

# THE POWER OF PAPERLESS TREASURY: HOW TWO BANKS ARE BENEFITING



## EXECUTIVE SUMMARY

The process of onboarding new treasury customers at Alerus Financial and West Suburban Bank used to be a lot like the process at most other financial institutions:

- **Paper-intensive**
- **Fraught with delays caused by missing document, missing signatures and miscommunication**
- **Difficult to track and control**
- **Onerous on internal staff and customers alike**
- **Costly**

Banks identify paper processes as the greatest pain point in treasury onboarding, according to a survey conducted by Treasury Strategies, Inc. In particular, banks point to the challenges that paper processes place on internal communication as a major detriment to the treasury onboarding process.

Alerus Financial and West Suburban Bank addressed these challenges with a paperless treasury onboarding solution that combines electronic document origination, imaging, and workflow.

**Automating the onboarding process enabled Alerus Financial and West Suburban Bank to:**

- **Enhance the customer experience**
- **Accelerate time-to-revenue**
- **Reduce costs and improve operational efficiency**
- **Streamline compliance and reporting**



TREASURY MANAGEMENT ONBOARDING

This white paper explains how Alerus Financial and West Suburban harnessed the power of a paperless treasury onboarding solution.

**PAPERLESS TREASURY ONBOARDING**

Paperless treasury onboarding solutions eliminate the challenges caused by paper.

The technology brings together electronic document origination, document imaging and workflow.

The solutions enable salespeople to bring the agreements with them to customer meetings on a tablet or a laptop (or as printed copies). Clients can review documents using the tablet gestures to zoom or flip through pages. If a customer requests edits to an agreement, salespeople can use a stylus to quickly initiate the changes, without leaving the client's office. Service agreements can be initiated "on the fly" for spur-of-the-moment sales. While documents reside on the tablet, they are encrypted to secure data. And the camera on the tablet may be used to capture photos or images of related documents and attach them to the agreement so that client documents stay together.

With a paperless treasury solution, multiple signatures can be applied to an agreement using a tablet or a signature pad (or with ink) and signed documents and any related scanned paperwork can instantly be sent to a bank's central operations over a cellular or via a VPN connection using Wi-Fi (the documents will arrive at the bank before the sales person gets back to the office). Once documents are sent back to the bank, they automatically enter a workflow and are electronically routed for approvals and implementation. The bank can configure the workflow to its business rules and process standards, ensuring that documents are routed to the appropriate processing staff and that services are delivered on time. Since signed agreements and related documents are routed electronically, processors always have the required information at their fingertips. What's more, multiple products can be setup simultaneously, without the need to photocopy a single sheet of paper.



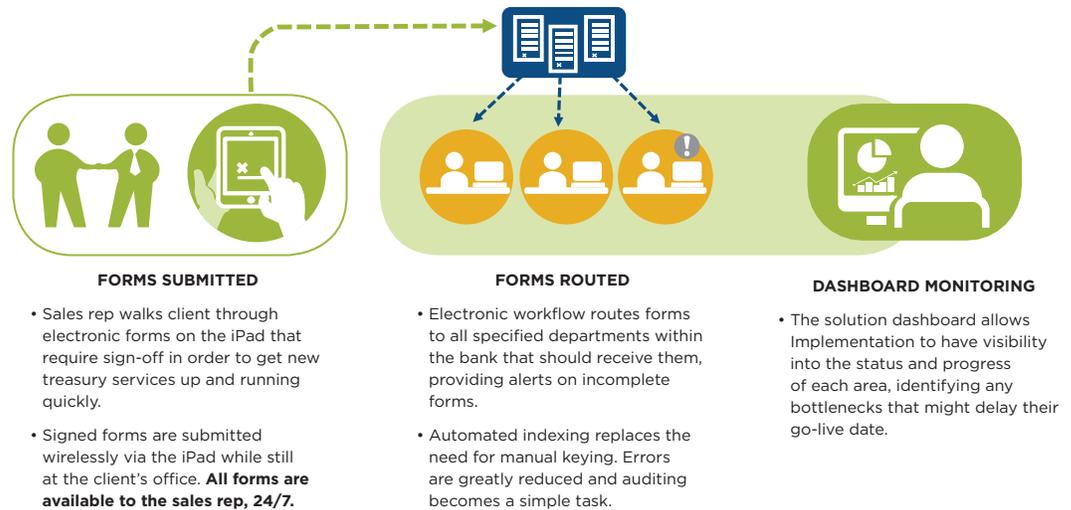
TREASURY MANAGEMENT ONBOARDING

Salespeople can receive updates via e-mail when client services are approved and implemented. Reports and a dashboard help identify bottlenecks. The entire process is tracked (with an audit trail) to ensure that nothing falls through the cracks; documents are indexed automatically, reducing data-entry errors, expediting documentation tracking, and automating the audit process.

