

ELECTRONIC CONTENT MANAGEMENT:
**HOW TOP PERFORMERS GET
MAXIMUM IMPACT FROM ECM**



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OVERVIEW

Today's banks and credit unions are, at the most fundamental level, in the business of moving data electronically in order to deliver services to their customers and members. Take a deposit, make a loan, charge a fee. How hard can it be?

It's mind-boggling—and somewhat frustrating—that the need to move or transform data still requires as much paper as it does. Despite the passing of the ESIGN Act of 2000, which allowed for the legal acceptance of electronic signatures for use on loan and deposit contracts, financial institutions (FIs) are still collecting wet signatures on paper contracts.

THE RISE OF ECM

One of the categories of software FIs use in the quest to make and keep digital what was meant to be digital is Electronic Content Management (ECM).

When ECM systems are utilized as intended, manual and paper-based processes can be automated, service delivery times can be reduced, and quality and compliance can be improved. All the while, content can be structured for simplicity of use and preserved.

The result to the FI is improved productivity, customer satisfaction and lower operating costs. So what's the trick to realizing these improvements? What separates those that fully utilize their ECM systems and realize these gains?

ECM MATURITY MODELS

Many examples of ECM “maturity” models have emerged to help explain the differences in ECM deployment. One of the most widely known models, from ECM3, defines five levels of maturity (unmanaged, incipient, formative, operational and proactive) across three dimensions (human, information and systems).¹

Cornerstone Advisors wouldn't argue that the levels or dimensions in this or any other model are wrong, but we would contend that many ECM models:

- Are too complex for an organization to figure out where on the model they are;
- Don't define the best practices on how FIs achieve high performing levels; and
- Don't quantify the business impact of moving from one level of the model to another.

STUDY OBJECTIVES

To determine if banks and credit unions are making optimal use of their ECM systems, Cornerstone Advisors surveyed senior executives at financial institutions to understand: 1) How do leading financial institutions deploy ECM for optimal business impact? and 2) What is the incremental impact of expanded and improved ECM deployment?²

SUMMARY OF FINDINGS

For an institution in the \$500 million to \$1 billion asset range, there is roughly \$300,000 in potential savings for every 10% increase in productivity.

Regarding how leading FIs deploy ECM for optimal business impact, we found five characteristics that distinguish the high performers: 1) Broad organizational involvement, 2) Full imaging of loan files, 3) A strong indexing structure, 4) The appropriate level of security controls, and 5) The implementation of a document exchange portal for customers.

Leading FIs are seeing productivity, quality of work and customer delivery time improvements from deploying ECM in the 25% to 50% range. In contrast, low-performing FIs are seeing single-digit gains.

ABOUT THE DATA

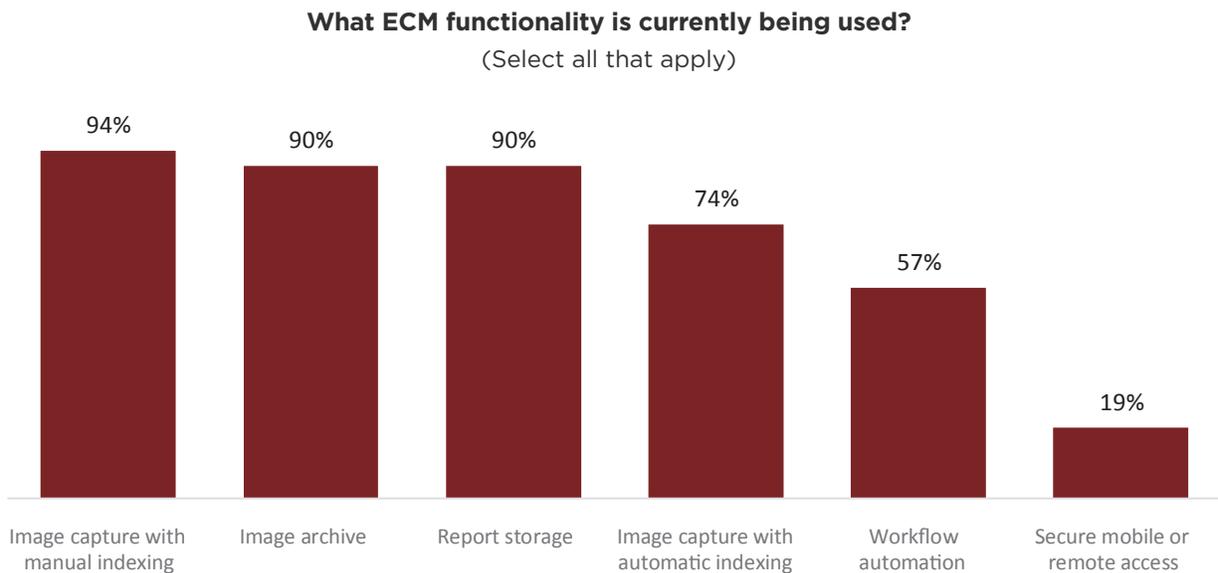
In Q2 2019, Cornerstone Advisors surveyed senior executives at 72 financial institutions, almost evenly split between banks (54%) and credit unions (46%). Roughly one in five respondents were from institutions with less than \$500 million in assets, 21% from FIs with between \$500 million and \$1 billion in assets, 38% from FIs with \$1 billion to \$2 billion, 18% have assets between \$2 billion and \$10 billion, and 4% from FIs with more than \$10 billion in assets.

THE STATE OF ECM IN FINANCIAL INSTITUTIONS

Among the survey respondents, more than a quarter (27%) have had an ECM system in place for more than 10 years, with another 31% having had one deployed for five to 10 years. Thirteen percent of respondents have had an ECM system deployed for three to five years, 14% for one to three years, and 15% for less than one year.

