

# BEST PRACTICES

ELECTRONIC CHECK CAPTURE

## Teller-Powered Expansion

Epson's POS scanner/printer/transmission device helps MCNB Banks expand into new markets.

**R**EALIZING THE PROMISE of electronic check capture required visionary thinking on the part of Welch, W.Va.-based MCNB Banks. "The traditional barriers to expanding into distant markets were weather, road distances and travel times because they added significantly to courier and item processing costs," relates Richard Green, the bank's IT director. "Check 21 offered the potential to reduce such logistical challenges, but some of the necessary technologies were still on the drawing board."

Still, MCNB (\$242 million in total assets) acquired land in 2004 for two distant branches. According to Green, as IT planning proceeded during 2005, the bank faced an early decision: use a distributed "front-counter" point-of-service approach for scanning, processing and transmitting items; or use the "back-counter" method of processing items in a central location.

"With back-counter, item capture rates are typically faster, but there's a single point of failure," Green notes. "So we chose front-counter because each teller station communicates with the main data center. ... If one teller's machine goes down, transactions can still be processed from other teller stations."

However, the available front-counter printing and scanning options that were compatible with MCNB's systems provider, Fiserv's Information Technology Inc. (ITI), were stand-alone units. "Since teller work space is perennially at a premium, a two-device setup was less than desirable," Green says.

Fortunately, Green saw a new product announcement by Epson America (Long Beach, Calif.) for an integrated scanning/printing device during summer 2005. "We attended a technology conference, and ... we approached the Epson reps about the integrated devices," recalls Green. Within months MCNB signed a beta site agreement with ITI to deploy Epson's TM-J9000 series technology at the bank's branches.



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By late 2006 system components were in place, including a repository server in the main data center. "We redeployed an existing [Redmond, Wash.-based Microsoft] SQL [server] to receive captured images via WAN," Green notes. "Hooking up Epson's devices was reasonably straightforward."

MCNB planned phased rollouts, which would begin at a "champion

branch," Green relates. "There, two experienced tellers would learn each new front-counter process and then train remaining users," he explains.

In December 2006, ITI spent a week at MCNB performing the initial integration, which included predictable beta-site issues, Green says. As scheduled rollouts proceeded during spring 2007, however, a scanning glitch developed. "Epson determined a hardware upgrade

was needed," Green comments. "So they immediately shipped us all new units."

Since completing the project last June, "Teller line keystrokes are down 60 percent and daily balancing chores have gone from 30 minutes to five," Green enthuses. "Tellers have more time for relationship building with customers, who are happy that we've moved cut-off from 2 p.m. to 6 p.m. And we've gained at least one full-time employee due to decreased courier and back-office data entry costs. Overall, our float time was so considerably reduced that we've definitely improved profitability."

MCNB plans to integrate additional Epson functionalities, such as customer ID card scanning. But more important, Green notes, the bank is leveraging the implementation's transmission capabilities to improve disaster recovery. "Even if our main office burns down, we'll be able to conduct business as usual," he says. □ —Anne Rawland Gabriel

### Snapshot

- » **Institution:** MCNB Banks (Welch, W.Va.).
- » **Assets:** \$242 million.
- » **Business Challenge:** Tap electronic check capture's potential to cost-effectively expand into new markets.
- » **Solution:** Epson America's (a division of Seiko Epson Corp., Nagano, Japan) TM-J9000 check capture solution.