SAMSUNG Electronics

Banking Industry

White Paper
Table of Contents

Banking Industry Point of View .........................................................3
  Key Trends and Challenges ............................................................ 3
  Document Workflows.......................................................................... 5
  Document Requirements ...................................................................... 7

Samsung’s Banking Industry Value Proposition .................................8
  Productivity Enhancement ................................................................. 8
  Information Security and Regulatory Compliance ............................. 9
  Customer and Employee Satisfaction ................................................ 9
  Print Cost Reduction .......................................................................... 10

Samsung’s Banking Industry Offerings .............................................10
  Productivity and Satisfaction Improvement .......................................... 10
  Security and Privacy Protection ........................................................ 13
  Cost Optimization .............................................................................. 14
Banking Industry Point of View

Key Trends and Challenges

Finance industry is going through a massive transition [Figure 1] because of fierce competition and the global crisis, and becoming far more cautious about generating revenue using complex and highly leveraged derivatives, whether mortgage- or security-based. The industry as a whole has also become far more risk averse when lending for mortgages or commercial purposes. Enhancing performance today is a serious challenge because finance institutions have expanded offerings to include insurance, mutual funds, and trading products in addition to traditional loans and credit cards. Furthermore, the market also faces increased competition from new lenders in the form of retail operations and insurance companies that have themselves become lending institutions.

[Figure 1] Drivers of Banking Industry Transition

Average margin is declined by 10 to 32 percent between 2002 and 2008. With Sub-prime crisis, pressure on margin is even further aggravated.

Sources: Accenture research based on Bankenverband and respective Central Bank data, Dec. 2008
To overcome these challenges, finance institutions have begun focused initiatives to standardize and streamline their operating models. At the same time, they are trying to foster flexibility and business agility at the local level to provide increased customer satisfaction and glean market share from less flexible institutions.

To standardize and streamline processes, banks have initiated process innovation and restructured their information technology architectures to eliminate siloed work processes, promote information sharing, and standardize processes across the board. To facilitate these initiatives, the institutions are also actively implementing universal information digitization -- converting paper-based customer interaction to universally accessible data across departments and locations.

With a strengthened single-source of information local branches, not only substantially reduce lending lead times for lending, but also can present a more compelling value proposition to customers. On-site proposal printing provides with the opportunity to cross-sell and up-sell based on complete customer picture for improved competitiveness.

In addition, because of increasing government intervention and tightened privacy requirements, it is now a regulatory imperative to comply with regulations to ensure transparent and appropriate risk management as well as to protect customer information. Section 404 of the Sarbanes-Oxley Act requires internal controls to minimize the risk of inaccurate financial reports.

The Basel Accord enforces risk management processes by making banks accurately identify, measure, and assess aggregate risk. In addition, the US Patriot Act requires finance institutions to maintain customer information for verification purposes and to identify money-laundering operations. Regulation drives costs up as banks invest in extensive business process re-engineering and information technology systems to make compliance possible.
**Document Workflows**

**[Figure 2] Document Workflows in Banking Industry**

Note: This workflow is based on SAP Industry-Specific Business Map (http://solutioncomposer.sap.com)

- **Product Development**: It is the stage where finance institutions analyze existing product performance and continuously develop new products. To rapidly launch new products, the entire organization including all branches and customer service representatives must be fully knowledgeable about new product features. However, it is challenging for headquarters to quickly distribute product information due to inconsistent communications environments and geographic distance.

- **Sales and Service**: Campaign execution, point-of-sales management and post-sales communication are key activities. In fiercely competitive environments, the ability for an organization’s sales team to produce consistently accurate on-
the-fly offerings that look professional is a key to success. To enhance post sale loyalty, Finance Institutions must present a single unified point of contact for customers across all product lines.

- **Operation and Execution**: Internal banking processes must ensure the right debt to credit ratio and maximize profitability. Cash and liquidity management, savings and investment management, financing and treasury management are key back office functions that, if well run, promote long-term stability. Ensuring confidentiality as well as ineffective organization wide communications still pose major challenges.

- **Performance Management**: Performance monitoring across departments and locations will take on greater importance. Financial and managerial accounting, credit, operations, market risk and internal risk management and regulatory reporting must all build in oversight. New procedures to ensure that transparent record and risk management functions are compliant with SOX and BASEL II must be designed.