Nearly all respondents have implemented image capture with manual indexing, and nine in 10 have deployed image archiving and report storage. Three quarters have installed image capture with automatic indexing, and a little more than half have implemented workflow automation. Overall, 13% of respondents have all six features deployed (Figure 1).

FIGURE 1: **ECM FUNCTIONALITY**



Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

ECM tenure was not as strong a predictor of functionality as we thought it would be—the differences in the percentage of institutions that have deployed the various features and functions don't vary greatly by the number of years that they've had ECM installed (Table A).

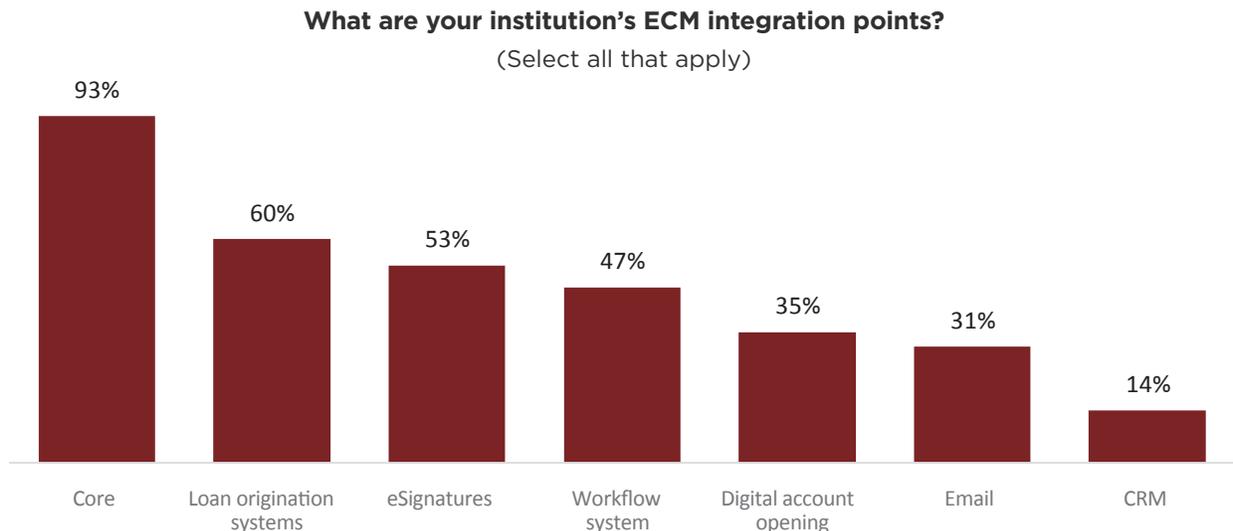
TABLE A: **FUNCTIONALITY DEPLOYED BY ECM TENURE**

	ECM TENURE				
	Less than one year	One to three years	Three to five years	Five to ten years	More than ten years
Image capture with manual indexing	91%	90%	89%	96%	100%
Image archive	91%	70%	100%	96%	90%
Report storage	82%	90%	78%	96%	95%
Image capture with automatic indexing	64%	80%	67%	77%	74%
Workflow automation	55%	50%	67%	46%	68%
Secure mobile or remote access	9%	40%	22%	14%	21%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

In addition, nearly all respondents have integrated ECM with their core system, but only 60% integrated ECM with loan origination systems, and a little more than half have integrated ECM with eSignatures. Just 6% of respondents have integrated all seven technologies (Figure 2).

FIGURE 2: **ECM INTEGRATION POINTS**



Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

Again, ECM tenure was not as strong a predictor of integration activity. In fact, a larger percentage of institutions that have had ECM deployed for three years or less have an integrated workflow system than FIs that have had ECM in place for more than three years (Table B).

TABLE B: **INTEGRATION ACTIVITY BY ECM TENURE**

	ECM TENURE				
	Less than one year	One to three years	Three to five years	Five to ten years	More than ten years
Core	82%	90%	89%	100%	95%
Loan origination systems	55%	70%	67%	64%	47%
eSignatures	27%	40%	44%	64%	63%
Workflow system	64%	60%	33%	36%	53%
Digital account opening	27%	30%	67%	27%	32%
Email	27%	50%	33%	32%	21%
CRM	9%	30%	22%	14%	5%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

ECM functionality usage varied by department (Table C).

