

White Paper

DMS - Document Management Services

Overcoming Challenges in Corporate Banking



NEWGEN

One world. One workplace.

SOLUTIONS FOR BUSINESS PROCESS & CONTENT MANAGEMENT

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TABLE OF CONTENTS

1. Executive Summary
2. Challenges in Managing Documents for Corporate/SME Loans division
 - 2.1 Document Lodgment Register
 - 2.2 Managing Common Securities across Facilities and Customers
 - 2.3 Documents Vetting
 - 2.4 Releasing Security documents
 - 2.5 Multiple user access to documents
 - 2.6 Information Security
 - 2.7 Fulfilling cross departmental needs
 - 2.8 Monetary loss associated with documents
3. Advantages of DMS for the Bank - Corporate Loans Business
 - 3.1 Manual Effort and Time Saving
 - 3.2 Complimenting Growing Business
 - 3.3 Cost Savings
 - 3.4 Protection from disaster
 - 3.5 Maintaining Business Continuity
 - 3.6 Ease of access and sharing
 - 3.7 Highly Secure: Immune from wear and tear
 - 3.8 Arranging documents in an Enterprise way
 - 3.9 Meta data information about actual documents
 - 3.10 Report on expired documents
 - 3.11 Management Reports
 - 3.12 Multi user access to same documents
 - 3.13 Search Documents
 - 3.14 Ease of Collaboration
 - 3.15 Avoid Time Overruns
 - 3.16 Save Office work space
 - 3.17 Information Security and Audit Trails
4. Newgen DMS
 - 4.1 Omniscan
 - 4.2 Omnidocs
5. About Newgen

TERMS USED

DMS	Document Management System
SME	Small & Medium Enterprise
OCR	Optical Character Recognition
MICR	Magnetic Ink Character Recognition
TAT	Turn Around Time

1. Executive Summary

Every Corporate Loan function of a bank organizes their documents like Security Documents, Trade Licenses, Chamber of Commerce Certificates, Corporate Guarantees, Agreements, Mortgages, Email Communications, Legal & Regulatory Documents in some way, whether or not they use a document management system.

Despite advancement in technology, most businesses still depend on (e) registers to record, store and manage document information. More sophisticated banks have developed in house document lodgment registers and would access their documents manually from the safe vault by following a certain process of access. The question is, what are the challenges faced by these departments in managing these documents within the bank? Most banks would not realize the amount of business impact it has in managing documents manually and lodging the access in registers/e-registers. At the same time, imagine the amount of business space occupied in storing these documents at a prime location in the bank just because it helps in ease of access and fulfilling business demands.

As the business grows, it tends to accumulate millions of documents of various kinds over the years. Still the process is error prone, time consuming, less efficient and non business friendly. Just as every bank organizes their documents, so too has every bank not using a document management system spent too much time looking for immediately required documents, often when somebody has accidentally placed it somewhere it should not be. So, managing an exponential growth in the volume of

documents at ease will get more time to focus on core business operations.

These are some of the issues that typically drive banks to adopt a document management system.

This document has four agenda items divided into following sections:

1. To prepare a case for DMS - Corporate/SME Businesses of a bank
2. To showcase, DMS as a solution to the problems faced by Corporate/SME Departments in managing documents
3. Advantages of DMS for the bank
4. To talk about – Omniscan & Omnidocs: Enterprise DMS by Newgen Software Technologies Ltd. India

First two sections of this paper have conceptual approach towards handling Corporate and SME Loans (Document Preparation, Vetting and Legal) within a bank. Third section has a more "how" touch showcasing some of the long term benefits of implementing an enterprise DMS within a bank. Last section focuses on "Omnidocs", since I believe it to be by far the best suited enterprise model for large and medium sized banks.

If you are asked to take a survey question, "What is one thing that you would like to have but don't have enough of?" No, it wouldn't be money. It would be Time. Corporate Lending and SME businesses could increase their productivity at work tremendously if they had a tool that could save their time and compliment business activities. As it has been rightly said Time is money, the more time you have, the more money you can earn. Electronic document management is the best way to stay productive.

