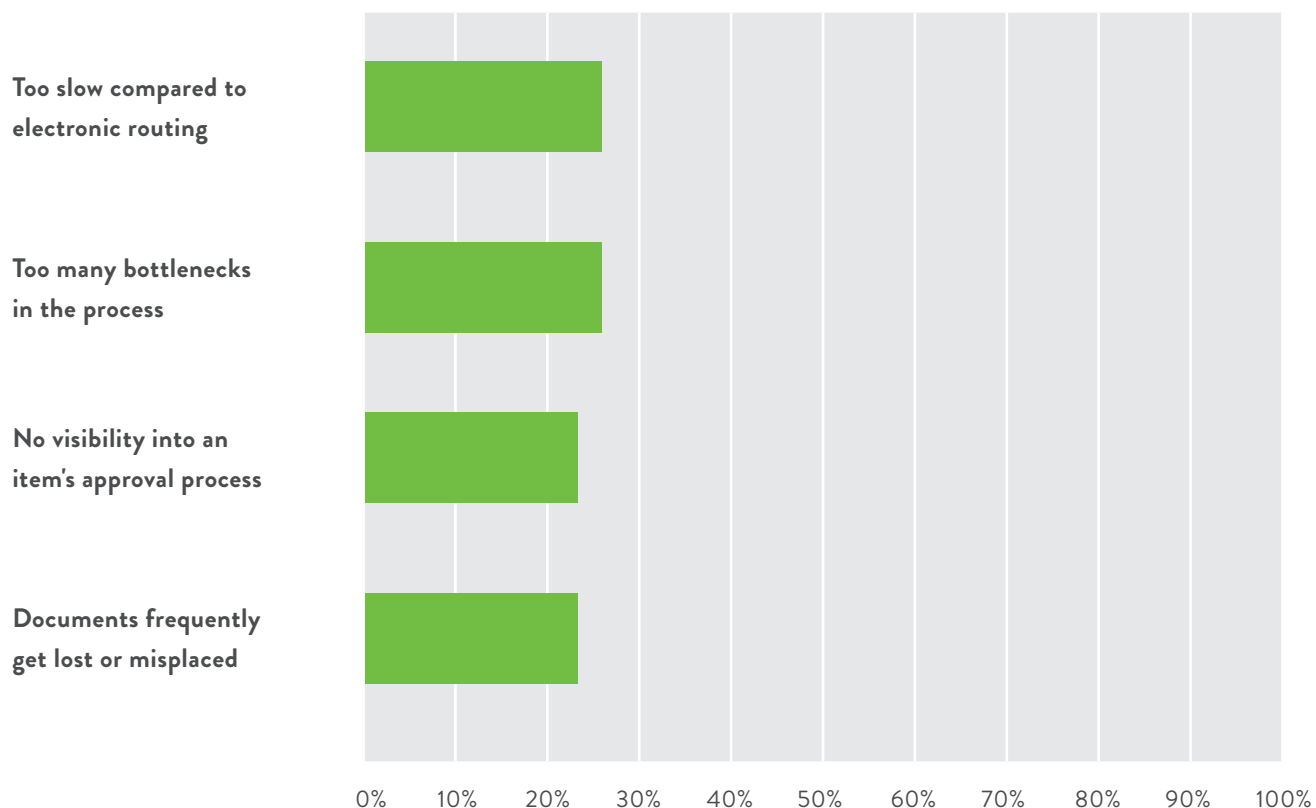


75% of Banks Still Route Paper Documents

It's no surprise that paper is still used in the routing and approval of internal documents (over 75% of banks still use some type of paper document routing). Perhaps more surprising, 35% of institutions exclusively use paper for the routing of most internal documents. Only 20% of banks stated that internal workflows are predominantly paperless.

Drawbacks to Paper

In your opinion, which of the following is the biggest drawback to relying on the manual routing of paper documents?

