
CASE STUDY

BANKFIRST FINANCIAL SERVICES RECAPTURES COSTS, SPEEDS DELIVERY OF CUSTOMER CHECKS WITH ACOM'S AUTOMATED IN-HOUSE CHECK PRODUCTION SOLUTION

BACKGROUND

BankFirst Financial Services' free check program had reached the point where the bank was spending tens of thousands of dollars annually to reward different categories of customers for their patronage – new accounts, club accounts, and over-50s to name a few.

BankFirst Financial Service is a Macon, Mississippi-based fullservice bank with more than \$300 million in assets and 10 branches - in Columbus, Macon, Madison, Shuqualak, Starkville, and West Point, Mississippi in addition to its headquarters location in Macon. It serves more than 12,000 accounts and some 60 percent of them are free check beneficiaries.

Outsourcing the free checks cost the bank \$7.00 to \$8.00 per order, and several years ago management at the institution decided to take matters in hand by producing the checks themselves. The bank's new cost-control strategy was based on the acquisition of a MICRPro® in-house check production solution from the Financial Documents Division of ACOM Solutions, Inc., Atlanta.

BankFirst's analysis had found that bringing the function in-house made great sense. The check ordering process would not change, because the bank was already taking orders. The only actual differences would be the set-up of a check production center within the bank and the hiring part-time workers to produce the orders. Meanwhile, the bank would add significantly to the bottom line even after the costs of the new center & personnel were absorbed.

“Dramatic improvement in cost control”

- Lynda Cooper
BankFirst Financial Services

REMOTE DATA ENTRY

The turn-key solution purchased by the bank includes software for entering orders, a secure MICR-enhanced laser printer for printing checks, and finishing equipment for trimming, stapling and binding the completed personal checkbooks, in singles or duplicate pads. ACOM also provides the check production supplies, including blank

security check stock and MICR toner. The entire solution is backed by quality guarantees that protect customers against rejects during the clearing process – a constant problem with checks obtained from third-party discount sources such as newspaper ads and many Internet vendors.

MICRPro® check processing software is installed at each BankFirst location, where operators enter customer information and preferences on-screen on interactive electronic forms. The completed forms are relayed over the bank's T1 data network to Macon headquarters, where the checks are printed on customer selected blank security check stock.

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Assistant IS Officer Lynda Cooper and one other bank employee manage the solution, but for actual production, the bank hired several students to work part-time on staggered schedules. The bank quickly found itself generating 600-700 check orders and reorders per month, realizing a dramatic improvement in cost control, says Cooper, who holds direct responsibility for the system. Not only did the MICRPro® solution reduce the cost of the checks dramatically, but it also enabled the bank to offer three-day turnaround – even immediate delivery in emergencies.

BREAKTHROUGH

In the spring of 2003, ACOM announced a major breakthrough product for in-house check production at larger banks: the very first automated check finishing system. The new system fully automates the trimming, stapling and taping of the printed checkbook pads. It eliminates all manual handling once the checks are



printed and brings the time required to produce a check order down to only about 90 seconds. The new solution is marketed in two versions differentiated by production speed: the MICRPro® System 800 and the MICRPro® System 1600 with production capacity of 35 and 50 check orders per hour respectively. BankFirst quickly took advantage of the new opportunity and upgraded from its manual solution to the MICRPro® system 800.

The front-end process remained the same: the operator enters the customer order into the database by filling in blanks and following menu instructions on a series of drop-down screens. Document types available include personal checkbooks in singles or duplicates, commercial checks and deposit ticket books.

The system is intelligent, retaining and advancing information such as the starting check number as well as storing label and billing information. The software even stores preferences such as the customer's choice of security check stock offered by the bank, making reorders an extremely quick and effortless process.

When setup is complete, a Preview screen displays the finished template of the check for inspection of the layout and verification of the information in the various fields. With the accuracy of the information confirmed, the operator simply selects "Print" and the file spools out to the high-speed MICR laser printer, which generates the checks four-to-a-page on about 50 sheets of 12" x 6" security check stock.

"The new solution has proven to be all we expected and more," Cooper says. "It enabled us to reduce the number of part-time employees to only two. "We can even offer the checks same-day, and customers are intrigued that their checks can be produced right downstairs," she says. "Instead of waiting a couple of weeks for their checks to arrive, our customers get them very quickly."

GROWING POPULARITY

The popularity of the new solution continues to surge. According to Cooper, although some customers continue to obtain checks from outside sources for various reasons, the percentage is declining as they increasingly opt for the in-house checks when they reorder.

"Check production technology introduces a new level of flexibility in banking operations," Cooper says. "Banks should pay serious attention to these solutions because they present a number of very positive promotional, customer service and fiscal advantages. They can reduce expenses and also derive new non interest revenues; they can use in-house checks to attract new business; and they can offer a readily apparent customer service advantage.

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AUTOMATED FINISHING

Once the order is printed, the operator moves the stack of printed checks to the automatic finishing machine, places them in a tray and activates the machine. The machine automatically cuts the checks to size, staples them into pads, and completes the process in a continuous motion, applying tape across the top of the pad and covering the staples. When the pads have been assembled, the automated machine ejects them into a holding chute. The operator retrieves them, places them in a bag and labels them for mailing or hand delivery to the customer.