

deluxe®



eBook

Game- changing strategies to win big with customers

Nine proven plays to
maximize your remote
deposit capture opportunity



Your customers expect more. Are you equipped to compete?

Going forward, financial institutions must focus on three essentials:

1. Put customer experience first
2. Help businesses do more
3. Team up with the right provider

With these strategies in place, financial institutions can deliver next-generation capabilities, full-featured service and ease of use that customers now expect. Doing so will boost revenue and deepen relationships with existing RDC customers, and unlock new revenue streams with untapped market segments.

Analysts predict continued 10% or greater annual growth in desktop RDC, and a staggering \$768 million mRDC revenue opportunity with new SMB customers.¹

The banking landscape has never been more competitive. Customer expectations continue to grow, thanks to sleek and intuitive digital experiences in other sectors. At the same time, loyalty to traditional financial institutions is declining; businesses and consumers are not afraid to shop around.

Increasingly, it is technology and service—rather than fees—that trigger a switch. Customers are placing a premium on digital tools that make it faster, simpler and more convenient to manage their funds.

The rapid adoption of Remote Deposit Capture (RDC) clearly showcases this trend. Since its introduction more than a decade ago, banks and credit unions have deployed over 1.5 million desktop scanners, and mobile applications (mRDC) have proliferated.¹ Consumers and businesses alike appreciate RDC's convenience and ease of use.

Yet despite its widespread popularity, financial institutions have struggled to realize the full potential of RDC. Restrictive deposit limits, one-size-fits-all platforms, implementation headaches and lackluster marketing efforts have all hampered the growth of RDCs.

In particular, business customers and younger decision makers remain underserved. These valuable demographics seek time-saving tools and intuitive experiences that few RDC solutions currently provide.



Game-changing strategies to win big with customers

Put customer experience first

- » Play 1: Boost deposit volumes
- » Play 2: Double up on deployments
- » Play 3: Prioritize mobile

Help businesses do more

- » Play 4: Design a tailored solution
- » Play 5: Demonstrate value

Team up with the right provider

- » Play 6: Streamline administration
- » Play 7: Adopt a single platform
- » Play 8: Optimize onboarding
- » Play 9: Collaborate on customer outreach

Put customer experience first

Even with widespread consumer and business adoption, significant potential remains. When banks and credit unions put customers first—by understanding their diverse needs—it can fuel immediate growth.

Start with these plays, which deliver value simultaneously for customers and financial institutions:

- » Boost deposit volumes
- » Double up on deployments
- » Prioritize mobile

Play 1: Boost Deposit Volumes

Boosting deposit volumes with current RDC customers is a fast and simple way to incent growth and maximize convenience for customers.

From 2012 to 2017, less than 3% of banks reported greater than expected RDC losses.¹ However, according to industry analysts, many banks remain “overly conservative” in their RDC requirements, which hampers customer usage and associated revenue. In a recent survey, daily deposit limits ranged from \$500 or less to over \$5,000 per day; just one-third of institutions had limits of \$3,000 or greater.¹

Industry experts now believe banks can confidently increase RDC deposit limits and relax eligibility requirements. The sophisticated risk monitoring and location awareness features in today’s RDC solutions deliver enhanced fraud protection that complements a financial institution’s risk mitigation policies.



