



# BUILDING A BUSINESS CASE FOR PAPERLESS TREASURY SOLUTIONS



Treasury management onboarding is a complex, time- and paper-intensive operation for banks and their customers. Not surprisingly, corporate customers overwhelmingly don't like the way treasury onboarding is being done. Research conducted by Novantas found that:

- **67 percent of corporations are dissatisfied with their bank's treasury onboarding process.**
- **45 percent of corporations say long treasury implementations are a recurring pain point.**
- **75 percent of corporations would like an alternative to paper-based implementations.**
- **68 percent of corporations would switch banks for a better onboarding experience.**

"Corporate customers want onboarding processes that are faster, more virtual, and more transparent," explained Dave Robertson, a partner with Novantas, a research and advisory firm."

Joe Pitzo, vice president, paperless enterprise services at Deluxe, said the biggest problem with paper-based treasury implementations is the amount of documentation that must be completed and managed. "Earlier this year I met with a sales officer who shared a story about onboarding one of his largest clients. After he had done a great job of consulting with the client and selling almost everything in the bank's product portfolio, it came time to execute the product agreements. The sales officer took the folder of agreements out of his briefcase and laid them out on the client's board room table. The entire table was covered with agreements. Is that really how a bank wants to start a relationship with a customer?" Pitzo asked.

The stakes have never been higher for banks to automate their treasury implementation process.



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“If you’re a bank and you’re not conveying a good implementation process, 80 percent of prospects are probably not going to select you.”

Eighty percent of corporations surveyed by Novantas stated that implementation is a significant component of the sales decision. “If you’re a bank and you’re not conveying a good implementation process, 80 percent of prospects are probably not going to select you,” he said.

Without a paperless, electronic onboarding solution, banks also miss opportunities to accelerate revenue, cut costs and alleviate compliance pains. Importantly, the significant efficiencies created by paperless treasury solutions frees bank staff to focus on what really matters: the bank’s customers.

**FOUR CRITICAL FACTORS TO CONSIDER**

Paperless treasury onboarding solutions combine electronic documentation origination, document imaging and automated workflow technology. Novantas sales executives can carry all of the paperwork they need electronically on an iPad or other tablet to initiate orders and conduct the signing process at the customer’s office. With electronic signature technology, the application captures a secure biometric signature and can automatically apply it to all relevant documents. The signed documents then can be transmitted wirelessly back to the bank’s office for processing. Built-in workflow management distributes the document, and processing can begin immediately.

Building a business case for paperless treasury may include numerous factors, depending on a bank’s current environment. “The business case for paperless treasury has many legs,” Robertson said. He added that “cost savings and increased revenue generally contribute the same amount to the business case.” But Pitzo noted there are four primary factors of paperless treasury that banks must consider:

- 1. How can your bank improve its customer experience?**
- 2. Which processes can be streamlined and which related costs can be removed?**
- 3. How can treasury onboarding efficiencies help accelerate revenue and/or enable your bank to take on more business without increasing headcount?**
- 4. How difficult is it to follow your document processes and report on individual clients?**



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“If your bank is like every other financial institution that Deluxe has worked with, you will be able to start building your business case for paperless treasury when you start digging into each of these areas, and that will translate into hard dollar savings and accelerated revenue,” Pitzo said.

**IMPROVED CUSTOMER EXPERIENCE**

“Banks are really focusing on the customer experience to make things easier, more advisory, and more integrated. And nowhere is that more critical than in treasury onboarding,” said Robertson.

Historically, banks have done a poor job of orienting their solutions around the customer, Robertson explained. “Instead, the industry has forced customers to become experts in banking,” he said.

It is no wonder that two-thirds of corporate customers surveyed by Novantas are dissatisfied with their bank’s current treasury onboarding process. In fact, 68 percent of corporate customers told Novantas they would switch banks for a better onboarding experience.



68% would switch banks for a better onboarding experience

**PAPERLESS TREASURY ENHANCES THE CUSTOMER EXPERIENCE IN SEVERAL WAYS:**

- **No more wasted customer time:** “Complex bank services such as lockbox processing require a tremendous amount of information. Paperless treasury makes the data collection process as easy as possible and ensures that banks gather the correct information the first time, every time,” Pitzo said. For instance, electronic forms provide built-in validation, and instructions that walk customers and treasury sales officers through the onboarding process. The forms also pre-populate basic information such as the customer name and contact information, eliminating the need for customers to provide the same data multiple times.
- **No more guessing games:** Paperless treasury allows customers to educate themselves using self-service options. For instance, customers can learn more about a particular service by viewing a brochure or watching a video during the onboarding process. “This improves the experience for the bank customer, and can be a tremendous sales tool,” Pitzo explained.



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The real differentiation is how well the bank configures and integrates its services into a customer's operation.

- **Eliminate the information black hole:** Paperless treasury solutions provide automated notifications both to customers and internal resources, as well as portal capabilities to allow self-service visibility into the process at the user's convenience. But paperless treasury won't eliminate human contact. In fact, corporations that experience a paperless onboarding process receive up to 10 percent more face-time with banks. Banks also can leverage the multiple channels supported by paperless treasury solutions for the agreements that need to be signed during onboarding. "Allowing face-to-face, mobile and online signing channels goes a long way to accelerating the process and keeping customers happy," Pitzo said.

