

Replacing inefficient manual check processes with automated processes expedites the bank's ability to clear daily heavy check volumes

**INDUSTRY:**

Banking

SOLUTION:

Check Processing

"Based on Alero software, the new check process banking solution has been successfully implemented, providing unsurpassed performance and reliability. Now transactions are completed quickly—meeting stringent deadlines—even on days with exceedingly heavy volumes of check management to perform."

Kenny Lee

Director of Banking Solutions
SpenoCom Co., Ltd.

The Business

Serving an estimated 10 million customers with 560 branches throughout South Korea and abroad, 6,000 employees and 63 billion US dollars in assets, ChoHung Bank (CHB), now an integral part of the ShinHan Financial Group, accommodates its customers with the personalized service they have come to know and expect. ChoHung Bank is South Korea's oldest bank founded in 1897 and provides a large range of services to its customers, from checking/savings accounts to investment portfolios to credit loans. However, the majority of the bank's business and revenues come from checking and saving account services.

The Challenge

The daily process of handling, storing, reporting and clearing checks is very time and resource intensive. To add to the transaction volume and traffic, CHB's Sobuk branch, which is associated with the KangWon Land Casino, a well-known gaming casino in the South of Korea, was manually collecting, reporting and sending their daily CHB checks, and other banks' checks, to the CHB computer center and business support office. This office, in-turn, was sending the checks and summary statements to each of the affected banks and to the Korea Financial Telecommunications & Clearings Institute for clearance after examining, processing and adding totals. ChoHung Bank needed to simplify the exchange of checks and banking documents within its branches and central offices in order to make this information securely available to employees and customers, and between the bank and the clearing house in order to simplify and expedite the tedious process of clearing checks.

The Alero Solution

ChoHung Bank turned to their in-house IT staff and to SpenoCom, Alero Technology's representative in South Korea, to replace the mail-driven, manual system with a 3-tier, custom intranet-based electronic check management solution. This new solution replaced the need for document pouches and heavy mail batches, thus improving process efficiencies by decreasing registered mail fees, eliminating the possibility of lost, stolen and damaged documents sent via mail, and greatly improving the amount of time taken to route, manage and record checking transactions. The new system was custom designed to specifically solve CHB's IT challenges, as well as reduce the time and resources required to process such vast amounts of information. Most importantly, the Alero web-based solution allowed for the quick exchange of documents between CHB's branches with electronic filing and recall, greatly increasing business process efficiencies and customer satisfaction.

"The new system allows interchanging check information within the bank's branches and central offices, and between the bank and the clearing house, greatly improving customer service and productivity while eliminating the need of transferring and handling the checks physically," says Kenny Lee, Director of Banking Solutions for SpenoCom and ChoHung Bank's consultant for this project.

CHOHUNG BANK

Headquarters

➤ Seoul, South Korea

Industry

➤ Financial, Banking Sector

Application

➤ Check Processing

Solution Type

➤ Content Management

Daily Volumes

➤ 250,000 checks/day

Daily Users

➤ 3,500 users

Hardware

Compaq ML 570 Shared Server

Compaq ML 530 Server

HP 400 EX

HLS-100 MICR/OCR/Image

Software

Windows 2000 Adv. Server

MS SQL Server 2000

MS IIS

Alero Software

Alero Framework v3.10

Alero ECM

Alero HSM

Alero Import (HSI)

The Bottom Line

"In accumulative mail charges alone, the bank saved \$77,000 US dollars a month," says Lee. "The entire process was cut to one quarter of the time and was performed with fewer resources than previously expected." The following charts illustrate the difference in time required to process the daily check volumes between the existing process and the new process using Alero software.

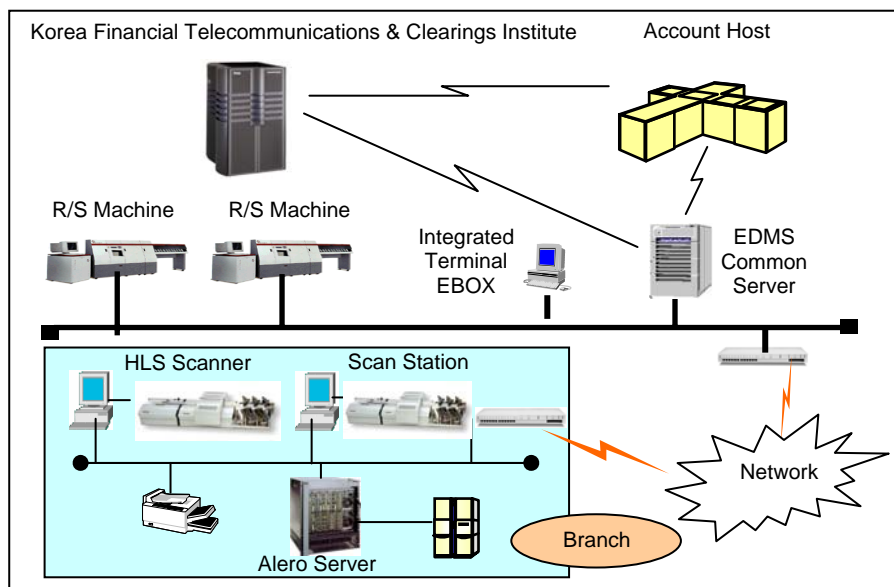
Daily Average Cases	Filming Time (Microfilm)	Correction & Sending Time	Total Required Time
3000	2hrs 30min	5hrs	Approx. 7hrs 30min

Daily Average Cases	Scanning Time	Correction & Import Time	Total Required Time
3000	30min	50min	Approx. 1hrs 30min

Benefits:

- Minimized error occurrences and storage costs by automating processes and reducing paper storage.
- Eliminated ongoing microfilm photographing costs.
- Dramatically reduced the time and costs associated with handling and mailing checks. The entire process was reduced to one quarter of the time with just one third of the resources.
- Improved process productivity, check information interchange, and check fraud identification.
- Streamlined the process of facilitating check inquiries—saving man hours with a more efficient filing system.

The Solution Design



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