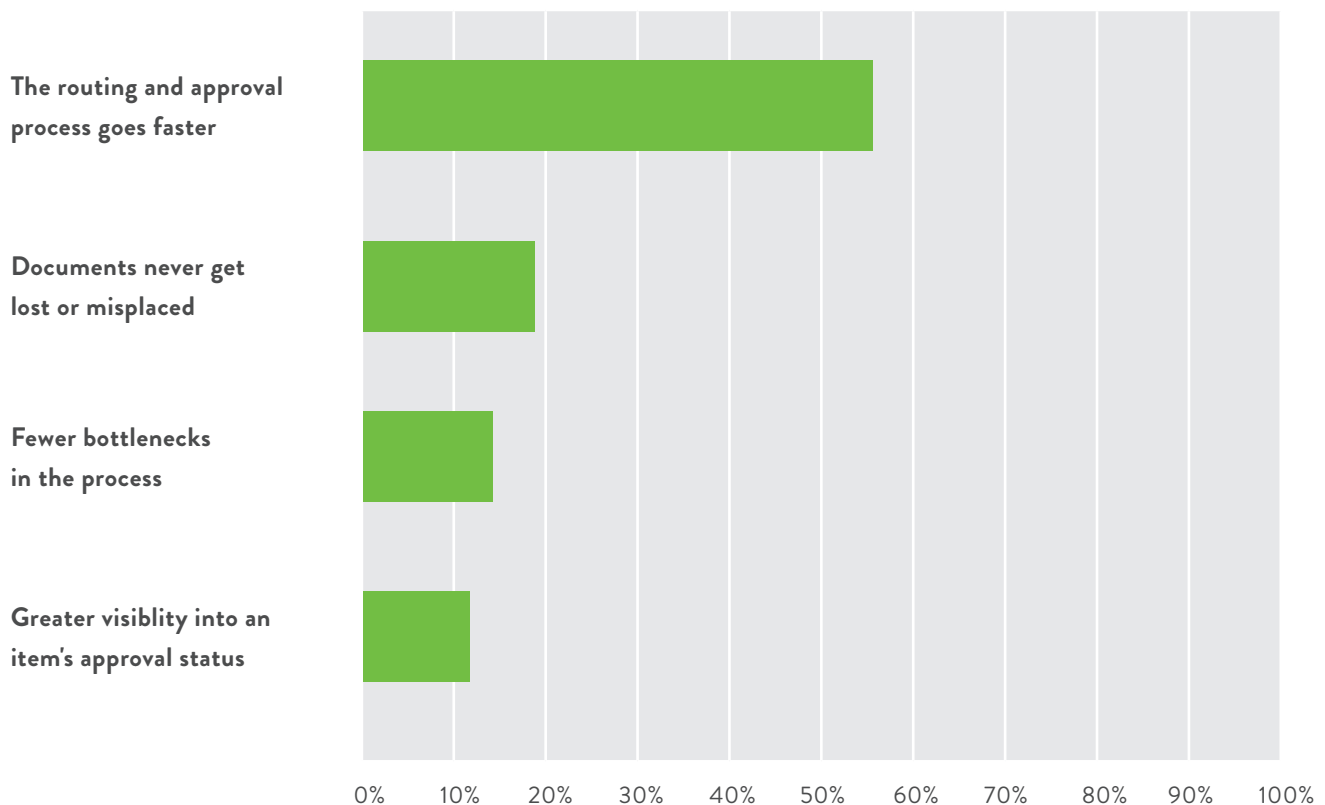


Paper Routing: Too Slow, Too Many Bottlenecks

Among banks still using paper documents, speed concerns (26%) and bottlenecks (26%) were cited as common challenges. Visibility issues (23%) and data loss (23%) were also common concerns.

Electronic Routing Advantages

In your opinion, which of the following is the biggest advantage to using electronic routing (vs. manually routing paper documents)?