To successfully overcome key challenges, given the current serious market challenges, banks must develop and implement innovative document-management solutions. Basic requirements for effective document management include:
Document Requirements

Basic requirements for effective document management include:

> **Document Management and Sharing**

Effective digitization can transform paper based processes, and streamline loan application processing and mortgage approval processes, while making risk reduction analyses possible. Digitization also ensures that bank representatives can send the most up-to-date, consistent product information to customers at any given time using improved version control. With effective implementation, documents can be indexed and consolidated easily to provide convenient, faster searching and sharing among different departments.

> **Tight Security**

Finance Institutions is required to implement central access privileges to prevent accidental data corruption, improper manipulation and outright fraud. To protect transactions, the institutions will need to implement secured data transmission, real-time fraud alerts, monitor information use, and provide for secure transaction record storage. Effective storage management is required to ensure adequate space, prevent data loss, and ensure business continuity.

> **Professional-looking, Customizable Material**

To enhance branch responsiveness and agility, it is critical to equip branches with system that can enhance responses to customer requests. Create an information system that can take into account a customer’s personal requirements, and at the same time meet compliance regulations. Finance institutions need to implement document
customization processes that make it possible to use each workstation in all branches to produce professional, high-quality, custom sales materials.

**Samsung’s Banking Industry Value Proposition**

After years of experience working in the finance industry, Samsung has developed an extensive understanding of the professional document management in finance institutions. Deep insight into industry challenges and opportunities allows Samsung to deliver optimum document processing solutions customized to meet the needs of individual organizations.

Samsung focuses on enhancing productivity and customer satisfaction by reducing the need for manual document processing and enabling greater branch-level flexibility. Samsung also understands the challenges that increasing regulation presents and designs document management solutions with compliance as a paramount goal.

**Productivity Enhancement**

Samsung will partner with your organization to improve competitiveness and meet regulatory requirements through efficient document management. Our solutions offer cutting-edge, high-performance technology that allows the institutions to transform burdensome and time consuming paper-based processes into effective digital document management system.
Samsung’s solution streamlines new account acquisition, mortgage and loan applications through a staged process that ensures prompt review and approvals across all responsible personnel. Reducing duplicate effort and allowing easy and rapid access to job-relevant information improve workflow efficiency and productivity.

We can also help you design flexible, on-demand marketing materials by improving back-end legacy system integration with document management solutions.

**Information Security and Regulatory Compliance**

Based on the experience in implementing systems to support Sarbanes-Oxley Act and the U.S. Patriot Act, we understand first-hand that security is a vital concern. Samsung’s legally compliant, high-security document management solution minimizes security risks and improves data management, preventing the physical loss, misplacement, leakage or damage of performance reports and customer information.

**Customer and Employee Satisfaction**

Samsung improves customer and employee satisfaction by reducing tedious and repetitive manual documentation tasks on both sides. Samsung’s document management solutions create an enhanced customer experience by providing targeted, professional marketing collateral in a timely-manner. Combining rapid responsiveness with improved operations means workers can concentrate on providing services to customers, rather than trivial manual tasks, requiring knowledge about multiple devices. Information technology professionals appreciate our easy-to-install solutions that deliver sophisticated, but easy to use document management.
**Print Cost Reduction**

By providing a centrally managed document management solution, finance institutions gain better visibility into labor and printing costs. Your organization will be able to reduce costs associated with paper-based documents like mailing, handling and filing costs as well as physical storage. Our economic hardware and high-yield supplies enable the finance institutions to save overall costs associate with printing and document management.

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**Samsung’s Banking Industry Offerings**

Samsung engineers reliable, high-quality hardware and software solutions, designing custom systems based on the needs of each organization. Our collaborative, responsive service module delivers real value to customers.

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**Productivity and Satisfaction Improvement**

**Convenience and Ease of Use**

Samsung helps banks to enhance productivity by managing large volumes of paper documents in digitized form. A hardcopy scan can be transformed into various formats, including .tif, .jpg, .pdf and delivered to any destination, using fax, printer, OCR, e-mail or any enterprise application. Samsung’s “Scan to USB” enables you to transmit scanned documents and receive e-mail directly to any USB device. You can register an email address, scan a document, and then share hard copy reports by emailing them to multiple recipients.
Employees can conveniently index, search, and categorize documents, and collaborate across diverse information technology and communications platforms. The system allows branches to communicate with headquarters and third-parties for reviewing new accounting opening, card issuing, and mortgage loan processing. 

[Figure 3] SmarThru™ Workflow 2: Simplify document workflows: Capture paper and electronic documents and distribute them to predefined destinations and processes.