2. Challenges in managing documents for Corporate /SME Loans Division

2.1 Document Lodgment Register

The documents are lodged by the 'Custodian' in a register. He has to perform/input all the lodgment related entries for all documents of the corporate facility whenever he access the documents on business request. These demanding business users could be from the Documentation Department, Vetting Department, Legal Department and/or from the Business Banking Groups. A great percentage of Custodians' productive time is wasted in just searching the right document. At the same time replacing back the documents follows the same procedure.

The stress on the custodian is not so much on the activity performed as on the result to produce document because business is waiting for it. This means any activity that takes too much of your staff's time or requires them to divert their energy into performing non-core tasks, must be eliminated or replaced.

2.2 Managing Common Securities across Facilities and Customers

Locating multiple facilities for a customer who shares common securities is another daunting task in front of the custodians. Every time a facility is renewed, security documents change their stature and the same needs to be updated in all facilities sharing the common security.

At times, some securities are shared among various corporate customers, it become even more difficult



to refer the common security and update each one of them. Security documents along with other critical documents are prone to loss, wear & tear due to frequent handling. Amendments to agreements and mortgages is a typical scenario which demands the need of a document management system for preparing documents related to amendments and guarantees. Expired securities go unnoticed where as a report on the expired and/or to be expired securities compliments business.

2.3 Documents Vetting

Vetting department receives the document after execution and checks whether the approvals terms are completely covered with all conditions are met or not. Missed out documents from the approval documents are checked from the loan case file. The communication is made to the relationship manager and documents are couriered over to the branch.

Having a DMS system will facilitate business discussions while referring to same docs and making amendments there and then. It saves a lot of time, couriers cost, less TAT and faster disbursement process for the customer.

2.4 Releasing Security Documents

Releasing a security document can be voluminous. Imagine a facility which has over 200 mortgages and all are distinct (unit wise complexes) and if the bank has to release one of them, manual checking to release a specific security will be extremely tedious. Having a softcopy in DMS will certainly help in tracking the appropriate one.

Releasing original security documents allow banks to have the secure digital copy of the documents released for future reference with ease of access.

2.5 Multiple User Access to Documents

Multi-user (Relationship Managers, Different business departments within the bank etc) access to documents at the same time enables businesses to get work done faster and is must for corporate lending bank. As a bank employee, you may not be the only one working. Other employs too may process the same documents as anyone do, but their job role might differ from each other.

Document management software stores documents in a centralized database, yet allows document sharing among various users. This helps save precious space while also allowing you to work on a document that is not stored on any local system.

2.6 Information Security

With the need of referring existing customer documents, the business users have no choice but to get the photocopy of the document. At the end of the day, all the confidential document photocopies are required to be shredded and are generally missed by the business users on their working desk causing a risk of information leakage to the incorrect person.

This poses a big threat to the corporate loan business.

Having a document management system will allow the business users not to take photocopies and at the same time documents can be referred to the scanned digital copies thus helping in keeping the Information security requirements of the bank intact.

2.7 Fulfilling Cross Department needs

The ever increasing businesses within a bank require a great amount of coordination to grow. Fulfilling the cross departmental needs for documents and reports by the documentation department have been a huge time consumption factor. It is extremely difficult for the documentation department to cater these needs on a regular basis.

With document management system in place the documents can be made accessible to other departments. At the same time these documents can be downloaded and mailed. For e.g. Investment banking, Customer Service, Credit cards, etc departments can take advantage of this to provide better customer experience. It once again jettisons the manual work of fetching documents and fulfilling every business activity in the bank.

2.8 Monetary Loss associated with documents

Most of the corporate loans processed by the bank have huge values. The original security documents of these loans, if lost, can be a huge monetary loss to the bank. Having an electronic backup of the important documents may help in restoring the original documents and can also be produced in the court of law.

3. Advantages of DMS for the Bank - Corporate Loans Business

3.1 Manual Effort and Time saving

The documents custodian will save on the effort to manually fetch the documents from the strong room. A great percentage of the user's productive time is wasted in just searching the right document. On an average if the business needs 20 files a day with a turnaround time of 10 minutes per file to fetch and replace back by the custodian, Minimum business time saved is over 3 hrs per day per user. At the same time, the business user doesn't have to wait either. The documents are readily accessible to every business need and to every authorized business user. The interdependency problem is resolved by document management system.

