



Kofax Case Study: Suncorp

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– Stuart Nielsen,
Executive Manager, Mortgage Services,
Suncorp Bank



Suncorp Group is a major player in financial services and one of the top 20 companies in Australia. With offices throughout Australia and New Zealand, the company employs 16,000 people and serves nine million customers across the region. Offering personal and commercial insurance, life insurance and banking, Suncorp Group is a Top 25 ASX-listed company with over \$95 billion in assets.

Suncorp Goes Paperless, Speeds Critical Business Processes

Kofax Suite Enables Suncorp to Accelerate Mortgage Applications, Insurance Claims and Customer Onboarding

The Challenge

When Suncorp Group made the decision in early 2011 to improve its content capture capability, the project team in charge of the initiative knew that the benefits would more than justify the effort. “We had an incumbent technology and team that weren’t delivering the quality of service that our customers wanted,” says Glenn Mead, Team Leader, Enterprise Content Capture Team at Suncorp. After conducting a strategic review, Mead recalls, “we ended up making a recommendation to move company-wide towards using Kofax. Despite the cost of moving from the incumbent technology, we were confident that the Kofax technology and support and the compelling product roadmap would justify the cost in a short period.”

Suncorp’s services include a number of paper-intensive processes such as processing insurance claims, mortgage applications, customer on-boarding and account maintenance. Handling the huge volume of paperwork – including a continuous inflow of customer applications, letters and other correspondence – requires a small army of employees dedicated to opening envelopes, scanning documents, processing and validating forms and responding to customers. This was not going to work in an increasingly competitive and global environment, as companies are under pressure to reduce the cost of labor and increase efficiency. To that end, Suncorp has invested aggressively in cutting-edge technology that helps it manage its paper-based processes electronically.

Monitoring and reporting were also important considerations for Suncorp with respect to its new capture solution. Mead says that with the previous application, “we had virtually no reporting capability, and for monitoring we learned about production issues from our customers.” Monitoring and reporting were necessary to ensure that the organization was meeting its key performance indicators and service level agreements (SLA) and identifying areas needing improvement. “The team now has a solid monitoring capability, finding and resolving most production issues before there is a business impact,” he says.

According to Stuart Nielsen, Executive Manager, Mortgage Services at Suncorp Bank, the mortgage processing operations offered an opportunity not only to save time and money for the company but also provide customers with better service. "We were looking at ways to improve our processes and turnaround times for customers, and decided to automate things and work a little smarter," says Nielsen, who notes that one goal of the project is to reduce by 20 to 30 percent the average time it takes to process a loan from application to final approval.

Going paperless would also enable Suncorp to reduce or even eliminate the problems that come with storing large volumes of paper such as mortgage applications and insurance claims. In the past, the company had sent tens of thousands of files every year to an external storage provider, a significant cost that could be eliminated by converting paper to digital files. Storing hardcopy documents offsite also made it difficult to retrieve information quickly.

The Solution

For its first Kofax project, Suncorp chose mortgage application processing. Despite it being one of the most complex business processes at Suncorp and one of the most difficult to automate, the company knew that tackling this project would set a high standard and "put us in good stead for less complex transactions to follow," says Nielsen.

Despite the complexity of the project, the company moved quickly to deploy the application. Nielsen says that it took about four months to go paperless for mortgage applications and from start to finish his team deployed the full solution in less than 12 months. "The reason we moved so quickly to go paperless was that there are some real tangible benefit," he says, noting that the goal is to achieve 80 percent automation in the mortgage process. The company is well on its way to meeting that objective.

Today, mortgage processing is also just one of many digital initiatives across the company involving Kofax. In two short years, Suncorp has deployed or is in the process of deploying Kofax products to support various business units in banking, life insurance, personal insurance and commercial insurance, as well as shared services such as HR, accounts payable and procurement/contracts. The company's capture platform now employs a full suite of Kofax products, including Kofax Capture™, Kofax Transformation Modules™ (KTM), Kofax VRS Elite®, Kofax Monitor™, Kofax Front Office Server™ and Kofax Import Connector™ (KIC).

Loan applications, insurance claims and related documents such as bank and credit card statements, tax returns and paystubs are captured as faxes, email attachments or scans. These documents are imaged, categorized using OCR and validated with Kofax technology. Moving to a digital capture and business process system has given Suncorp greater flexibility in the way it handles what were previously paper-

based processes. These documents can now be processed and validated from anywhere in the world, at any time.

This is especially important for Suncorp, an international company that now has offices across Australia and other countries around the region. Paperless processing enables the company to grow, and it encourages efficiency by allowing teams to shift work between various offices to take advantage of local expertise or cost savings. Kofax Transformation Modules (KTM) is a key technology enabler, says Stephen Vickers, Technical Lead, Enterprise Content Capture Team at Suncorp. With its "One Company, Many Brands" strategy, Suncorp is looking to standardize business processes across the company. Kofax, integrating with a number of workflow applications, is an enabler for this change.

Using new KTM capabilities such as batch filtering, batch splitting and document routing, Vickers and his team designed business rules to route documents between offices. If one document within a batch requires additional input or technical expertise not available at that office, workers can re-route that single document while continuing to process the remaining documents within the batch.