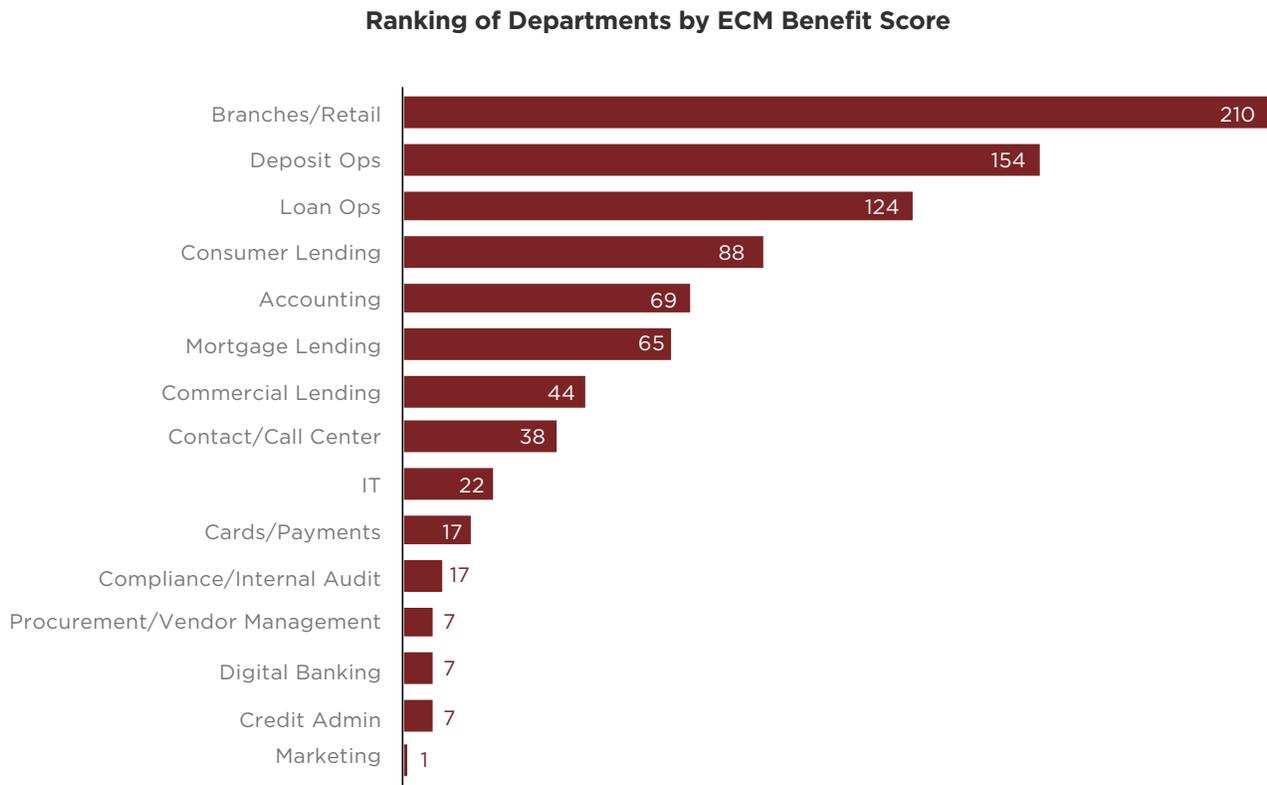
TABLE C: **FUNCTIONALITY USAGE BY DEPARTMENT**

Percentage of Departments Using ECM Functionality					
	Report Retrieval	Automated Workflows	eSignature	Image Capture	Auto Indexing
Accounting	79%	21%	7%	43%	17%
Branches/Retail	69%	32%	47%	74%	29%
Cards/Payments	56%	19%	17%	36%	15%
Commercial Lending	57%	18%	17%	51%	18%
Compliance/Internal Audit	65%	11%	13%	33%	8%
Consumer Lending	69%	26%	33%	63%	29%
Contact/Call Center	50%	15%	26%	39%	18%
Credit Administration	54%	21%	14%	39%	17%
Deposit Operations	72%	42%	36%	75%	43%
Digital Banking	46%	22%	26%	35%	14%
Facilities	19%	10%	4%	14%	6%
Human Resources	38%	21%	13%	22%	8%
IT	63%	22%	15%	43%	24%
Legal	24%	3%	4%	17%	4%
Loan Operations	71%	39%	35%	71%	39%
Marketing	36%	11%	3%	14%	4%
Mortgage Lending	56%	31%	35%	54%	26%
Procurement/Vendor Management	33%	14%	7%	26%	7%
Wealth Management	13%	7%	3%	11%	3%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

Where has ECM had the most impact? Survey respondents were asked to rank which departments have seen the biggest benefit from utilizing ECM systems. We assigned a score of 5 points for a top ranking, 3 points for a second-place ranking and 1 point for a third-place ranking, and calculated a total score based on the percentage allocation of responses. Branches/Retail earned the highest score with 29% of respondents giving it a top box score, 19% ranking it number two, and 6% ranking it a third place (Figure 3).

FIGURE 3: **DEPARTMENTAL RANKING BY BENEFITS SCORE**



Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

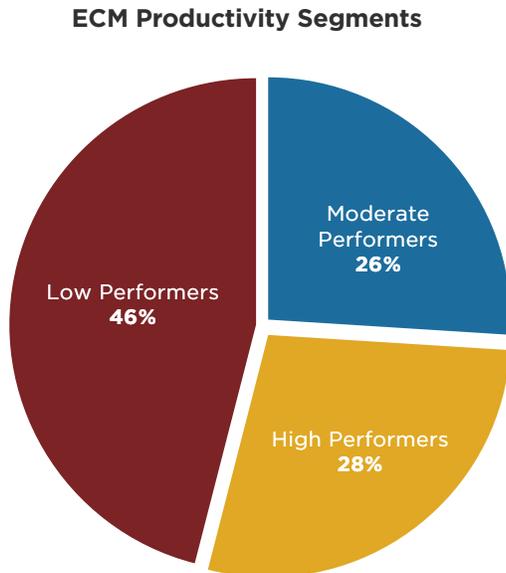
SEGMENTING FINANCIAL INSTITUTIONS BY ECM PRODUCTIVITY

In addition to asking respondents to rank departments that have seen the biggest impact from ECM, we asked them to estimate the productivity improvement they've seen in each department using ECM as well as ECM's impact on customer delivery time and the quality of work.

Based on their estimates of departmental productivity improvement, we created three segments of institutions. High Performers are institutions that have seen at least a 25% improvement in productivity in more than half of the departments using ECM. Moderate Performers are those that have seen at least a 25% improvement in productivity in 10% to 50% of the departments using ECM. And Low Performers are those with at least a 25% improvement in productivity in less than 10% of the departments using ECM.

