Six Secrets Banks Can Use to Reduce Costs and Drive Process Improvements

With the right combination of expertise and solutions, banks will reap long-term rewards with a modern document-management strategy.

Banks are fighting on two fronts to succeed against growing competitive forces in the financial-services industry. First, they must give their employees the tools they need to achieve high levels of customer service and turn customer experience into a competitive differentiator. At the same time, banks must capitalize on every opportunity to reduce costs and increase internal efficiency, especially when it comes to the challenges of managing paper-based documents.

The challenge isn’t as daunting as it first appears — with managed print services (MPS), banks have one solution that can help them achieve success on both fronts.

MPS Can Reduce Costs and Boost Efficiency

MPS consists of a portfolio of solutions that currently represents one of the hottest trends among organizations looking to reduce costs and increase efficiency. For example, the market for MPS began posting 20 per cent compound annual growth rates in 2010 and is forecast to maintain that pace through 2015, according to the market researcher Photizo Group.1

MPS solutions vary significantly among different vendors, but the best implementations start with an outside expert’s assessment of a bank’s current printing environment. Based on the data collected about usage volumes and the number of users, the analyst will recommend the right mix and numbers of networked printers and multi-function printers (MFPs) to meet the individual bank’s output needs. In many cases, assessments will uncover ways to use strategically placed workgroup devices to consolidate the overall hardware footprint and help banks save on capital and operations costs.

Intelligently Route Information

Organizations also frequently take advantage of high-performance MFPs, which provide printing, scanning and faxing capabilities in a single unit. These devices can then be paired with an automated workflow solution that can streamline account openings, loan origination and other revenue-generating activities by intelligently routing information to the proper destinations throughout the branch and headquarters.

Next, managed-services providers deliver ongoing supplies replenishments, routine maintenance and repairs to minimize downtime. In addition, providers of MPS can continuously monitor usage trends to spot ongoing opportunities for further optimizations to the printing environment.

Improve Customer Service and Reduce Costs

These expert insights aren’t limited to using hardware most effectively. The right consultants can also demonstrate how a bank can save money and boost efficiency by reducing its dependency on the printed page by creating, capturing and managing digital documents.

MFPs provide efficient on-ramps for turning paper documents into electronic files, which eliminates the need to key-in customer information or create backup hard copies of documents. Automated workflow solutions further eliminate the errors and omissions that are common in manually processed files, which means branch representatives no longer receive time-consuming calls from the underwriting department because a key document is missing. The automated workflow system holds the application until all the items in a checklist are complete and then sends it to the appropriate back-office systems for processing.

Benefits like these have ripple effects throughout banks. Employees can improve customer service thanks to immediate access to information stored in central applications and repositories. In addition, banks can reduce costs by replacing large numbers of stand-alone output devices with efficient workgroup MFPs and by more closely managing the printing environment.
How to Choose the Right Partner

MPS solutions and strategies can be a valuable resource for banks, but not every implementation is successful. Attaining the desired optimizations and cost controls hinges on six key factors.

1. **Printing and imaging expertise.** The right MPS partner should have a wide range of experience in the basics of assessing the current print environment and identifying ways to achieve the best device-to-employee ratios.

2. **Workflow skills.** Solutions providers should also be adept in workflow and electronic document management systems to help banks build on their newly optimized printing infrastructure.

3. **A track record in security.** Because access control and document auditing is essential for security and compliance, partner with companies that can demonstrate a history of successful engagements in these areas.

4. **In-depth banking industry knowledge.** Avoid vendors with cookie-cutter solutions and instead choose professionals that can tailor the printing environment and managed-print contract to the unique information-handling needs of the banking industry.

5. **Technologies that promote transparency.** Top managed-print providers offer customer portals that display real-time information about the location, status, print volumes and service histories of each networked device. The portal should also enable customers to order supplies and contact support representatives when necessary.

6. **Constant communications.** Initial assessments are essential, but the analyses shouldn’t stop there. Successful managed-print engagements use weekly and monthly operations reviews to consider performance data and track project milestones. In addition, quarterly reviews involving senior executives should look at the success of the overall managed-print strategy and explore opportunities for ongoing cost reductions and greater efficiency through continuous improvements.

**Uncover New Opportunities**

The printer environment may not be the first area banks consider when they want to squeeze out costs and increase the efficiency of their operations. But with the right combination of expertise and solutions, banks will reap long-term rewards with a modern document-management strategy.

**To learn more information about how an effectively managed print environment cuts costs and increases efficiency for banks, please visit Lexmark at www.lexmark.ca.**

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**CASE STUDY: UNION BANK**

**Industry sector:**
Commercial and institutional banking

**Total Assets:**
US$97 billion

**Headquarters:**
San Francisco

Union Bank Eyes a 142% ROI

Union Bank is one of the largest banks in the US, with more than 300 offices across three western states. But large size doesn’t exempt the bank from real-world business concerns. So the organization is constantly on the lookout for ways to reduce costs, boost efficiencies and improve customer service.

To help reach these goals, Union Bank launched an enterprise-wide strategy aimed at increasing print-environment efficiency at each branch. The bank focused on this area when it realized it was maintaining an undermanaged mix of hardware that included redundant equipment. The result: unnecessary costs for equipment and money wasted on maintenance and consumables.

Instead, Union Bank committed to a new fleet of Lexmark multi-function printers (MFPs) and Lexmark’s Managed Print Services (MPS). With the new MFPs, Union Bank reduced the number of output devices it had to support, as it brought about new efficiencies in its document-management process. Now, rather than manually printing and mailing account applications, Union Bank’s branches use the MFPs to scan and electronically route these files.

The strategy is paying off. According to a study by Mainstay Partners, the Lexmark MPS solution is expected to generate net cost savings and operational benefits totalling an estimated $5.4 million over three years. In addition, Union Bank could see a 142 per cent return on its investment over three years after netting a positive return in just the first year. The bank recorded additional savings by swapping out stand-alone output hardware in the branches with Lexmark MFPs and laser printers, for a total drop in machine headcount from 960 to 480.

**ABOUT LEXMARK**

Lexmark International, Inc. (NYSE: LXK) is uniquely focused on connecting unstructured print and digital information across your enterprise with the processes, applications and people that need it most.

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1. Photizo Group, Managed Print Services Market Continues to Demonstrate Strong Growth Worldwide, October 2011.