TREASURY ONBOARDING FULFILLMENT PROCESS

Deluxe's Treasury Management Onboarding solution combines electronic document origination, document imaging and automated workflow technology to help banks reduce costs, increase customer satisfaction, and free sales teams to spend more time improving the customer experience.

The solution completes, in hours, the tasks for which today's paper-reliant processes require multiple days. Similarly, managing documents electronically does away with the need to make multiple trips to the customer, co-workers' desks and copiers, printers and fax machines. Staff will spend at least 10 to 15 percent less time on fulfillment processes.



**ACCELERATED ORDER FULFILLMENT THROUGH AUTOMATION**

- Organization can focus on the client and cross-selling, and spend less time on the paperwork.
- Documents are indexed automatically, expediting documentation tracking and automating the audit process. All parties involved have visibility into the process at all times.
- Client privacy and security are increased with digital documentation and electronic signature capture, guaranteeing authenticity and increasing compliance with governmental standards and audit processes.
- Implementation target dates are easily met.
- Client on-boarding, from signature to delivery is improved, by 2-3 days.
- At least 10 to 15% less of staff time will be spent on fulfillment processes.
- Time-to-revenue is accelerated, and department goals exceeded by up to 15%, without the need for additional sales.

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TREASURY MANAGEMENT ONBOARDING

**ALERUS FINANCIAL**

Alerus Financial, with \$1.5 billion in banking assets, is one financial institution that is benefiting from paperless onboarding.

Before deploying paperless onboarding, Alerus Financial relied on its treasury group's team of four sales people to close business, execute agreements, and train users. Like many other financial institutions, Alerus Financial's onboarding process required onboarding documents to be printed, manually completed, scanned and e-mailed to stakeholders. "There was a constant back and forth between sales and operations," said Kristine Lunde, deposit product specialist lead for Alerus Financial. Not surprisingly Alerus Financial became frustrated with manual customer onboarding.

For starters, the financial institution's paper-based onboarding process created a lot of errors. It was not uncommon for customer applications to be completed incorrectly or for information to be mis-keyed into one of the two different databases required for customer onboarding. "We would call the customer and discover that our data was bad," she said. "We became scared of our customer data."

Paper-based customer onboarding also opened the door to lost contracts or fraudulent activity that could result in financial losses or reputational risk. "You can't afford to eat fraudulent wires for \$150,000 because a contract is missing or because you didn't really know your customer," she said.

**Paperless treasury has provided Alerus Financial with four critical benefits:**

- **Enhanced customer experience:** Alerus Financial's sales team brings an Apple iPad or Windows Surface into the field for customer onboarding. The sales team accesses product implementation forms through the tablet that the financial institution pre-populates with certain data, and the customer completes electronically. Electronic signatures are captured, time-stamped and archived for executed documents. Workflow capabilities provide visibility into the status of the tasks required to onboard customers, including the individual assigned to each task. Tasks can be dynamically reassigned to eliminate bottlenecks.

“We would call the customer and discover that our data was bad,” she said. “We became scared of our customer data.”

Kristine Lunde, Deposit Products Specialist Lead



TREASURY MANAGEMENT ONBOARDING

“Alerus Financial has implemented up to 30 new customers in a single month, translating into a savings of 120 hours per month or nearly one full-time equivalent.”

- **Accelerated time-to-revenue:** Migrating to paperless onboarding reduced the time it takes Alerus Financial to set up new customers by four hours. The financial institution now implements an average of 10 to 15 customers per month, meaning the financial institution is saving between 40 and 60 hours per month. What’s more, the institution has implemented up to 30 new customers in a single month, translating into a savings of 120 hours per month or nearly one full-time equivalent. Faster implementations accelerate the financial institution’s time-to-revenue. They also speed conversions as Alerus Financial acquires other institutions, which typically have 50 to 100 treasury clients. Paperless customer onboarding also frees sales staff to focus more of their time on winning business.
- **Reduced costs and improved operational efficiency:** Paperless onboarding also ensures that customers receive all contracted services, and that they are correctly billed for the services they receive. In its paper-based environment, there was the chance that Alerus Financial’s treasury or operations department would neglect to set up customer billing. The paperless onboarding solution also helps Alerus Financial identify areas where its staff may need additional training. The solution automatically flags information that is missing or incorrect, and tracks how many customers each employee sets up in a given time period.
- **Streamlined compliance and reporting:** Paperless onboarding also strengthens regulatory compliance. All onboarding processes, including the date an agreement is executed, are tracked and time stamped. Tracking completed onboarding steps eliminates the chance that the financial institution will have to ask the customer to complete a required document after an agreement has been executed. Auditors also can be assured that all executed agreements are electronically kept on file, with digital signatures in all required places.

Alerus Financial has been so impressed with the results of its paperless onboarding solution that it plans to extend the electronic platform to its new account opening and loan processes.

**WEST SUBURBAN BANK**

West Suburban Bank, a \$1.7-billion-asset bank headquartered in Illinois, also is benefiting from paperless onboarding.