Robertson noted that 15 years ago, prospective corporate customers would tour of a bank's back-office operations to learn about the bank's functionality. Today, prospective customers are less concerned about a bank's functionality than with their experience with the bank. "Functionality is becoming somewhat of a given for most bank services. The real differentiation is how well the bank configures and integrates its services into a customer's operation. And that's as much about the implementation process as it is about the sales process or the bank's functionality," he said.

On average, large and small companies see the onboarding experience as having a substantial impact on both the purchase of initial and subsequent services from a bank, Robertson said. Importantly for many banks, larger companies rated the impact much higher than smaller companies.



With paperless onboarding, a \$4.3 billion bank cut 2 days off every cycle

**ACCELERATED REVENUE**

The factors that can improve a bank's customer experience also directly affect a bank's revenue recognition. The use of paper throughout the onboarding processing is the most common pain point and cause of delay, according to research from Novantas. It is no wonder that a whopping 90 percent of banks believe they can accelerate revenue by streamlining the onboarding process.

A drawn-out onboarding process not only delays revenue, it also increases the likelihood that customers will become fatigued and leave some of their business in place, Robertson noted.



“Even if a bank accelerates its revenue by just five business days out of a year, that’s a 4 percent lift on its revenue growth rate.”

**HERE’S HOW PAPERLESS TREASURY HELPS BANKS ACCELERATE REVENUE FROM NEW AND EXISTING CLIENTS:**

- **Less paper friction:** Paperless treasury eliminates the paper-related friction that delays implementation, including: printing and rekeying of electronically captured data due to disparate systems and multiple handoffs; time-consuming data entry into multiple systems; keying errors; and paper float between sales, audit, implementation and billing. Paperless treasury also eliminates the opportunity for lost documents. Robertson noted that replacing lost documents is not necessarily as easy as it sounds. “As it is, banks are asking corporate customers for the same piece of information 10 times. Imagine how frustrating it is for a client to provide the same piece of information over and over again,” Robertson said.
- **Automated follow-up:** Paperless treasury automates processes such providing customers with status updates, enabling banks to identify and correct issues before they become delays.
- **Self-service:** Providing corporate customers with self-service educational tools for adding or modifying services reduces the sales cycle and ensures that all of the necessary information gets to a bank’s implementation team quickly to reduce the overall implementation timeline. Similarly, two-thirds of the large banks surveyed by Novantas believe that improving their treasury onboarding process (such as accelerating cycle times and better managing resources) will free up their sales officers to generate more revenue. “Any time something goes wrong with implementation, sales has to run interference. This is a huge hidden cost. We’ve seen instances where sales officers spend 20 percent of their time engaged in implementations or following up on implementations,” Robertson said.

“Accelerating revenue is a huge win for banks,” Robertson said. “Even if a bank accelerates its revenue by just five business days out of a year, that’s a 4 percent lift on its revenue growth rate.”

One Deluxe customer reduced its onboarding timeframe by an average of two days per product. To put this in perspective, with a solid remote deposit capture (RDC) approach, regional banks can add 100 clients per month. If a bank’s current implementation timeframe of seven days is reduced by two days, there is a potential for the acceleration of revenue by 30 percent, without additional staff. If each of the bank’s RDC clients is charged \$50 per month, the bank would achieve a revenue increase of



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\$18,000, Pitzo noted. If the faster onboarding is applied to all of a bank's treasury products, the revenue increase could exceed \$500,000 a year, without an increase in expense.

**REDUCED COST AND IMPROVED EFFICIENCY**

Electronic paperless treasury solutions enable banks to reduce the manual tasks associated with treasury onboarding, and boost productivity without increasing headcount.

**HERE'S HOW:**

- **Keeps information flowing:** Paperless treasury solutions facilitate the flow of information from a bank's customer relationship management (CRM) system to its onboarding process, automatically populating fields on agreements and set-up forms. This integration eliminates duplicate data entry and the opportunity for mis-keyed data, keeps sales officers away from administrative responsibilities, and helps avoid implementation delays due to incorrect data.
- **Breaks the paper cycle:** "When paper is the only source of information, users tend to make copies of documents before handing them off to the next user in the process flow," Pitzo said. Paperless treasury solutions provide tools that eliminate the need for users to make costly copies of documents, including electronic signatures, electronic document routing, and ready access to digitally archived document and data. Paperless treasury also eliminates the task of scanning and indexing documents that typically occurs at the end of the onboarding process.
- **Fewer manual tasks:** "There are a tremendous amount of manual tasks associated with complex onboarding processes," Pitzo said. "All of these tasks benefit from a paperless treasury solution's business rules engines that identify exceptions and ensure that subject matter experts on the operations team have the information they need to complete their implementation responsibilities." The engines also route exceptions to designated approvers based on a bank's pre-defined rules for risk and approval. "Paperless treasury solutions get staff focused on the right exceptions and weeds out monotonous work." As a result, the technology enables implementation coordinators to reallocate over two hours per day.