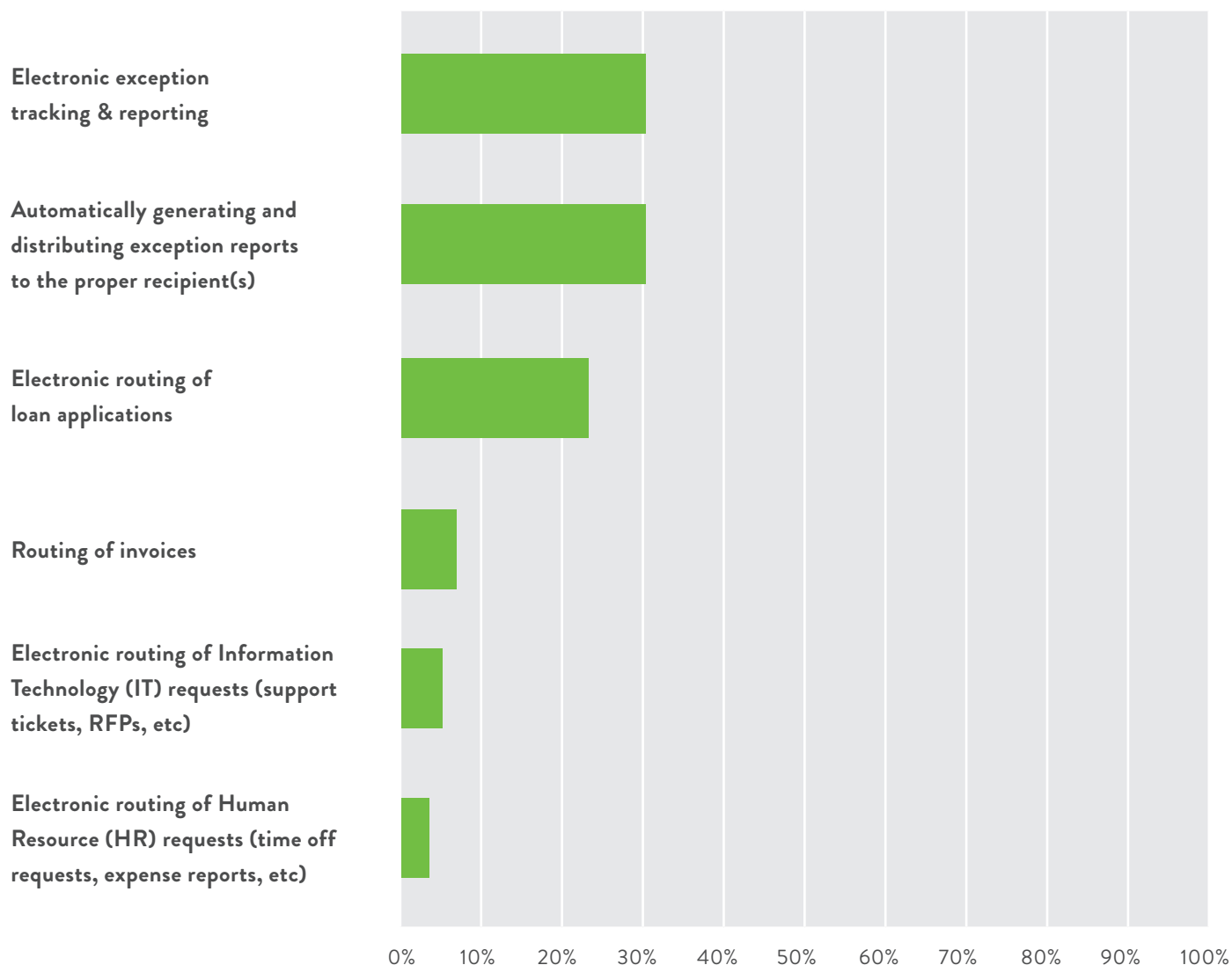


Routing Speed is Increased via Electronic Routing

56% of banks identified the increase in approval and routing speed as the greatest benefit for using an electronic routing system. Developing a faster process helps keep internal and external stakeholders happier, and it also allows for an increase in productivity.

Electronic Efficiency

In your opinion, which of the following workflow technologies would add the greatest value to an institution like yours?