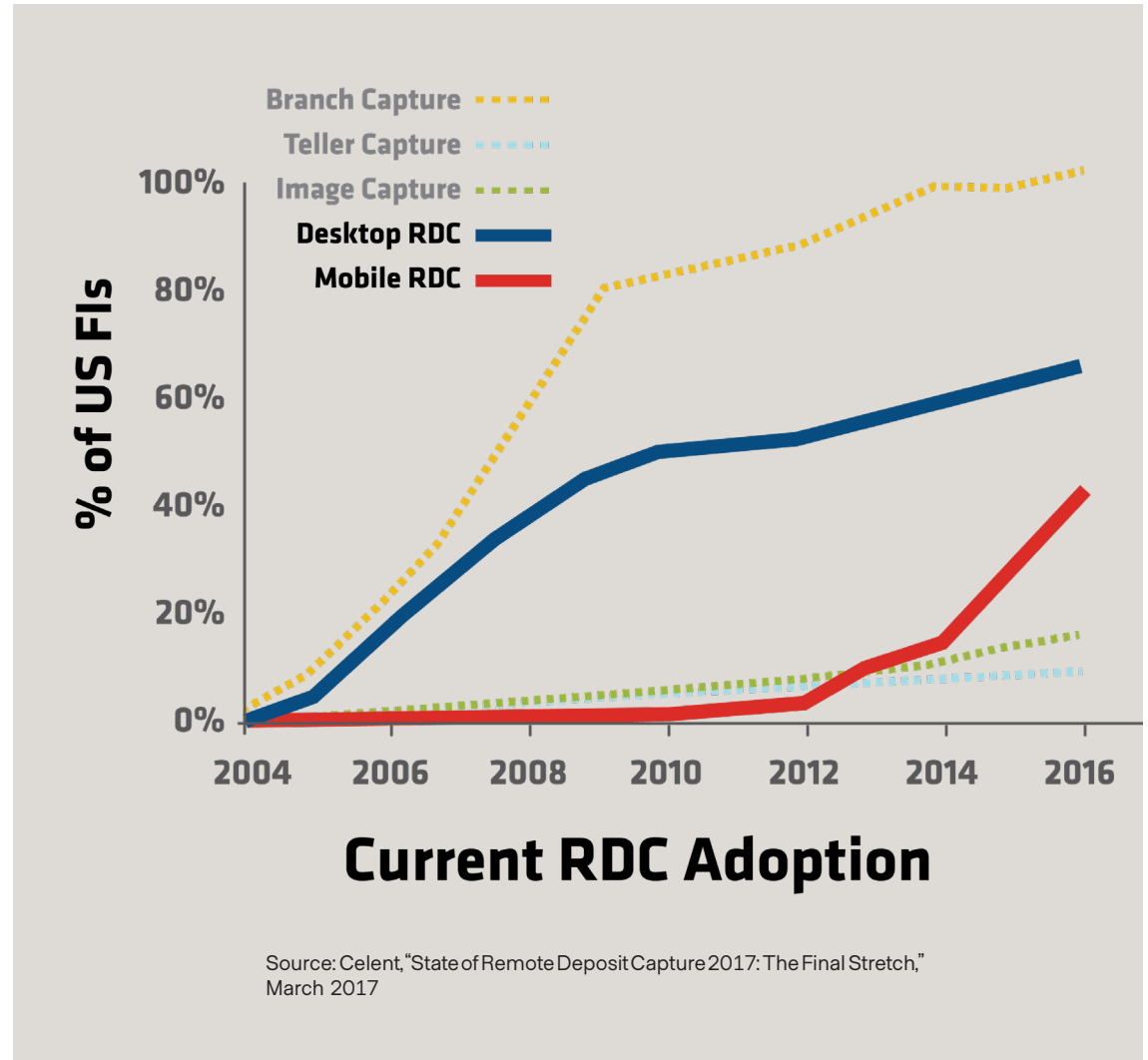
Action:

Revisit your RDC deposit policies to balance current risk with customer needs and potential revenue growth.

Today's RDC Landscape

With the RDC market entering maturity, financial institutions must move beyond a passive, one-size-fits-all approach that serves all customers with a singular solution. The playing field has changed, and customers today expect much more from their experiences. Instead, banks and credit unions must be proactive in their customer outreach, deliver relevant messages and offer RDC capabilities that match the specific needs of each market segment.

Since gaining widespread traction among large corporations, desktop RDC has started to migrate downmarket. mRDC, launched in 2009 amid the boom in smartphone and tablet usage, continues to skyrocket with consumers and SMBs.



Play 2: Double up on Deployments

Showing customers a full suite of RDC services can improve customer satisfaction and maximize commercial sales. That means cross-selling both desktop and mRDC solutions, to help companies maximize convenience and efficiency across their business footprint.

Recent numbers support this trend. Even as mRDC grows, demand for desktop scanners continues. Banks and credit unions deployed 300,000 new scanners in the past two years.¹ This ongoing volume demonstrates the sustainable value of RDC to corporate customers.

Larger businesses continue to add capture points via desktop scanners, as well as mobile options. SMBs typically enter the market with an mRDC solution, then graduate to desktop devices as their volume grows. The continuum even supports micro-businesses as they move from consumer mRDC to business mRDC, potentially scaling to a desktop device. This natural progression is a boon to financial institutions that can offer both mobile and desktop RDC.