In our sample, about a quarter of respondents were categorized as High Performers, 26% as Moderate Performers, and a little less than half as Low Performers (Figure 4).

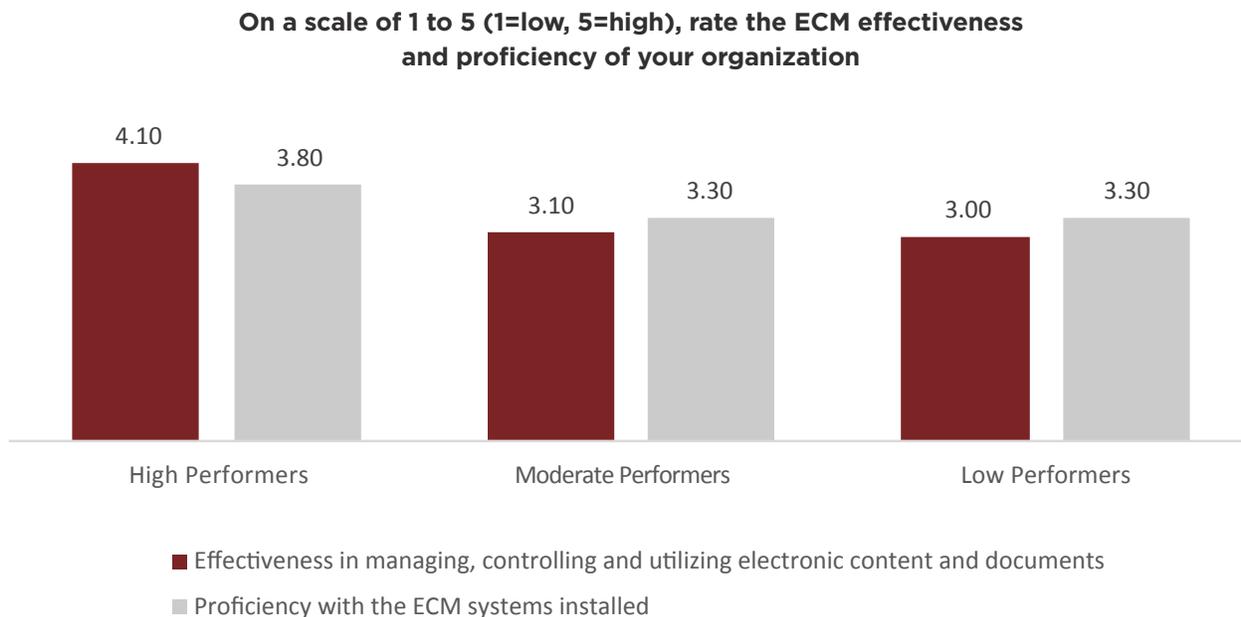
FIGURE 4: **ECM PRODUCTIVITY SEGMENTATION**



Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

High Performers rated themselves as more effective at managing, controlling and utilizing electronic content and documents. In addition, the High Performers see themselves as more proficient with the ECM systems they have installed than other institutions do (Figure 5).

FIGURE 5: **ECM EFFECTIVENESS RATING BY SEGMENT**



Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

ECM IMPACT BENCHMARKS

Survey respondents were asked to estimate the impact ECM has had, by department, on three metrics: 1) Overall productivity, 2) Quality of work, and 3) Customer delivery time.

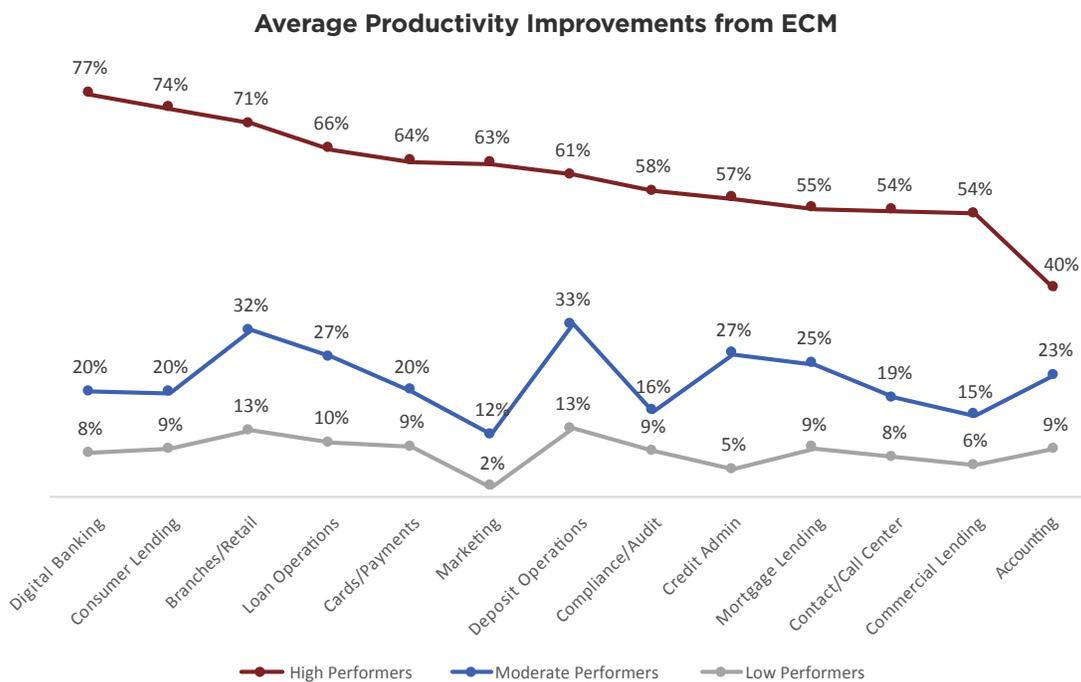
PRODUCTIVITY IMPROVEMENT BENCHMARKS

Average departmental productivity improvements among High Performers ranged from 40% improvement within Accounting to a 77% improvement within Digital Banking. Consumer Lending and Branches/Retail have both seen productivity improvements from ECM in excess of 70% among High Performers.