3.2 Complimenting Growing Business

Business users can refer to the electronic documents of their own requirement within no time by just logging into the document management system from their seat and without going anywhere, leading to better and faster customer communication. This means any activity that consumes no or very little time on the part of custodians/business user's activity will help them divert their energy into performing core business tasks.

3.3 Cost Savings

On having DMS, there can be a huge amount of savings on using documents with printouts. At the same time, communications among all the business users save cost on couriers and office boys. For e.g. Vetting department needs to send the documents back to the relationship manager for customer attestation, which he send over by couriers, can be

shared using a document management system immediately thus expenses on paper and other office supplies/services will reduce considerably.

3.4 Protection from disaster

In the event of a natural or other disaster, if the physical records get destroyed, the DMS should allow you to easily back up your documents database online and recover it quickly. The scanned version of documents can also be produced in the court of law as a reference to the original documents. Imagine a bank loses the original security documents of all customers in a disaster and have no copy or reference to the original.

3.5 Maintaining Business Continuity

Maintaining business continuity in the event of a catastrophic failure or if the entire business is moving onto a different location is complimented by the DMS system with very less turnaround time. Business users at the new location will just have to log into their web based DMS to access documents and continue the business activities.

3.6 Ease of access and sharing (Easy backup and fast retrieval)

Typically involve movement of documents from the RM to the Credit Department, from Documentation Department to Vetting Department inside the bank, and from person to person within a department. Several persons with different roles (such as creation, review, approval, and dispatch) will have to reference the document before it completes its intended purpose. Well-planned and efficient movement of documents can significantly speed up business processes and enhance their quality. With physical papers sharing, this is a highly complicated activity,

where in, a user has to make photocopies of the documents and hand it over to all members. The activity is prone to mishandling and losing of documents while using. The DMS system facilitates this need and provides an ease of access and share.

3.7 Highly secure: Immune from wear and tear

The documents in DMS stand highly secure as it allows restricted access to specific users. The user can share specific documents as required but store the confidential ones. For e.g. the Security or other confidential documents can be restricted to be accessed by anybody or somebody. At the same time the documents stored are stored in a remote location on a computer. Referring to the electronic documents will take away the risk of wear and tear.

3.8 Arranging documents in an Enterprise way

With the ever growing requirements of the business functions, the documents scanned and stored in DMS can be arranged in user defined folder structure. This is called the enterprise way of organizing files. It offers enterprise features to help the business organize and manage the volume of documents. For .e.g. Corporate Loans department can logically store the documents separately for different facilities/loans and the common



documents can be kept separately. This helps in more precise documents search specific to the requirement of the business function. For e.g. all the documents of a single facility of a customer can be arranged at one place separating them from other facility documents.

3.9 Meta Data Information about Actual Documents

The information present in the documents can be entered and associated with documents at the time of scanning. For e.g. Passport expiry date of the borrower, Trade License Expiry date, Mortgage value, Insurance expiry date etc. can be entered. For all the information entered by the user, it gives the capability to the business user to search documents at their own defined criterion. For e.g. a DMS system can list all Trade license copies which are expired or are going to expire in the near future and List down all the mortgages for a particular customer which has value more than 20 million and so on. This gives a consolidated view of documents even if they belong to multiple customers or facilities, which is extremely cumbersome if managed manually.

3.10 Report on Expired documents

Report on the expiry of documents can be used by the business users to follow up with the customers. With the ever growing business, the time is not far away for the bank to have thousands of customers with so many mortgages, insurances, securities etc. Having a report on the expired documents can help users take pro active actions. Imagine a 50 million facility with a mortgaged property having expired insurance missed by the user. It can be disaster for the Bank. This also helps in keeping the updated documents for all customers at all times.

3.11 Management Reports

For all the data and information present in the DMS data base for the documents of the customer, Management reports can be customized to their immediate requirements. The reports can help management in making Credit policies, and other key business decisions.

3.12 Multi user access to same documents

At any given point in time, Physical documents can be accessed by a single user only, not allowing the other user to have access to the same document. Having a DMS solves this problem. Accessing the same documents at the same time between various business users facilitates faster communication and increase business efficiency.

