

Banking on Customer Service

Hudson United Bank uses fax technology to meet customer service expectations

Hudson United Bank (HUB), headquartered in New Jersey, with offices on Wall Street, is a “community banking franchise with \$7.5 billion in assets.” The bank “operates 206 branches throughout New Jersey, Connecticut, lower New York State and southeastern Pennsylvania and separates itself from the competition by providing a differentiated customer experience and its commitment to its tag line “Big Enough to Deliver. Small Enough to Care.” Since it was founded, the bank had been primarily focused on domestic operations. However, in 2002, HUB acquired part of the assets of the failed Connecticut Bank of Commerce (CBC), including a private banking operation in South America.

Eduardo Martin, the SVP of International Private Banking at CBC, emphasized the business opportunity in the newly acquired South America operation. He successfully presented a case to retain this business – if Hudson United could commit to providing highly personalized customer service. The South American clients were used to a certain level of service. If that level were not met or exceeded in the new operation, then a “substantial amount of deposits could be lost,” according to Martin. Hudson United agreed and service became one of the keys of the newly expanded International Banking unit.

“Service is key...it solidifies the banking relationship”
- Terry Chatel, HUB Operations Manager

For the South American customer base, the main component of the personalized service is the daily account activity fax. This detailed document, showing all account activity for the previous day, is faxed to each client early each morning. “The important thing is the immediacy of the information,” says Martin. “When our customers open for business, they need to know what’s happening in their accounts.” If the fax is not there, then the bank starts getting phone calls from demanding customers.

At CBC, the overnight faxing was handled by an AS/400 coupled with a communications vendor for sending the faxes. At Hudson United, this solution was unsatisfactory for several reasons. First, HUB is a mainframe-based business. Trevor Seeney, a consultant with Sentinex, has serviced the bank as a client since 1996. He explains the issues in migrating CBC statement delivery functions to Hudson United: “The level of detail on these statements is incredible, often extending to three or four hundred characters of narrative fully describing the daily activity. The mainframe could only handle 108 characters.” Given the departmental directive to meet or exceed the existing level of customer service, trimming down the fax narrative was never going to be a viable option.

The second issue lay with the use of a vendor for automated faxing. Every night, the vendor would pick up a file of statements composed by the AS/400 and attempt to send them as faxes. All fax attempts that had failed by 10:00am were sent back to Hudson

United for resolution. Manual resolution is an inherent component to this type of faxing, as there are always a few communications problems. However, the vendor solution was generating a lot of manual retries and more detrimentally, the bank was not notified until 10:00am – well into the business day.

Trevor proposed that implementing an in-house AS/400 native fax solution would allow the bank to maintain the level of statement detail required by customers, while increasing the reliability of statement delivery. Above all else, the solution would have to be reliable. Also, since the overnight routines to compile daily activity run around 2.00am, but the faxes shouldn't go out until 5-6am, the solution would require a deferred faxing feature. To hit reliability targets and maximize efficiency, the solution would have to have some "brains," including the ability to retry failed or aborted faxes.

ON THE WEB
Hudson United Bank: www.hudsonunited.com
Kisco Information Systems: www.kisco.com
Sentinex, Inc. www.sentinex.com

Seeney ultimately recommended BlueFax, from Kisco Information Systems, as the fax solution for the bank. BlueFax, which is part of Kisco's extensive BlueSeries Xpressit solution, is a "turnkey fax/Email solution for the iSeries-AS/400 that supports sending, receiving and printing of fax documents and sending of iSeries-AS/400 reports as Email. The fax and Email functions can be tied together into a single, integrated, easy to use package." (see sidebar below). Besides a feature set that fit his requirements, Seeney made the recommendation based on the strength of the Kisco brand. As a consultant, Seeney had been exposed to their products at other installations and had been impressed with the quality and the top-notch technical support.

Seeney and his colleagues got to experience that support first hand. Management's migration objectives allowed only a four-week window to implement the fax solution, including all the custom programming required to compose the fax content using the mainframe customer activity data.

Out of the box, Bluefax installed easily. Mark Henry handled the installation: "We didn't experience any problems – once we could get the 400 to recognize the internal modem, we were able to send a test fax 30 minutes into the install process."

Then, having installed the product, Seeney needed some help in creating the routines for the custom solution. After several phone calls to technical support to define the solution set he was facing, Seeney received a custom API from Kisco that helped his team hit their tough deadline. "They didn't charge a dime above the normal support contract to develop that API," says Seeney. "I was also impressed by the documentation, which was very thorough – and the content on the web site was plentiful."

Trevor and the HUB operations team hit their deadline, and the in-house AS/400 started sending out automated faxes in September of 2002. The solution is offering benefits on many different levels. Mark Henry appreciates that the solution gives the bank "more control" over the important daily fax process that they had ever had before. John Velez,

who handles the failed faxes, perhaps benefited more than anyone in operations. “We are currently running a 92-96% success rate on fax attempts.” Because Bluefax

PRODUCT FOCUS

Kisco Information Systems is an IBM iSeries software company specializing in security, system communications and application development. Founded in 1984, Kisco is known around the world for its high quality, high value products and responsive support.

BlueSeries eXpress'it, is a fully integrated fax/email solution comprised of two packages, BlueFax and BlueMail. With BlueSeries, you can:

- Send faxes from any terminal session
- Send reports as email
- Use forms overlay to customize docs
- Use a windows client for full PC Fax Server capabilities
- Automatically retry failed faxes

...and much, much more. For complete product details, visit www.kisco.com/bluefax.

automatically retries failed faxes, the amount of time spent on manual fax routing has decreased significantly. Also, because of the deferred faxing feature, which starts sending faxes at around 5.00am, John is able to get the failed fax report and act on it before most clients open for business. He can dial in from home if necessary. That level of control translates into real value for Hudson United Bank's clients.

With the fax solution in place and operating reliably, Trevor has just begun to explore some of BlueFax's other features. He'd like to use the forms overlay feature, which supports image files, to put the bank logo on a fax coversheet to include with the daily communication. He feels that this will better represent the bank to its

customers and help establish the brand. He's also prototyping an intranet front end that can put responsibility for failed faxes in the front office and get it out of operations. This would remove a step in the process and even further enhance customer satisfaction.

Perhaps the best endorsement comes from Eduardo Martin himself. “Our new department is stabilizing...there have been no complaints from customers about daily faxes.” In a business where customers usually only call when something is wrong, not hearing from them on a daily basis means that something is right. With BlueFax running behind the scenes, the bank is hitting its' customer service targets and can focus on building a strong international private banking business.