Among Moderate Performers, average productivity gains ranged from 12% within Marketing to 33% within Deposit Operations, followed closely by a 32% improvement in productivity within Branches/Retail.

Low Performers generally have seen single-digit productivity improvements, with three exceptions—Branches/Retail, Deposit Operations and Loan Operations, which have seen improvements between 10% and 13% (Figure 6).

FIGURE 6: **AVERAGE PRODUCTIVITY IMPROVEMENT BY DEPARTMENT**



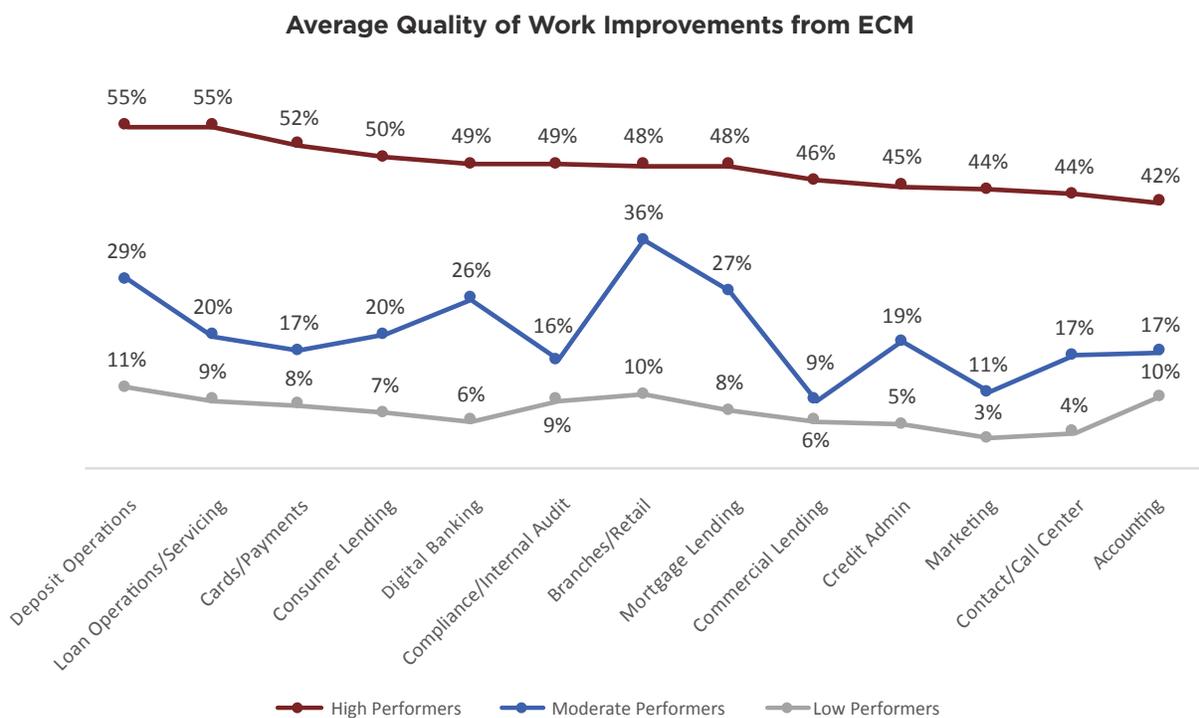
Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

QUALITY OF WORK IMPROVEMENT BENCHMARKS

Average departmental quality of work improvements among High Performers were more concentrated, ranging from 42% within Accounting to 55% within Deposit Operations and Loan Operations.

Among Moderate Performers, average quality of work gains ranged from 9% within Commercial Lending to 36% within Branches/Retail. Low Performers have seen quality of work improvements go from 3% within Marketing to low double-digit gains within Accounting, Branches/Retail and Deposit Operations (Figure 7).