Financial institutions can add a completely new revenue stream—and reduce branch operating costs—by converting SMBs from branch deposits to mRDC.



Action:

Communicate the value of multiple capture points to cross-sell existing business users with both mRDC and desktop services.

Play 3: Prioritize Mobile

By far, mRDC represents the greatest growth opportunity, particularly among SMBs and Millennials. Smartphones and payments go hand-in-hand for these demographics. The younger the financial decision-maker, the more likely they are to adopt an mRDC solution.²

With its ease of use, low cost and quick setup, an mRDC package that's tailored to businesses presents an attractive proposition. Over two-thirds of SMBs make branch deposits weekly; one-third visit the branch every day.²

Just one quarter currently employ mRDC, leaving a sizable portion of the available market untapped.¹ Industry analysts project an additional four million SMBs are prime candidates, with an estimated revenue potential of \$768 million.¹

Financial institutions can add a completely new revenue stream—and reduce branch operating costs—by converting SMBs from branch deposits to mRDC.



Action:

Prioritize mRDC promotions with Millennials and SMBs, focusing on customer convenience, long-term loyalty and stronger, more profitable relationships.

Help businesses do more



Despite a variety of electronic options, Americans still cling to checks, particularly for B2B payments. According to the most recent Federal Reserve payments study, U.S. businesses and consumers made more than 17 billion check payments—totaling over \$26 trillion—in a single year.³ While that’s a 4% decline from 2012, it’s still a significant volume of checks.³

For banks and credit unions, an investment in stronger, more tightly integrated RDC capabilities will create a persuasive value proposition for customers. Checks will continue to play a substantial role in the payments landscape; savvy financial institutions will use next-generation electronic deposit capabilities to attract customers, increase revenue with higher balances and fee income and differentiate in a mature marketplace.

Enhanced functionality will be critical to customer satisfaction, RDC growth and even the overall perception of a financial institution as a technology leader and innovator. As RDC becomes essential to personal and corporate receivables, demand will move beyond basic scan-and-deposit features. Scale, integration, functionality, speed and flexibility will become game-changers.

Financial institutions should move forward in two areas:

- » **Design a tailored solution**
- » **Demonstrate value**

Play 4: Design a tailored solution

The needs of consumer and business banking customers vary widely, yet most financial institutions deploy a one-size-fits-all mRDC solution for both audiences. Just one in 10 banks offers an mRDC product that truly meets SMB needs.¹ And while desktop RDC usually includes more tailored functionality, it often lacks integration with mobile or lockbox solutions, making it cumbersome for corporate users.

In today's fast-paced, digital environment, businesses of all sizes want the ability to do more, within a full suite of RDC options. Efficiency and automation are top goals. Mobile users want to capture multiple checks, associated remittances and custom payment details, then automatically reconcile their accounts—all within a single session. Seven in 10 businesses would like to switch between mobile and desktop RDC, using a single solution.² Benefits of these enhancements include stronger employee productivity, reduced data entry and increased accuracy.

Straight-through processing is another top priority. Businesses calculate saving between four and seven hours each week when RDC integrates with their accounting system.² When other payment types can automatically update accounts receivable entries in QuickBooks or other systems, businesses expect this same functionality from their RDC solution.



Action:

Evaluate the must-have capabilities for your key business customers, then expedite the business cases and industry-specific messaging to bring these next-generation features to market.

To attract and retain these customers, banks and credit unions must enhance their platforms—particularly the mRDC offering—with essential business capabilities.