3.13 Search Documents

Documents are stored with the objective of retrieving them later whenever needed. Retrieving a particular document from the typically large volume of business documents can be extremely tedious or even impossible when done manually. Not only the custodians but every business user can have smarter and faster ways of searching documents using the indexing parameters entered at the time of scanning. DMS system allows you to save your search condition, perform wild card search on all documents or folders.

3.14 Ease of Collaboration

If the department heads of all the business banking groups in different locations of the office want to collaborate on a paper document, an assistant will first have to make copies of the document and distribute them. Then each head will have to make notes. To be able to see each other's notes, they will

need to gather anyway for a meeting before they finalize the action plan. Compare this with DMS where business heads/any user can simply share the document (grant access to it) with each other; each of them can add their notes and save the document. The document can then be seen by all with everyone's notes on it. A face-to-face meeting is not required, thereby saving the time of the Bank's busy senior executives.

3.15 Avoid Time Overruns

Document Management System is another way to save banks' business costs. In business – time equals money. Creating and maintaining a massive archive of paper documents takes up endless business hours, possibly resulting in time overruns. In a growing economy, a time overrun could mean escalated costs, which in turn could reduce the banks profits. Using DMS, it eliminates the need to hire vendors to carry out routine tasks like filing; indexing etc. as such tasks are easily done by the regular staff. This results in work getting done faster.

3.16 Save Office Workspace

Keeping the physical record at an offsite location will save the business space in storing those documents. The same space can be used for other business operations. Imagine 1000 sq ft of an area in the bank costing 2 million of the lease cost will not only save cost but allow business functions to expand.

3.17 Information Security and Audit Trails

The DMS provides with the detailed audit trail of the access to any document(s). Making every user accountable for the actions done on the documents can be controlled.

4. Newgen - DMS

4.1 OmniScan™

OmniScan is a document acquisition solution to automate the process of scanning documents and segregating them into records and associating tags with the documents so as to enable easy searching and retrieval of the documents in Omnidocs (DMS) to which they are exported. It also caters to the need of creating business enterprise folders in the Omnidocs™ based on desired meta data information. Already scanned documents can also be imported into OmniScan™ to arrange them into records. Extraction of values from the scanned documents is also supported for BARCODE, OCR, and MICR by the Omniscan.

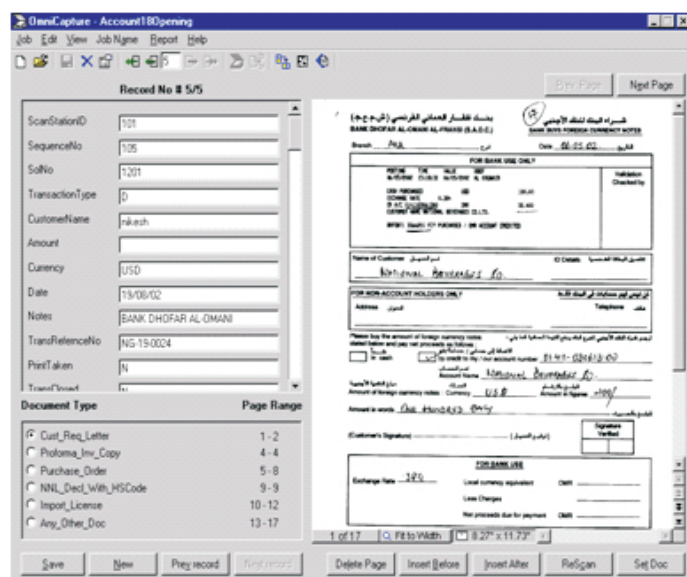


Fig. OmniScan GUI

OmniScan™ has the following features:

- It enables a user to scan documents in bulk, and add scanned documents with some values into user defined fields that have to be stored in the database.
- It enables the user to define Business Document Types and separators for Document Types.

When a batch is scanned, it gets automatically separated into the predefined document types.

- It enables the user to define fields as Carry Forward fields. Because of these fields, the user does not have to enter the common field values again while scanning for the next time.
- It enables the user to define search criterion with fields that have to be created in the OmniDocs™.
- It provides data entry support for user-defined indexes
- It provides support of manual separation of documents at the time of verification.
- It enables the user to define zone value for any page number of a document type. This zone information is used to extract barcode, OCR, or MICR values.