West Suburban Bank’s cash management group has a lead sales person who receives referrals from the bank’s 37 retail branches and 15 commercial lenders. While the department employs two support personnel, it relies heavily on other departments to perform tasks required to set up treasury clients.



TREASURY MANAGEMENT ONBOARDING

Like most banks, West Suburban Bank previously required new customers to complete and sign multiple paper forms that were physically routed across departments as part of the set up process.

**Paperless treasury onboarding eliminated these inefficiencies and enabled the bank to:**

- **Enhance the customer experience:** Paperless onboarding is paying dividends during West Suburban Bank's sales process. "Paperless onboarding helps us present ourselves as a knowledgeable, professional bank with quality services," said Steve Jennrich, vice president of information systems for West Suburban Bank. "Becoming more efficient in the onboarding process also helps align us with the customer's goals."
- **Accelerate time-to-revenue:** West Suburban Bank's cash management group configures the workflows for customer onboarding. Dashboards provide visibility into the status of tasks, and the length of time a document has remained in each step. This enables support and implementation staff to quickly reach out to other departments for assistance. Managers are automatically notified if a task surpasses a pre-defined time threshold. Ad hoc reporting tools and structured queries enable staff to model the outcome of different workflows. "It was taking too long to set up new customers in a paper-based environment."  
-Steve Jennrich, Vice President, Information Systems
- **Reduce costs and improve operational efficiency:** West Suburban Bank decided to initially deploy paperless onboarding for its treasury services because of the high number of documents and "touches" involved in setting up those services. "It was taking too long to set up new customers in a paper-based environment," explained Jennrich. "We also never knew where we were in the implementation process, or who we needed to chase down to complete a task." Paperless treasury onboarding has enabled West Suburban Bank to reduce costs through the elimination of paper onboarding processing, Jennrich said.
- **Streamline compliance:** West Suburban Bank's cash management group currently uses tablets to onboard customers. The platform not only streamlined the bank's onboarding process, its built-in controls have significantly reduced the time required for "Day 2" review, Jennrich said. For instance, paperless onboarding ensures that the bank captures all of the signatures legally required to onboard new customers. Jennrich noted that the bank owns all of the tablets it uses for paperless onboarding. "Management feels better knowing that we have 100 percent control of the devices and the information that flows through them. Once we have fully deployed paperless onboarding, we will have approximately 100 tablets in use, including those in our branches and commercial lending department," Jennrich said.



TREASURY MANAGEMENT ONBOARDING

West Suburban Bank is planning to test paperless onboarding in its retail and commercial lending group. It also is considering using paperless onboarding for home equity loans, all of which are closed in the bank's branches. "We want to make sure the process is as healthy as possible," he said, noting that a key selling point of the technology was how it could be leveraged in other departments.

“Onboarding cash management customers used to be an arduous and complicated process. Paperless onboarding has significantly accelerated the turnaround to set up new customers.”

Steve Jennrich

### THE BOTTOM LINE

An eye-popping 90 percent of banks believe that reducing the treasury onboarding cycle would accelerate revenue. What's more, 70 percent of banks say that streamlining the treasury onboarding process also would free up their sales force to generate more sales, Treasury Strategies found.

The key to streamlining and accelerating the onboarding process is eliminating paper.

Paperless onboarding solutions enable financial institutions to eliminate inefficient processes, increase visibility into onboarding processes, reduce the chances of revenue slippage, and strengthen data security and regulatory compliance. Importantly, paperless onboarding enhances the corporate experience during onboarding, increasing the likelihood of repeat business for the institution.

As the experiences of Alerus Financial and West Suburban Bank demonstrate, paperless treasury onboarding provides a compelling return on investment for small and mid-sized financial institutions, as well as national banks.



## ARRANGE FOR A PRIVATE CONSULTATION WITH DELUXE

Going paperless throughout the bank drives efficiency across the enterprise, improves workflow, enhances customer service and eases the audit process. Isn't it time you spent less time at the copier and more time with your customers? Think about going paperless and start in Treasury.

For more information or to partner with Deluxe on developing your own business case for Paperless Treasury, please visit [fi.deluxe.com](http://fi.deluxe.com) today or call 800-937-0017 to schedule a meeting or speak with one of our solution experts.



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### About Deluxe Financial Services

Deluxe Financial Services is a trusted partner to more than 5,600 financial institutions across North America, including 23 of the top 25 largest treasury management banks. We help our clients succeed in a competitive landscape through a diverse portfolio of best-in-class financial technology solutions. These solutions help clients target, acquire and retain customers; enhance the customer experience; improve efficiency; and optimize commercial and treasury operations.

Industry-leading companies rely on Deluxe Treasury Management Solutions to accelerate working capital, improve straight through processing, better serve their customers, control costs and drive profitable growth with in-house or outsourced offerings for receivables management, remote capture, treasury management onboarding and payment processing services.