

Butterfield Private Bank Banking on DocuWare

Butterfield Private Bank is part of the Butterfield Bank Group, a full service community bank and a provider of specialised offshore financial services to High Net Worth Individuals (HNWI) worldwide.



Initial Situation

Headquarters in Bermuda, and established in 1858 as the Island's first bank, Butterfield Private Bank continues to play an important role in the local economy, but with operations located in the Bahamas, Barbados, Canada, the Cayman Islands, Guernsey, Switzerland and the United Kingdom and other subsidiaries, the Group provides private banking, asset management and personal trust services to customers worldwide. The philosophy is to retain all the traditional values of a truly personal and high value-for-money private banking service while combining them with speed, efficiency and flexibility.

Requirements and Organisational Framework

It is the subsidiary in the UK that has taken on the mission to convert their 120-employed subsidiary in to a paperless office, not immediately, but by completing a step-by-step plan, converting first one department to a new work process and then the next. It is the most viable solution in order not to put reliability, integrity, security and confidentiality at risk as these are four important attributes of the company and reflect the bank's image as a whole. The bank divides its activities into three main areas: one office dealing with HNWI on a personal level, one for

banking and corporate accounts, leaving one office to only handle investment portfolios.

As a result, a main file for each customer is kept. However, many other files are necessary on one single person as documents come in for filing in various departments. Basically, the information collected on these individuals are cross departmental.

For example, the customer's due diligence mandates are kept by the private banking department's office, while the corporate banking department has files on the same customer's corporate loans in their office.

There are several different departments such as the data maintenance unit and the records department that manage internal operations and support the banking employees. Hundreds of transaction records are filed away, many of which are only looked at once and then filed away and only pulled out years later in order to resolve disputes or similar discrepancies.

The UK government regulations require that transactional records are kept for 7 years. Even transaction recording details of the customer's banking details from different bank locations anywhere in the world have to be kept for up to a minimum 5 years.

The infrastructure is based on a Windows network and two primary banking systems are being used: GLOBUS and Optic. Naturally, DocuWare would have had to be able to integrate into these. It was also important that the solution would be fairly easy to customise to Butterfield's filing requirements, but, the primary objective was to reduce the vast amount of paperwork created each day and to break even within a year by calculating the amount of paper purchased and stored within a year. The secondary objective was and still is, to get each department involved on a step by step basis, choosing a small group of customers first, firstly email correspondence, then banking transactions, then moving on to different departments. "Not all were convinced that a bank could function on storing documents electronically only," the Head of Records Management at Butterfield Private Bank, "some people just don't like change."

Solution and Benefit

The solution was initially introduced to handle internal files in Q2 of 2005, in Q1 2006, DocuWare was implemented to store specific types of documents such as mandates, checks and copies of bank statements. By the end of 2006 to the beginning of 2007, Butterfield Private Bank UK was working on getting all operational data stored on DocuWare.

Following this step, by Q3 in 2007, the records department initiated that all due diligence information, client mandates, direct debits orders, standing orders and KYC (Know Your Customer) information were gradually added over a three-month period. Since then DocuWare is being used by more than 110 employees every single day (over 30 licenses varied individuals going in at different times).

The process of storing documents evolved from simple in-bound and outbound correspondence to all types of banking and investment transactions. About 300 – 500 documents are stored each day, which equals thousands of sheets of paper a day. Even phone calls are filed away. Once a customer has been signed off, the process begins: all pertaining information is scanned and filed on a daily basis. The filing cabinets in DocuWare have as many index fields as possible, so that all employees can find the documents they need fairly easily in one centralised document pool.

“The employees in the data maintenance unit are ecstatic because now they can just type a customer number, allowing them to stay on the phone, not having to physically reach for the file anymore,” says The Head of Records Management, “this improves communication and allows more time for other matters.”

Even reports about banking transactions from the teller machines around the country are stored in DocuWare (using COLD/READ). “One of the most prevalent benefits,” according to The Head of Records Management is that we are able to easily identify the exact retention period of a document, meaning how long a document needs to be kept on file or when a document needs to be destroyed in line with the Data Protection Act which states that banks are not allowed to keep the document for more than 5 or 7 years depending on the type. This gives us exact control over this matter, because each document states how long it should be kept for” and also points out that having the ability to check off on profiles that should have permission to which File Cabinet is a very big advantage, as the Bank would not want all employees to have access to all customers’ base files and / or records.

Before, the initial implementation, there were never enough cupboards to hold the numerous files, some employees placed files on the floor in the hope some space would be freed up soon, now, cupboard space is available and more and more space is continuously being created. The scanners in use are three b&w and two colour editions from Canon which are combined scanner/printer/photocopiers with flatbed and form feed capability and are used by all departments and two Kodak i1440 scanners are being used by the records management department for bulk processing. This department supports the employees in scanning and

storing the bulk records which include KYC information (including client bank mandates and ID information), credit filing (lending files and security documents) as well as daily correspondence and transactional paperwork, in order to make sure that indexing is done correctly, however some transactions information is recorded automatically.

Once all of our existing back data has been loaded to DocuWare, records management will be able to process everything in house on a daily basis, without the need to outsource any ongoing work.

Result

The Butterfield Private Bank management in the UK have great plans that concerns the further implementation of DocuWare. Bar-coding has just begun in the data maintenance unit specifically on customer due diligence information documents. This will speed up the internal workflow in the future as it is possible to scan all the documents in one go rather than individually. This feature will be expanded to all departments.

As client filing increases, the number of employees accessing those files will increase as well. The electronic workflow will expand and in the end most files would be stored using a DocuWare CONTENT FOLDER.

Butterfield Private Bank is in the process of introducing a CRM tool that can interface with DocuWare. The plan is also to implement DocuWare in the Human Resources as soon as possible. The target is that all processes should involve just electronic information where possible which means that more scanners will have to be installed and anytime there is a legal or regulatory requirement, the document will have to be scanned and stored. By 2011 we will have most of our documentation process automated straight away and not produce any paper.