FIGURE 7: **AVERAGE QUALITY OF WORK IMPROVEMENT BY DEPARTMENT**

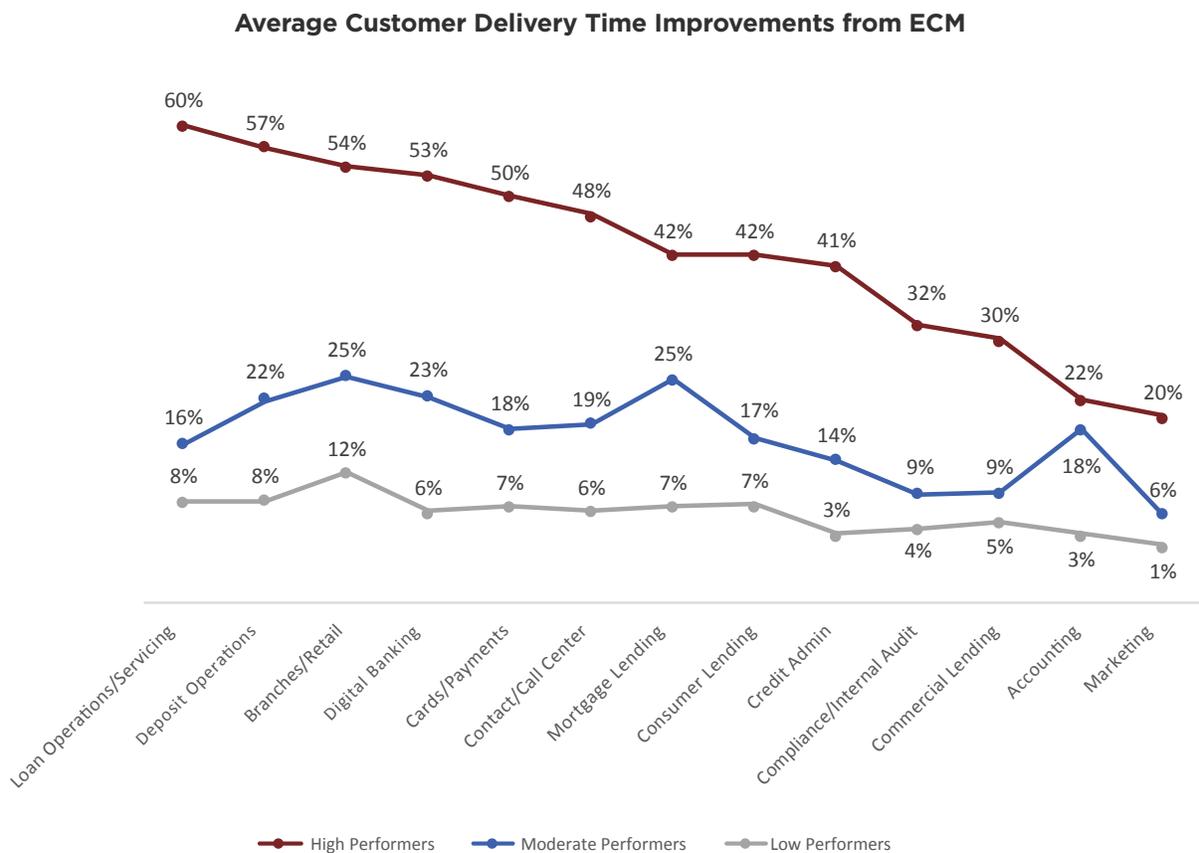


Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

CUSTOMER DELIVERY TIME IMPROVEMENT BENCHMARKS

Average departmental customer delivery time improvements among High Performers ranged from 20% within Marketing to 60% within Loan Operations. Among Moderate Performers, average gains ranged from 6% within Marketing to 25% within Branches/Retail and Mortgage Lending. Low Performers have seen customer delivery time improvements ranging from 1% within Marketing to 12% within Branches/Retail (Figure 8).

FIGURE 8: **AVERAGE CUSTOMER DELIVERY TIME IMPROVEMENT BY DEPARTMENT**



Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

FIVE CHARACTERISTICS OF ECM HIGH PERFORMERS

Before we discuss the characteristics of ECM high performers, let's talk about three factors that don't differentiate the segments:

- **ECM tenure.** Among the High Performers, 69% have had an ECM system installed for more than five years, in contrast to 54% of Moderate Performers and 56% of Low Performers. Length of time with ECM systems deployed can't explain the relative higher performance of the High Performer group.
- **Range of functionality deployed.** Could it be that High Performers have deployed a wider range of ECM features and functions than other institutions? No. In some cases, a higher percentage of Moderate and Low Performers have a particular feature set deployed than the High Performers do (Table D).

TABLE D: **FUNCTIONALITY DEPLOYED BY SEGMENT**

% of Institutions With ECM Functionality Deployed

	High Performers	Moderate Performers	Low Performers
Image capture with manual indexing	100%	93%	92%
Image capture with automatic indexing	86%	87%	72%
Image archive	86%	93%	96%
Report storage	79%	100%	84%
Workflow automation	57%	67%	48%
Secure mobile or remote access	14%	27%	16%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

- **Range of system integration.** We would have thought that High Performers had more points of integration between ECM and other systems than other institutions. Not so. A larger percentage of High Performers have integrated loan origination systems with ECM than other organizations have, but the Low Performers have been just as likely as the Moderate Performers to do so (Table E).

TABLE E: **ECM INTEGRATION POINTS**

Points of Integration with ECM			
	High Performers	Moderate Performers	Low Performers
Core	93%	100%	88%
Loan origination systems	71%	47%	56%
eSignatures	64%	67%	44%
Workflow systems	57%	47%	44%
Digital account opening	29%	33%	36%
CRM	21%	7%	12%
Email	21%	47%	24%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

So what sets the High Performers apart from other institutions? Our analysis uncovered five characteristics.

ORGANIZATIONAL INVOLVEMENT

We often hear about how important it is to have senior management support and involvement in technology implementations. Interestingly, a C-level executive was the leader in just 14% of the High Performers' ECM implementation efforts. In contrast, a C-level was in charge of 40% of the Moderate Performers' implementations, and in charge of nearly half of the Low Performers' deployment efforts (Table F).

TABLE F: **ECM IMPLEMENTATION LEADERSHIP**

Who led your initial ECM implementation effort?			
	High Performers	Moderate Performers	Low Performers
C-Level Executive	14%	40%	48%
IT Management	50%	27%	32%
Line Unit Management	7%	20%	16%
Project Management Office	21%	13%	4%
Other	7%	0%	0%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

Discussing why ECM implementations fail, Gartner analyst Kenneth Chin said two common issues can occur.