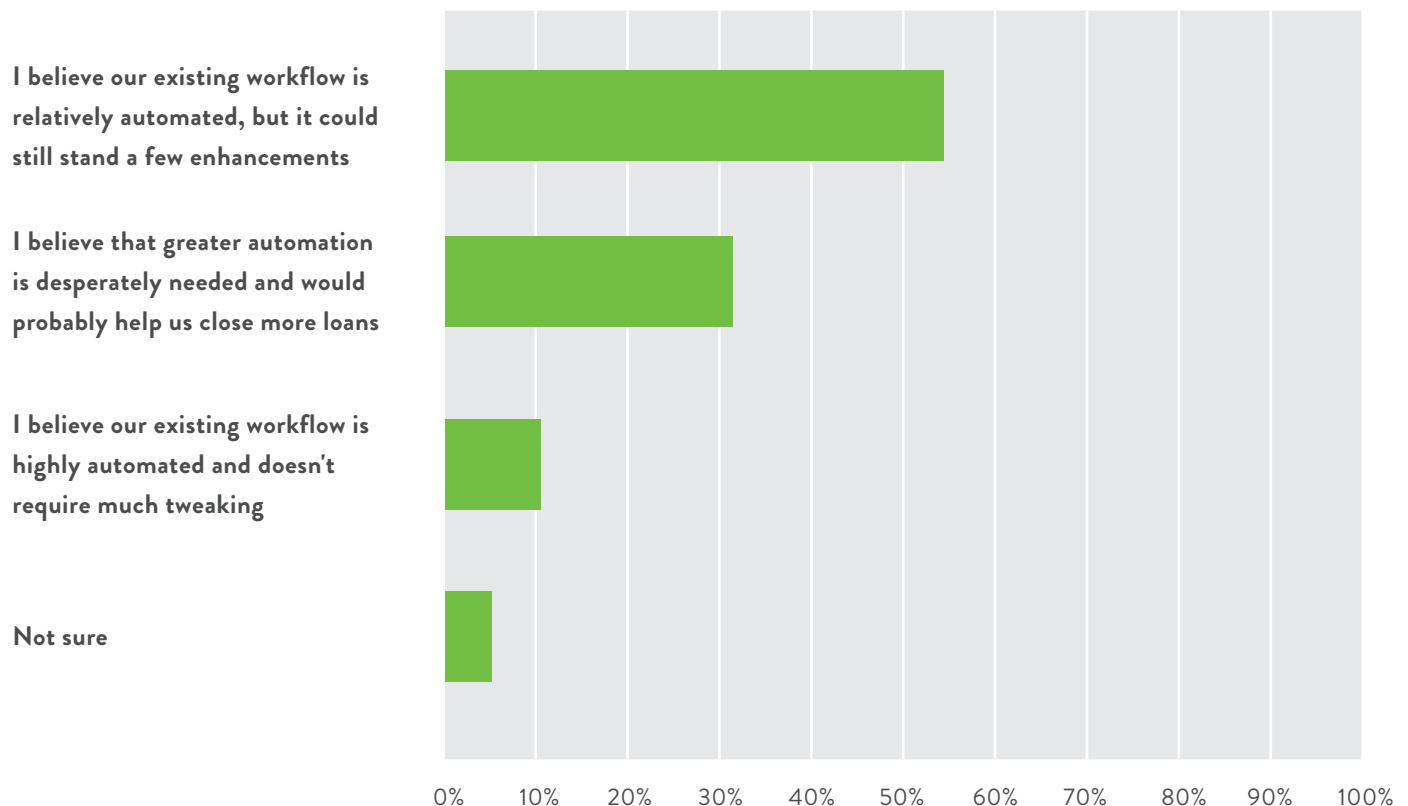


Electronic Routing Technology Offers Value to Bankers

Exception automation (cumutively 60% of responses) appears to be an opportunity for most institutions to build efficiency. Electronic loan application routing (24%) is also on the wish list of many bankers.

Current Automation

When you consider your institution's existing workflow for routing loan documentation, which best describes your situation?



31% of Bankers are “Desperate” for a Better System

While most bankers feel their existing loan routing process is somewhat automated, 31% of respondents stated that they “desperately needed” a more automated system to close more loans. This makes it very obvious that institutions still have room for improvement with regard to how loans are routed internally and approved.

Open-Ended Question

What is your biggest frustration with your institution's current approach to the routing and approval of important information?

When offered the opportunity to vent frustrations about current routing and approval processes, a wide variety of responses were offered. Here are just a few examples:

"Many things are done manually and we are limited to spot checks to verify the process is working."

"Pieces are electronic, pieces are not. Those that are paper get lost or misplaced."

"When documents are lost there is an assumption that the front end workers made the mistake but there are many areas where documents can be lost."

"Logistics-distance between branch where app is taken and location for closing documents to be approved."

"Each approved loan must manually be forwarded to doc prep."

"Paper requires printing and rescanning if requiring multiple sign offs. Ultimately needs rescanned for archiving."

"Misplaced documents and no verification of approvals."

"Files are scattered throughout the organization. document imaging would alleviate that."

"Lack of image quality of internal loan documentation that is scanned and circulated."

"Everyone is doing what they want. Everyone needs to be on the same page and send electronically."

"We don't have an electronic signature for the final approved document. So it is printed and passed around for signatures. Sometimes it gets lost in the process and never makes it to the file."

"Knowing where a document processing and approval is at any given time with limited IT support."

Alogent provides proven, end-to-end check payment processing, digital, online, and mobile banking, and enterprise content and information management platforms to financial institutions of all sizes, including credit unions, community banks, and some of the largest national and international institutions. Our unique approach spans the entire transaction “ecosystem” — capturing and digitizing transaction data, exception tracking, and automating entire transaction and loan management workflows so that information is available across the enterprise. Alogent’s solution suites leverage the latest in AI, machine learning and predictive analytics, including enterprise-wide data intelligence and reporting solutions that enable financial institutions to deliver products and services that boost engagement through personalization and data-backed decisions.



alogent.com

marketing@alogent.com
+1.678.966.0844