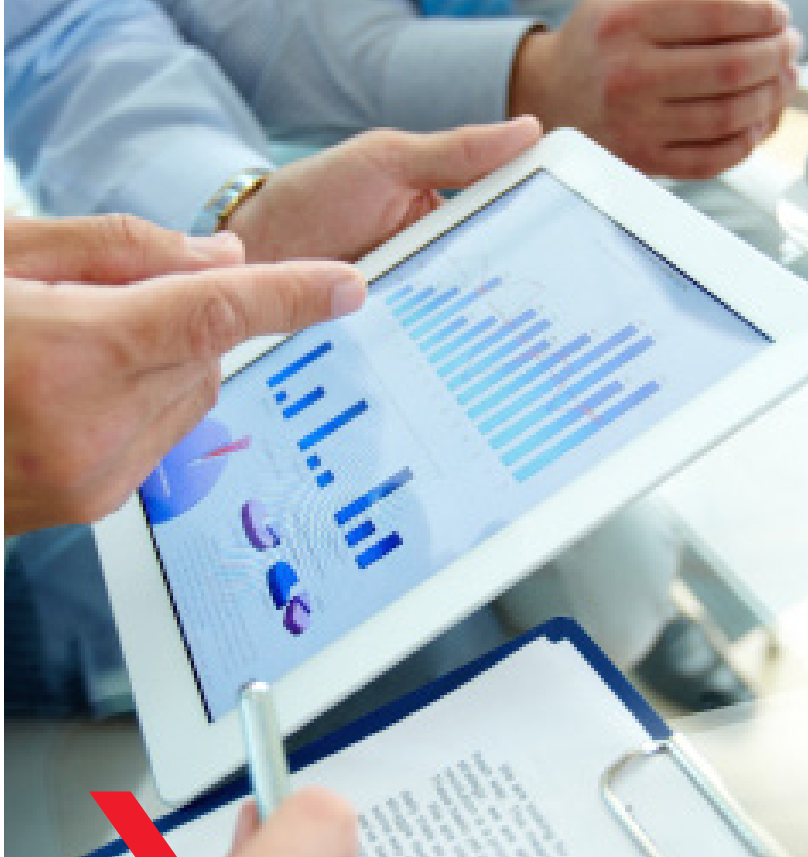
Must-have functionality for business users:

- » Deposit multiple checks in one session
- » Record payment details, such as invoice numbers, within the workflow
- » Capture invoices, remittances and payment-related documents
- » Update accounts receivables systems automatically
- » Control access at multiple levels, including separation of duties

Industry-specific offerings represent an additional opportunity. By demonstrating how specific RDC capabilities align with an industry's unique pain points or work flows, banks and credit unions can capitalize on vertical markets with high deposit volumes and unique requirements. The property management, senior housing, healthcare and technology sectors, for example, can all benefit from an RDC solution that combines custom desktop and mobile functionality with sophisticated fraud detection.

Despite overwhelming evidence of market demand and revenue potential, financial institutions remain slow to act. Within their mRDC application, just 17% currently offer even the most basic business-specific feature, the ability to capture multiple items in a single session.¹ Only 10% have short-term plans to move forward with this functionality.¹

Amid this landscape, banks and credit unions that launch robust, business-focused capabilities will find themselves well positioned to capitalize on immediate market demand by creating a helpful and efficient experience for business users.

**Action:**

Calculate the revenue potential among your current—and prospective—business mRDC users.

Play 5: Demonstrate value

Banks and credit unions realize steady, ongoing revenue from desktop RDC users. Approximately one-quarter of commercial deposits now come from this channel.¹

Yet when mRDC came to market, few financial institutions took steps to monetize—or even market—this valuable product to business customers. Most simply replicated their consumer mRDC solution, with slightly higher deposit limits for corporate customers. Word-of-mouth and peer referrals—rather than bank promotions or teller recommendations—drove most activity with businesses.²

As a result, an unnecessary revenue gap exists today. In fact, while business customers regularly express enthusiasm for products and services that save time, cut costs and increase convenience, less than 15% of SMBs actually pay for mRDC.²

In reality, over 70% of SMBs indicate that they would pay for a product that would eliminate the need to physically deposit checks at a branch.² Nearly all believe RDC would save them time; 40% estimate saving up to four hours weekly.²

Industry analysts believe banks could charge \$10 to \$20 monthly for the right mRDC capabilities.² At \$120 to \$240 annually, even a small number of paying users will result in a healthy lift to non-interest income.

Team up with the right provider



Just as solution functionality is growing, so is the impact of an RDC provider on a bank's long-term success. This is good news for banks and credit unions struggling to deliver an exceptional user experience with limited internal resources.

Leading vendors now incorporate a full range of implementation, marketing, training and support services with their standard RDC functionality. However, in this capacity, not all RDC providers are created equal.

Three-quarters of financial institutions are currently considering changes to their RDC program.⁴ One in three are likely to change their RDC provider relationship in the coming months.⁴ With some 6,800 banks and credit unions currently offering RDC, that translates to a sizable potential migration.

With the right provider, banks and credit unions can transform their customer RDC experience into a competitive differentiator, and reduce the time and effort required for risk management. Proven experience, dedicated resources and a commitment to innovative technology from the provider are a must.