Newgen's DMS Deployments

Newgen's Document Acquisition Deployments are done for:

- Distributed Scanning
- Centralized Scanning
- Web based Scanning
- Fax Capture
- E-mail Capture
- E-forms
- Print redirection
- Intelligent Uploads
- Forms Processing
- Invoice / Warrants Processing

4.2 OmniDocs™

OmniDocs is an Enterprise Document Management system for creating, capturing, managing, delivering, and archiving large volumes of documents and content. OmniDocs also integrates seamlessly with other enterprise applications and enable these to manage unstructured content. OmniDocs handles scanned document images, electronic documents, emails, and electronic data output from other applications with equal efficiency and ease.

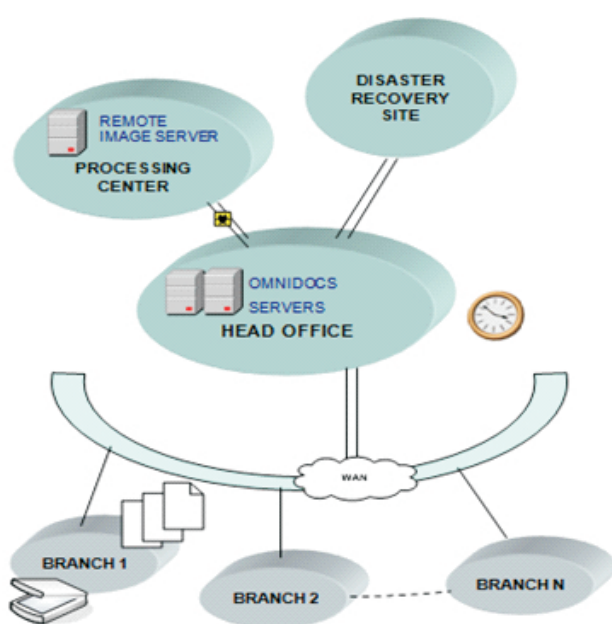


Fig. Addressing Enterprise Needs

By integrating this dynamic content with business rules, workflows and people, OmniDocs power seamless collaboration, communication, and knowledge sharing across and beyond the enterprise.

OmniDocs™ has the following features:

- Unified repository for all document and folders across the organizations including electronic files, paper images, and physical documents.
- Organize Documents into Folders, Sub-folders hierarchy

- Comprehensive Folder & Document level operations
- Access permissions on Folders, documents and Data Classes
- Document Check in, Check out & Version Control.
- Support for dynamic linking of related documents
- Add user-defined metadata and indexes to documents/folders
- Supports definition and building of controlled vocabulary in form of keywords which can be attached to documents
- Full Text Indexing of both Image & common electronic documents
- Exhaustive Document and Folder Searches
- Search for documents or folders on profile, created/modified date.
- Search using user-defined index field values
- Full Text Search on image and electronic documents
- Localization kits for English, Hindi, Arabic, Chinese, Finnish, Japanese, and Czech

DMS

- DMS Client
- DMS Engine
- DMS Administrator

- Version Control
- Lifecycle Management
- Document Viewer
- Image services
- API/ Dev Kit
- Industry Standards
- J2EE Architecture
- Search
- Index
- Auditing
- Scalability
- Security
- Integration
- Productive UI

5. About Newgen

Newgen Software Technologies Limited is the market leader in Business Process Management (BPM) and Enterprise Content management (ECM), with a global footprint of 850 installations in over 40 countries with large, mission-critical solutions deployed at the world's leading Banks, Insurance firms, BPO's, Healthcare Organizations, Government, Telecom Companies & Shared Service Centers.

Newgen Software has been positioned in the Magic Quadrant for Business Process Management (BPM) and Enterprise Content Management (ECM). The company has been recognized by distinguished

analyst firms like Frost and Sullivan as A 'Hot Company to Watch for' in their global ECM Market report, 2009 and by IDC in its exclusive report "Newgen Software: Global Leader in Business Process Management and Document Management Solutions". Newgen is a winner of prestigious awards, such as the CNBC-TV18, "Emerging India Award 2008".

With HSBC and SAP investment, Newgen is one of the rare product companies to have backing of both leading financial and technology companies of the world. Newgen's Quality Systems are certified against ISO 9001:2008 and Information Security Standard, ISO 27001:2005. Newgen has been assessed at CMMi Level3.

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One world. One workplace.