Kofax's foldering and batching capabilities improved efficiencies in other ways too. In the old system each document was treated as a unique "batch." "You might have an envelope from a customer with three different documents in it. That would equate to three separate batches," says Vickers. Each of these documents could go down its own processing path and each would need to be indexed separately. But now, he says, "if we have three documents coming in the door for a particular person, we only have to index them once at the folder level and effectively index all three documents at the same time." Saving time and effort at each step adds up, especially when you're dealing with thousands of items of correspondences. Says Vickers: "That was a real big win for us, with huge time savings."

Kofax has delivered a number of other capabilities and benefits, but one in particular bares mentioning: redaction. It's a standard requirement in financial services for companies like Suncorp to remove certain pieces of information from documents they receive from customers. For legal reasons, the company redacts tax file numbers (equivalent to social security numbers in the US), and they need to do so as early in the process as possible. "In the past, scanner operators would get 'liquid paper' or 'white out' and go through every single document looking for tax file numbers," Vickers recalls. "That was quite time consuming. Operators would also need to wait for the documents to dry before proceeding, and even then documents were leaving residue on the scanner plates." Needless to say, manual redaction was slow and messy.

Vickers and his team introduced a "format locator" to find sensitive information such tax file numbers and credit card

numbers and automatically remove this information on the scanned images. They also employ keywords to locate the right information and reduce false positives. "Our hit rate is over 95 percent" he says. In addition, the application also allows the users to manually redact an image if for some reason a certain value wasn't automatically blacked out. These capabilities simply weren't available in the previous system. They save time and provide better compliance for the company.

The Results:

One of the biggest benefits of using Kofax is its ability to scale. Suncorp processes some 40,000 to 60,000 mortgage applications every year. With the new paperless system, "we're able to process more loans with the same fixed cost," Nielsen says. This increased efficiency enables the bank to remain agile and competitive. "We want to stay really lean and be able to scale up and down without adding too much cost, and that's what we've been able to achieve with the Kofax solution. We're processing mortgages faster – in many cases faster than our competitors."

Customers, who want a prompt response to their loan application, certainly value the faster response and better experience. And company executives appreciate the improved efficiency and cost savings. But what about employees who use the system? According to Vickers, operators have been just as enthusiastic. "They really love the time savings, that's the biggest piece. They've got very strict SLAs. So the automated redaction, the batching, the foldering, the ability to index in one place, the ability to merge documents within validation, and duplicate documents is very good for them. It's all about the time savings and usability."

Moving applications from the legacy capture process to Kofax has enabled employees to work faster and more efficiently in several ways. Scanning times in three mailrooms have been cut in half through introduction of automated classification, automated redaction, bar code stickers and other improvements. For customer onboarding, the signature capture process was improved via the use of Kofax Front Office Server, reducing wasted paper by 100,000 pages per year and providing more reliable feedback to branch users. In insurance claims, Kofax has enabled much higher pass-through rates with less manual exceptions through better OCR capabilities on email attachments and faxes.

The company has realized other benefits of freeing itself from dependency on paper. Various paperless processes throughout the banking and insurance units are expected to save Suncorp hundreds of thousands of dollars each year in paper, printers and toners. The company estimates that each year it will also save more than 400 trees and reduce carbon emission by 80 tons.

In addition to removing paper and improving processing speeds, the new digital system improves the company's fraud detection and responsiveness. "No longer do we have to order files back from a physical storage facility," says Nielsen. "They are now instantly available online, with a full user audit trail, adding to the security of the transaction. Our fraud and quality assurance teams have faster, more user-friendly access, including remote access to the loan files, improving our ability to detect irregularities in loan applications and in turn our quality assurance."

Suncorp also values the close relationship it has developed with Kofax, an intangible benefit that many businesses do not fully appreciate. "We've got a really good, close working relationship," says Mead. "We've kept a very good relationship with Kofax and have continued to build upon it over the last year."

Going forward, the company has even bigger plans for working together. Says Nielsen, "We've had such success in such a complex transaction, we're really looking to go to the next level." And that includes taking advantage of Kofax Mobile Capture™ (KMC). "We're looking to innovate and provide new solutions for our customers," he says. "Things like mobile capture at the point of sale and point of [loan] origination really appeal to us as the next logical step for the bank."

"It's just a great product," says Vickers. "We've done a lot of cutting edge stuff. Kofax works with us to help us stay on the cutting edge."

About Kofax

Kofax® plc (LSE: KFX) is a leading provider of innovative smart capture and process automation software and solutions for the business critical First Mile of customer interactions. These begin with an organization's systems of engagement, which generate real time, information intensive communications from customers, and provide an essential connection to their systems of record, which are typically large scale, rigid enterprise applications and repositories not easily adapted to more contemporary technology. Success in the First Mile can dramatically improve an organization's customer experience and greatly reduce operating costs, thus driving increased competitiveness, growth and profitability. Kofax software and solutions provide a rapid return on investment to more than 20,000 customers in financial services, insurance, government, healthcare, business process outsourcing and other markets. Kofax delivers these through its own sales and service organization, and a global network of more than 800 authorized partners in more than 75 countries throughout the Americas, EMEA and Asia Pacific.

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