“[The first is] loss of executive sponsorship. The vendor often leaves when the implementation project is complete. Unfortunately, the executive sponsor will sometimes exit at the same time and for the same reason. Sustained executive leadership is the biggest single factor in preventing that failure.”³

In our study, however, we found that just 14% of the High Performers have a C-level executive leading the ongoing ECM project. IT management is in charge of ongoing ECM projects in nearly six in 10 of the High Performers versus 40% of the Moderate and Low Performers (Table G).

TABLE G: **ONGOING ECM LEADERSHIP**

Who leads your ongoing ECM project implementations?

	High Performers	Moderate Performers	Low Performers
C-Level Executive	14%	13%	24%
IT Management	57%	40%	40%
Line Unit Management	7%	27%	28%
Project Management Office	21%	13%	4%
Other	0%	7%	4%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

What separates the High Performers from the rest of the pack is the extent to which they get broad enterprise-wide involvement in ECM efforts. As one respondent put it:

“It’s ENTERPRISE Content Management, not Electronic Content Management.”

Survey respondents were asked to rate the extent to which various stakeholders are involved in ECM efforts. Consistently, High Performers see greater involvement of all stakeholder than other organizations do (Table H).

TABLE H: **ENTERPRISE INVOLVEMENT RATINGS**

On a scale of 1 to 5 (1=low, 5=high), rate the level of involvement of the following stakeholders in your organization’s ongoing ECM project implementation efforts

	High Performers	Moderate Performers	Low Performers
Executive/Management	3.40	3.00	2.90
IT Staff	4.50	3.60	3.60
Line of Business	4.00	3.30	3.40
Actual End User	3.60	3.10	3.00
Compliance	3.40	2.80	2.60

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

We don’t want to dismiss the importance of senior-level support, however. According to two of the survey respondents:

“Buy-in needs to start at the top. If your ECM loses the confidence of the organization’s leaders, it will be difficult to recover quickly.”

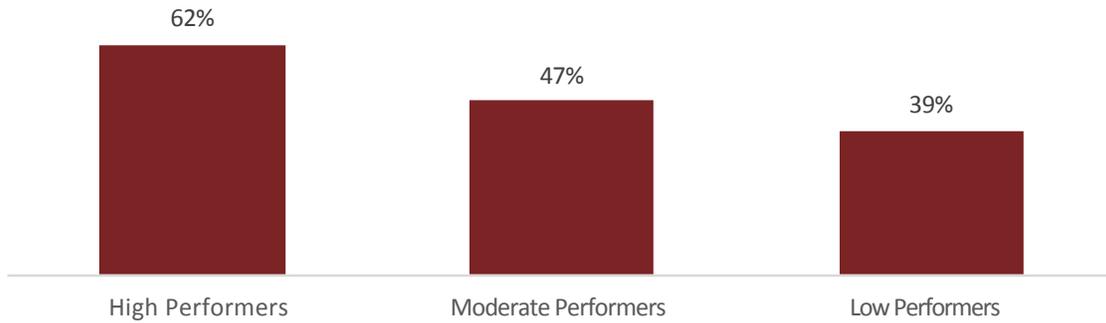
“Lack of ownership at the senior level limits our ability to drive consistent usage.”

IMAGING

Despite the high level of adoption of image capture with either or both automatic and manual indexing across all survey respondents, High Performers have done a better job getting all legacy mortgage loan files imaged (Figure 9).

FIGURE 9: **MORTGAGE IMAGING**

Percentage of Institutions Whose Legacy Mortgage Loan Files Are Fully Imaged



Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

DOCUMENT INDEXING

In nearly two-thirds of the High Performers, enterprise-wide document indexing was described as “fully implemented and working well.” That description only fit a fifth of the Moderate Performers and 13% of Low Performers. In contrast, a third of the Moderate Performers and 38% of the Low Performers described their indexing as “fully implemented but overcomplicated” (Table I).

TABLE I: **ENTERPRISE DOCUMENT INDEXING**

Which statement best describes the current state of document indexing across your enterprise?

	High Performers	Moderate Performers	Low Performers
Fully implemented and working well	64%	20%	13%
Fully implemented but overcomplicated	7%	33%	38%
Half-implemented across lines of business	21%	27%	29%
Started but very incomplete	7%	20%	21%
Non-existent	0%	0%	0%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

DOCUMENT SECURITY CONTROLS

Thankfully, none of the survey respondents said everyone has access to all documents. The right level of effective security controls isn't universal, however. About eight in 10 High Performers said that document security controls are in place and work as desired. A little more than half of the Moderate Performers and about four in 10 Low Performers, however, said they have controls in place, but that security concerns still exist (Table J).

TABLE J: **DOCUMENT SECURITY CONTROLS**

Which statement best describes your organization's document security controls?

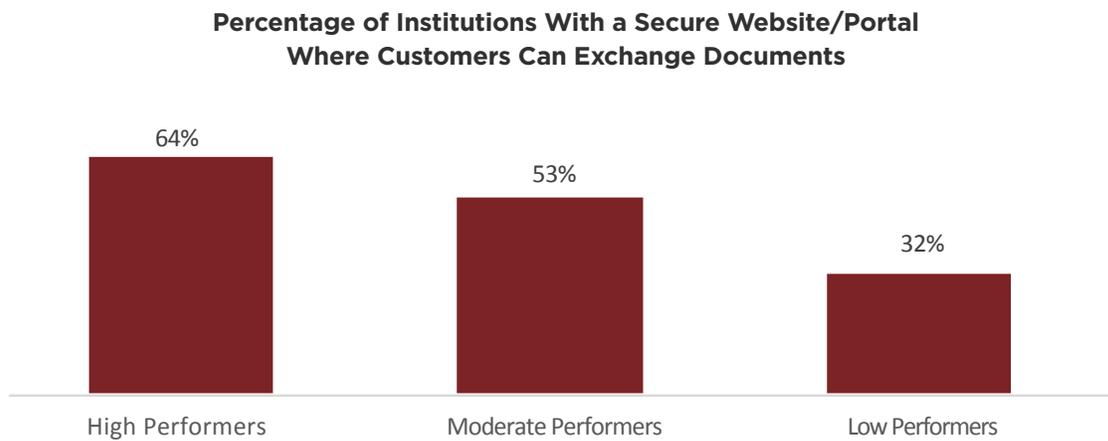
	High Performers	Moderate Performers	Low Performers
Controls are in place and work as desired	79%	27%	54%
Controls too tight frequently preventing access	0%	20%	8%
Some controls but security concerns exist	21%	53%	38%
Everyone has access to everything	0%	0%	0%

Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

DOCUMENT EXCHANGE PORTAL

Nearly two-thirds of the High Performers have a secure website or portal for customers or members to exchange documents. In contrast, just over half of the Moderate Performers and only about a third of the Low Performers have the same capability (Figure 10).

FIGURE 10: **DOCUMENT EXCHANGE PORTAL DEPLOYMENT**

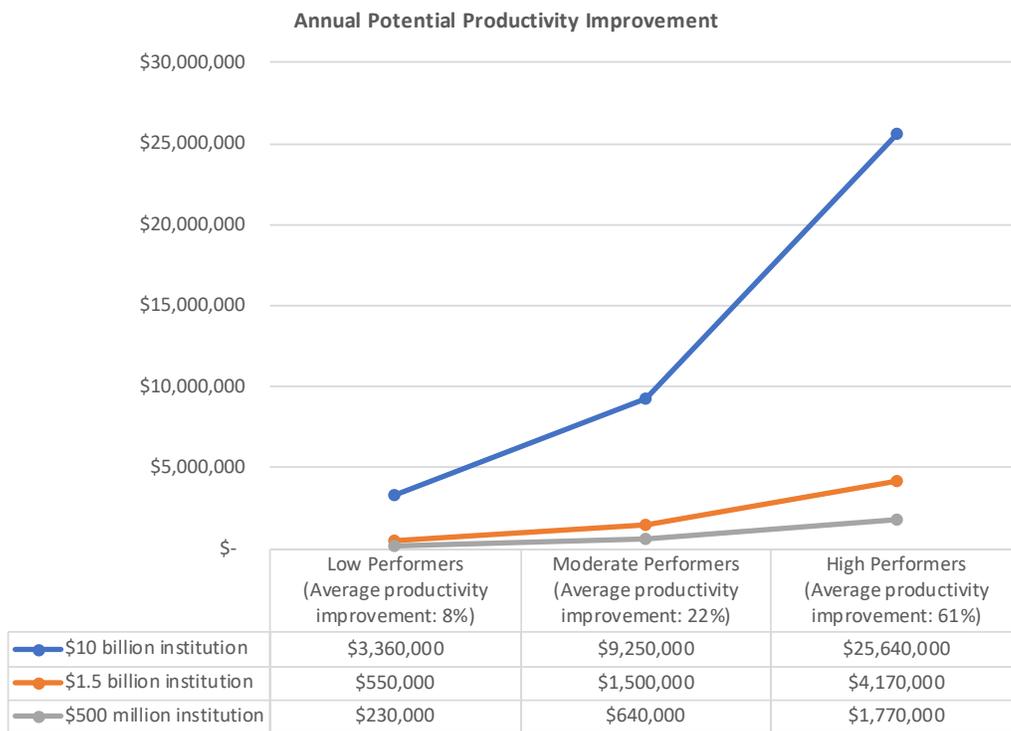


Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

ECM VALUE CREATION

Our analysis found that, for an institution in the \$500 million to \$1 billion asset range, there is roughly \$300,000 in potential savings for every 10% increase in productivity. As a result, High Performers, who averaged about 60% productivity improvement across departments, could be saving more than \$3 million annually from their ECM deployment, based on estimates from Cornerstone Performance Report benchmark data (Figure 11).

FIGURE 11: **POTENTIAL PRODUCTIVITY GAINS FROM ECM**



Source: Cornerstone Advisors survey of 72 senior financial institution executives, Q2 2019

Realizing these cost savings requires financial institutions to reduce or redeploy staff, of course. But to get to that point, institutions must first do the basics of ECM—for example, broad deployment of functionality across departments, deep integration with other systems, and appointment of a dedicated system administrator.

From there, FIs should strive to achieve the factors that differentiate the high-performing institutions from the rest of the pack: 1) Broad organizational involvement, 2) Full imaging of loan files, 3) A strong indexing structure, 4) Appropriate level of security controls, and 5) Implementation of a document exchange portal for customers.

ABOUT

CORNERSTONE ADVISORS

Cornerstone Advisors takes financial institutions from strategy to execution with consulting solutions that address an array of business needs including Fintech, Strategy, Contract Negotiation, Performance Improvement, Technology, Mergers & Acquisitions, Payments, Delivery Channels and Lending.

When we're not advising, we're sharing knowledge and insights via Executive Roundtables; through [GonzoBanker](#), our blog; and in white papers and commissioned research.

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ABOUT

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ENDNOTES

¹ Source: http://mike2.openmethodology.org/wiki/File:Maturity_dimension_matrix.png

² While the definition of ECM can encompass all forms of content, the focus of this study is on functionality and activities including capture and indexing, searching, document management, workflow, security and archiving.

³ Source: <https://gennet.com/recent-posts/reasons-ecm-deployments-successful-others-fail>

Have questions
about this report?



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