ECM Increases Corporate Governance at Nara Bank

Laserfiche keeps client information secure, confidential and audit-ready

Nara Bank, a wholly owned subsidiary of Nara Bancorp, Inc. (Nasdaq: NARA), was founded in 1989 to serve the Korean-American business community in Southern California. Since its inception, the bank has grown to encompass 20 branches across three states, 350 employees and assets of more than $2 billion.

As a large community bank and federally-insured financial institution, Nara gets audited "all the time," says IT Manager Mona Chui. "Keeping information secure and confidential is a top priority for us."

According to Chui, audits are conducted by the following regulatory boards: the FDIC, the Federal Reserve Bank, the California Department of Financial Institutions and the Office of Thrift Supervision. The most frequent types of audits the bank faces include:

- **Safety and soundness** (FDIC), to assess the bank's overall financial condition.

- **Information Technology** (FDIC), to evaluate the security of the bank's electronic systems.

- **Compliance**, to gauge the bank's compliance with consumer protection regulations such as the GLBA (the Gramm-Leach-Bliley Act).

- **Community Reinvestment Act** (CRA), to assess the bank's performance in meeting the community's credit needs. Enforced by OTS, OCC, FRB and FDIC.

Nara Bank knew that an enterprise content management (ECM) solution could help accelerate audits, facilitate compliance and ease the e-discovery process—all while decreasing costs.

"With paper, it's hard to keep track of the most current version of any given document," says Chui, "and it's impossible to ensure that people are following compliant processes each and every time they handle a record. With 20 branches, we were shipping paper all over the place, and those costs added up fast."

Selecting Laserfiche

Because Nara Bank's core accounting system is from Fiserv, the first place it looked for ECM recommendations was from Fiserv itself. Cost was the limiting factor with the ECM integration offered by a Fiserv partner, however, since Nara Bank would have been charged based on the number of its client accounts. "That kind of cost structure is okay for smaller banks," says Chui. "But it's not cost-effective for a larger bank that's constantly growing."

Chui had heard of Laserfiche in the past, and was attracted to the affordability and flexibility of the Laserfiche system. As she did more research, it quickly became clear that Laserfiche could both integrate with Fiserv and offer the kind of superior security that would carry Nara Bank through the audit and e-discovery processes unscathed.

"Laserfiche works with all kinds of government agencies," explains Chui, "so it was pretty obvious that the granular security we needed to protect our data and ensure compliance was in place."

In addition, Chui saw that Laserfiche had a team of expert engineers who could work with Nara Bank's IT department to get the system up and running. "We have an IT team of ten people managing the bank's network and telephony systems, as well as 100 different applications," she says. "We just don't have the resources to develop deep Laserfiche expertise, so it was important to us to have Laserfiche engineers on our side."

Laserfiche®

Using Laserfiche

So far, Nara Bank has built central repositories to manage content related to three different functions, including:

- **Deposits.** New account checklists, signature cards, cash management service agreements, credit reports, account statements, wire transfer applications and more.

- **Loans.** Loan applications, credit reports, appraisal reports, title-related documents, personal financial statements, verifications of down payments and more.

- **Human resources**. Job applications, offer letters, background search results, W-4 forms, benefit enrollment forms, confidentiality agreements, annual review forms and more.

Content stored in these three repositories are accessible by authorized personnel across Nara Bank's 20 branches.

The bank has also established a standardized capture process for all deposit and loan documents that relies heavily on Laserfiche Quick Fields, which automates processing for a high volume of information by capturing data from various formats and sorting documents according to custom criteria. Quick Fields automatically draws data from Nara's Fiserv database in order to populate template field information in Laserfiche, reducing the amount of staff time spends transferring information between the two systems. By automating the capture process, Quick Fields reduces manual data entry and ensures the consistency, reliability and availability of information throughout the branch network.

The steps in the capture process are:

- **Generate barcode cover sheet**. Scanner operators at branch offices generate an account-specific barcode cover sheet using the Quick Fields barcode plug-in. The plug-in reads barcodes for automatic separation of batch scanned documents.

- **Scan documents.** Scanner operators at branch offices batch scan documents into a shared folder that can be accessed across the bank's network.

- **Process documents.** An employee at the central office uses Quick Fields to process the scanned images from the branch offices.

- **Verify documents.** Quality assurance operators verify each document in the repository. Laserfiche Workflow routes verified documents to their final destination, while documents with issues are routed to an "Issues Remaining" folder. (Once the issues are resolved, QA operators change a template field to indicate that the status of the documents has been verified, and they are routed appropriately.)

- **File documents.** Documents are filed to their final locations in the central Laserfiche content repositories and remain there for archival and retrieval purposes.

"Laserfiche has brought greater efficiency and consistency to the way we handle content across our branch network," says Chui. "Quick Fields reduces the amount of manual data processing necessary, and Workflow ensures that our employees don't have an opportunity to do anything with the scanned documents that is outside of our approved and compliant policies and procedures."

She continues, "Audit Trail keeps track of what our administrators are doing, along with the Laserfiche rights and privileges they're granting to various employees. And the Records Management module allows us to easily adhere to our clearly-defined policy for records retention, which in turn helps with e-discovery."

Future Plans

Although Nara Bank currently uses Laserfiche for deposits, loans, HR and some general archival for the legal, IT and procurement departments, it plans to continue rolling the system out across all departments enterprise-wide.

"Before we implemented Laserfiche, the bank was completely paper-based," says Chui. "Ultimately, all of our paper-based processes will take place within Laserfiche, which provides centralized control over content and specialized workflows for each department's business needs."

Overall, Chui believes that Laserfiche has given Nara Bank a cost-effective and compliant way to keep important client information safe and secure. "Laserfiche is an affordable, flexible and user-friendly system that goes a long way in facilitating compliance."

About Laserfiche

A resource for more than 28,000 public- and private-sector organizations around the world since 1987, Laserfiche creates simple, elegant enterprise content management solutions that help organizations run smarter. From streamlining digital records management to automating the agenda process, Laserfiche helps improve efficiency while integrating easily within any environment.

Your Next Step

Please call **(800) 985-8533** or
e-mail **info@laserfiche.com** for more information.