For optimal convenience, Samsung’s flexible and versatile Universal Print Driver allows the installation and utilization of most PDL printers and multifunction devices by other manufacturers. In addition, our solution allows you to monitor and diagnose multiple devices remotely and control from a single point.
For small-to-mid size banks who seek to optimize its printing cost with minimized service fees, Samsung provides convenient device functions, allowing banks to maintain devices by themselves easily. As an example, Samsung copiers are competitively convenient to operate with functions such as easy-to-install drum/toner cartridge and easy pull-in/pull-out finisher and fax module, according to your needs.

**Responsive Service Plans**

The Samsung implementation team offers hardware and software customization and system design as well as legacy system integration services. We minimize the costs of ongoing maintenance services by setting a fixed fee for each, so you can phase in the service you require and plan costs in advance. Typical options include service-level agreement changes, parts-only warranties, extended warranties, onsite or call center service; local provider service, equipment pick-up and delivery, in-house escalation and next-business-day service [Figure 4].

[Figure 4] Responsive Service: Rapid, flexible, and customized service to satisfy customer’s specific demand

**Compatibility and Flexibility**

Samsung engineers compatibility with printing features using Citrix and SAP, as well as with IPv6 / IPSEC. Our inter-changeable toner cartridges and other supplies let you manage printers easily and effectively from single vendor.
Samsung’s powerful and flexible platform, partnered with relevant third-party expertise, is able to satisfy various business requirements through streamlining front to back office business process; securing device/network/applications access; tracking prints/copies/scans/faxes; and enabling customers to create/print one-to-one or customized collateral.

**Innovative, Durable Hardware**

For years, Samsung’s multifunction printers have led the way in innovation and cost reduction. They have received reviews that place them time and time in the “Best Quality in terms of Performance and Innovation” for reliability, multi-tasking capabilities and productivity and efficiency improvements. Samsung has been continuously awarded “Pick of the Year” by BLI, and is consistently a “Better Buys for Business” Editor’s Choice.


**Security and Privacy Protection**

Samsung’s diverse product lines are engineered with privacy and security as a paramount consideration.

**Security Features for Regulatory Compliance**

Samsung’s unique security features eliminate vulnerabilities to malicious attacks and to protect sensitive information (e.g., customer’s key records). Samsung’s key regulation compliance features for banking industry are as follows: user authentication and authorization for document access control; data back up for record keeping and retention; security audit log for inspection; and enhanced network security for key records transmission.

**Common Criteria Certification for MFPs**
“Common Criteria” (CC) certification makes it easier for IT professionals to identify the products that meet their security requirements. Samsung’s CC-certified *MultiXpress* features include image overwrite, user authentication, security management, security audit log and data-flow management.

Image Overwrite Feature as follows;

User information created during copying, printing, network scanning, scanning to e-mail, or scanning to server processes is immediately recorded on the MFP’s hard drive. To secure this information, the MFP software implements an image overwrite function to erase image data. The MFP software performs three overwrite passes of the data using the methods defined in Department of Defense (DoD) 5200.28-M.

- Related Solutions with Software : SyncThru™ Web Service UI (Device Management)

**Cost Optimization**

In a comparative study performed by Buyers Laboratory Inc. (BLI), the leading source for unbiased and reliable intelligence for the imaging industry, Samsung copiers and supplies outperformed others in reliability, multi-tasking capability, and productivity and efficiency. BLI confirmed Samsung as provider-of-choice for lowest-cost management options.

Samsung’s Managed Print Service (MPS) consolidates on-site printers, MFPs, copiers and fax fleet management with a variety of flexible options, from basic cost-per-page contracts to comprehensive service engagements. A convenient, metrics dashboard provides complete visibility into all network device usage so that printer, fax, scanning and copying can be monitored and measured from anywhere. Using Samsung’s Managed Print Service (MPS) programs, institutions typically save 10 to 30 percent in total cost of ownership.

In addition, real-time monitoring of toner outage or printer malfunctions enables device maintenance management, while Samsung’s CounThru™ 2 Enterprise analysis
report shows usage and billing information by print type, paper size and color selection [Figure 5].

[Figure 5] CounThru™ 2 Enterprise: Remotely monitoring and management of device usage

Samsung's S.T.A.R. Program is a free service, created in partnership with FedEx, to encourage companies to take responsibility for keeping the environment clean. Since 2005, it has set a new industry benchmark for cartridge return plans. Under the program, Samsung collects empty print cartridges, safely recycles them, converting them into useful materials and thereby ensuring they are not incinerated or sent to landfills.

[Figure 6] Samsung Green Practice

- Related Solutions with Software: CounThru™ 2 Enterprise Managed Print Solution