Implementation coordinators can reallocate over **two hours a day**



Cut manual follow up activities by **80%**



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- **No more outdated spreadsheets:** “Every bank that I have met with to review onboarding reporting requirements uses a spreadsheet, or 10, that requires hours of work to update,” Pitzo said. “These spreadsheets are out-of-date before they are even sent to the users who rely on them to make business decisions.” One financial institution that Deluxe worked with had an FTE who spent more than half of their work day gathering information on exceptions and status updates from the bank’s sales team to create daily reports. “This process not only took a lot of time, it also created unnecessary follow-ups on exceptions that were actually cleared before the spreadsheets could be reviewed,” Pitzo said. Paperless treasury solutions provide automated feedback loops that keep internal staff updated.
- **Empowers your customers:** Paperless treasury solutions provide self-service options that allow customers to add or modify services on their own. Similarly, paperless treasury offers customers visibility and a feedback loop to resolve issues, reducing phone calls and delays.

  
Banks using paperless treasury solutions have experienced a more than 20 percent reduction in the data entry required for setup forms and agreements, as well as an 80 percent reduction in the time necessary for banks to research this information.

**SO WHAT IS THE REAL-WORLD FINANCIAL IMPACT OF A PAPERLESS TREASURY SOLUTION?**

Banks using paperless treasury solutions have experienced a more than 20 percent reduction in the data entry required for setup forms and agreements, as well as an 80 percent reduction in the time necessary for banks to research this information, Pitzo said. What’s more, banks initially reduce their paper usage by more than 80 percent with a paperless treasury solution, and achieve greater reductions over time. Paperless treasury solutions also are enabling banks to achieve a 50 percent reduction in manual tasks such as validating required documents, exceptions tracking, ensuring customer signatures are present, and preparing and delivering documents, Pitzo said. Paperless treasury solutions also automate ongoing maintenance such the execution of new agreements.

Pitzo said that one \$20 billion-asset financial institution that Deluxe worked with estimated that a paperless treasury solution would result in annual cost savings of \$212,000, and allow the institution to increase its implementations by 50 percent without increasing their operations headcount.



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“Treasury onboarding is a people- and paper-intensive process that results in a lot of variable cost,” Robertson said. For this reason, banks can achieve a “very significant” reduction in workforce by transforming treasury implementation through automation and streamlined processes. Robertson has seen banks reduce their onboarding staff by 50 percent, while reducing labor costs by 30 percent.

**ENHANCED COMPLIANCE**

“It can be tough to put a number in a business case to represent compliance,” Pitzo noted. “But a paperless treasury solution has a number of direct impacts on a bank’s compliance activities.”

He added that paper-less treasury is not a compliance solution. “It is a solution that helps ensure that a bank is managing its processes to meet its compliance requirements,” he explained.



1-3% of documents are lost during implementation, costing upwards of \$120 to replace



With paperless treasury, banks can reduce audit and validation efforts by nearly 80%

**HERE'S HOW:**

- Paperless treasury solutions ensure that banks consistently validate the correct information, collect the right documentation, follow the correct processes, and gain the correct approvals.
- Paperless treasury solutions eliminate the risk of documents. “Due to the sheer amount of paper that is generated during the onboarding process, a document, or even a single page of a document, is bound to be lost,” Pitzo said. On average, banks lose 1 percent to 3 percent of documents during implementation, Pitzo said. “When lost documents need to be replaced, it costs the bank more than \$120 per document. That risk is virtually eliminated by leveraging electronic signing and workflow processes as part of a paperless treasury solution.”
- Paperless treasury solutions provide a transparent view into the onboarding process. “Since everything is captured electronically in a paperless treasury solution, there will be extensive audit logging, making it easy for the bank to provide auditors with the information they need, with minimal effort,” Pitzo said. What’s more, banks can use the customer portal capabilities in a paperless treasury solution to provide external access to their auditors. “All of these factors can add up to significant time savings before and after a bank’s audit activities.”



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“Banks face a plethora of new compliance mandates, regulations and guidelines, such as [Know your Customer],” Robertson said. “Banks must navigate this new world of massive, intrusive regulations, while orchestrating an onboarding process that is simple, expedient and transparent for clients.” He said paperless treasury solutions reduce a bank’s audit and validation efforts by nearly 80 percent.

## **THE BOTTOM LINE**

Treasury onboarding is a complex process that sets the tone for a bank’s relationship with its customers. But paper-based onboarding processes take too long, cost too much, create too many errors, consume too much staff time, and introduce the risk of lost or misplaced documents. It’s no wonder that corporate customers are so dissatisfied with their bank’s onboarding processes that they are willing to find another bank. Paperless treasury solutions enable banks to improve the customer experience, accelerate revenue, reduce costs and improve productivity, enhance compliance.

## **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 arrange for a private consultation and overview of Deluxe’s Paperless Bank Solution Suite, 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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