

Credit Union's COLD System Speeds Response to Customer Requests and Pays for Itself in Less than One Year

A computer output to laser disk (COLD) system permits the Franklin Mint Federal Credit Union (FMFCU) to provide customers with copies of their bank statements immediately instead of in the two to three days that were required in the past. In addition to ensuring customer satisfaction, the system saves staff time by making it possible to respond right when customers ask questions or make requests, rather than having to track down information and follow-up later. The system captures customer statements and internal reports generated by the company's minicomputer and downloads them to a hard drive, replacing microfiche copies with online access to the information. The elimination of \$2,000/month in microfiche costs alone paid for the COLD system in its first year of operation. Its effect on staff efficiency is more difficult to measure, but is thought to be equal to or even greater than the quantifiable, microfiche-related savings.

The Franklin Mint Federal Credit Union, Media, Pennsylvania, is a full-service financial institution with 19 offices and 27 ATM sites. Founded in March of 1970, the credit union originally served only one company, the Franklin Mint. When credit union regulations changed in the mid-80s, FMFCU took advantage of the opportunity to serve other employers. Currently it provides financial services to more than 650 employer groups. With 43,000 members and approximately \$230 million in total assets, FMFCU is the largest credit union in Delaware County, Pennsylvania. FMFCU's services include checking, savings, money market, and retirement accounts; direct deposit and payroll deduction; home and car loans; ATM access; telephone and Internet banking; and credit/debit cards.

Storage shortage

FMFCU uses the Galaxy PLUS system from Fiserv Inc., Troy, Michigan, as its financial services software. This system, which FMFCU runs on an IBM RS 6000 computer, is a single product capable of providing all the services that credit unions provide to their members. For example, it handles the basic data processing, such as customer account management and internal reporting. It also provides the more advanced features that customers have come to expect such as Internet banking, loans by phone, audio response support lines, and so on.

FMFCU's previous document archival method used a combination of microfiche and hardcopies. The credit union paid a fee to an outside contractor who made microfiche copies of customer statements and internal reports. These, along with hardcopy documents such as signature cards and loan documents, were stored in a 20 x 30-foot fire-protected room at FMFCU's headquarters. With the growth the credit union experienced since opening up to new employers, the storage room was quickly filling up. "We were running out of space," says John Hargrove, Vice President of marketing and

technology, at FMFCU.

"We were almost at the point of needing to expand the storage room which would have been very expensive."

Document Management Application Overview

"The system, by providing tremendous convenience to the members, is important in helping us maintain such high service levels."

John Hargrove,
Vice President of Marketing &
Technology
Franklin Mint Federal Credit Union

Industry:
Finance



Metafile Solution:

Customer Service
Fiserv Integration
Statement Processing

FMFCU Corporate Profile:

Largest credit union in Delaware County, PA

Full service financial institution serving 43,000 members

\$230 million in total assets

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There were other problems with the microfiche/hardcopy archival method as well. One was the \$2,000 per month cost of the microfiche service, which provided two copies of each customer statement as well as FMFCU's daily, monthly, and quarterly internal reports. There was also the purchase cost of the microfiche readers that were installed in the headquarters facility. Data security was compromised by the fact that both microfiche and hardcopy documents could be damaged and misfiled. This archival method also adversely affected customer service. When a credit union member needed a copy of his statement, the request had to be submitted to headquarters. There someone pulled the appropriate microfiche, took it to the reader, made a copy, and then had it sent by courier to the member's branch office. "We pride ourselves on customer service," says Hargrove. "Although the system worked, the customer had to wait two or three days to get the statement. We wanted to do better than that."

These drawbacks led FMFCU to search for technology that would address the existing archiving limitations such as data security, storage space, and storage costs, but would also permit the credit union to respond faster to customer requests. The supplier of their financial software, Fiserv, recommended a COLD system from Metafile Inc., Rochester, Minnesota. A COLD system reads host files generated on the computer, such as customer statements and internal reports, and distributes them over a network. It also stores them on hard disk and/or CD-ROM, eliminating the need to make microfiche copies. "When we learned about this technology, we also looked at COLD systems from other vendors but ended up going with Fiserv's recommendation of Metafile," says Hargrove. "One of the reasons was that Fiserv had a third-party relationship with Metafile, so we knew the two systems would work together. The other reason was that, down the road, we were also considering an imaging system that could scan our hardcopy documents and make them available electronically. Metafile offers an imaging system that is integrated with its COLD system, both sharing the same database."

Faster customer statements

Since installing the COLD system, FMFCU's archival process has eliminated microfiche. The COLD system reads files from the IBM RS 6000 and converts them to compact, searchable files that reside on a Windows NT server. The software automatically scans a specified location for the files and, if they are found, automatically downloads them to the Windows server and indexes them. The information is then available at every one of the credit union's 130 employees at their desktop PCs. Individual PCs are connected to the server via an NT network consisting of T1 lines to the larger branch offices and direct 64K lines to the smaller offices. "One of the good things about the COLD system is that it gives us the ability to put statements and reports in the hands of every employee at his or her desk," says Hargrove.

In the case of customer statements, this means that microfiche copies are no longer needed because the files go directly to the server's hard drive where they are stored for 30 days. If a customer needs a copy within that time period, a credit union employee can simply access the electronic version from the hard drive and print it. After 30 days, the information is copied to a CD-ROM. The credit union has a CD jukebox that loads discs automatically, so even when the information is more than 30 days old, it is still accessible to the credit union employee from his desktop PC.

This makes it possible to fulfill requests for statements the same day

they are received. According to Hargrove, this is one of the ways FMFCU maintains its reputation for excellent service. "We run a biannual survey of customer satisfaction. Since installing the COLD system, we have achieved an 87 percent satisfaction rating. The system, by providing tremendous convenience to the members, is important in helping us maintain such high service levels." The other benefit of being able to respond to customers so quickly is that it saves staff time. Now when members call or come in with a question about their accounts, the staff member can find the information with their PCs and respond instantly. This eliminates the time they used to spend taking down the necessary details, going to the archives to find the relevant information, and calling the customer back later with the answer.

FMFCU captures internal reports in the COLD system. Credit union employees no longer have to wait for reports to be printed and distributed but can access the information almost as soon as it is created. The system includes a full text search capability which employees have come to appreciate. This feature allows them to search for a specific dollar amount, for example, or for a member number. "Rather than paging through reports to find the relevant information, we can perform a text search and zero into any section of interest in a few seconds," says Hargrove.

The COLD system has also helped resolve FMFCU's data storage and security concerns. For each CD that is created, FMFCU creates a second, backup copy that is stored at a different location for security. One advantage of using CDs as the final storage medium is that they are less likely to be damaged than microfiche or paper documents. Another advantage is that because so much information can be stored on each CD, the need for additional space in the storage room is greatly reduced. Storage space is still a concern, however, which is why the credit union is considering the implementation of a Metafile imaging system. "An imaging system would eliminate the need to store loan documents and signature cards, which would save a great deal of space," says Hargrove. "It would also make it possible to retrieve this information at the branch level, similar to the way statements are available now. It would be another way of improving customer service."

FMFCU's financial analysis of the COLD system indicates that it paid for itself in the first year of operation by eliminating microfiche costs. The system's other advantages, such as its more efficient storage medium and better customer service were not factored in to the cost justification but are equally important to FMFCU. "People have very high expectations of their financial institutions," says Hargrove. "Tools like a COLD system enable us to deliver the level of service that our members demand."

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