Successful financial institutions will team up with their RDC provider to:

- » Streamline administration
- » Adopt a single platform
- » Optimize onboarding
- » Collaborate on customer outreach

Play 6: Streamline administration

Adopting next-generation RDC functionality delights customers and fuels new growth. Done right, it also can streamline administration for banks and credit unions. Financial institutions improve results, while simultaneously reducing staff workload and mitigating risk. A combination of the right technology and provider support makes this possible.

Key elements:

- » Flexible controls to set both global parameters and limits by customer
- » Support for multiple web browsers and OS
- » Simplified scanner drivers
- » Built-in networking capabilities

Leading RDC packages now offer customer-focused features that simplify the process of installing, learning and using RDC. These include built-in networking capabilities, and desktop scanners that can connect to PCs, Macs, mobile devices or payment terminals, regardless of operating system or browser. Some packages go a step further and eliminate the need for driver installation on local workstations.



Action:

Use your limited resources wisely by adopting the latest time-saving RDC administration capabilities.

Play 7: Adopt a single platform

As RDC usage grows, financial institutions should prioritize a single platform solution. Attempting to manage more customers and more transactions, all while delivering a seamless experience across devices or vendors, will only become more complicated as adoption levels rise.

Today, only 11% of financial institutions have integrated their mobile and desktop RDC products on a single platform; less than 5% have plans to do so.¹ Most are operating a combination of hosted and in-house deployments.

Switching or consolidating providers may seem a monumental task. However, next-generation tools eliminate many past obstacles, significantly reducing business disruption for customers.

A single platform and vendor will enable banks and CUs to:

- » Relax deposit limits and spur additional volume;
- » Facilitate growth without taxing internal resources; and
- » Take advantage of market opportunities with speed and agility.



Action:

Ensure your RDC program is scalable, secure and simple to manage by migrating to a single platform and vendor.

Play 8: Optimize onboarding

For customers adopting RDC for the first time, onboarding should be swift and painless. From installation to training to trouble-shooting, all elements should reinforce the value of the customer's business decision by getting them up-and-running quickly.

The process becomes complicated when migrating existing RDC users to a new platform. However, working with an experienced RDC vendor will minimize disruption. Potential end-user impacts are the number one concern when financial institutions consider switching RDC providers.⁴

A smooth transition and positive customer experience stems from:

- » A clearly defined process
- » Hands-on assistance
- » Upfront data conversion
- » Smart technology
- » Comprehensive training resources

Start by examining the RDC vendor's process. Every step should be documented, with responsibilities for the vendor, bank and customer clearly indicated.

Next, understand the process for mapping customer receivables to appropriate bank accounts. For best results, work with the RDC vendor to convert and test the data separately, before rolling out a new application to customers.

Technology can aid the migration process. Financial institutions ranked automated capabilities, for configuring drivers and onboarding end-users, as well as integrated end-user training, as the most important factors when moving to a new solution.⁴

Scanner driver changes can be particularly intrusive to customers. Look for a provider with smart "uninstaller" technology that makes it fast and painless for end users to reconfigure their existing scanners, without bank intervention or pesky driver conflicts. Some forward-thinking providers even leverage application program interface (API) technology to further empower banks and customers during implementation.

Providers with easy-to-use and customizable training modules will reduce the time and effort required. Effective training also speeds adoption and expands usage levels among customers.

Top providers deliver training in tiers, so financial institutions can match the caliber of training with the needs of each customer group. For example, web-based training can support introductory, mRDC customers, while high-volume or high-touch accounts may receive one-on-one, in-person sessions.



Action:

Move forward with confidence by employing a proven onboarding process that minimizes customer disruption and speeds adoption.

Play 9: Collaborate on customer outreach

Collaborative customer outreach and education efforts are a final factor. Financial institutions believe the top two drivers of future RDC sales will be greater sales and marketing activity, followed by availability of a business mRDC solution.¹ Finding in-house resources to conduct these campaigns, however, is a common challenge for banks and credit unions. Staff and budgets are stretched thin.

With a concentrated window of opportunity, support from an RDC provider can accelerate adoption—without tying up Internal resources. Lead accelerator programs, for example, leverage vendor resources to contact existing bank customers proactively, and share the value of an RDC solution. This approach generates leads quickly, while freeing bank staff for other activities. Customers, especially unassigned accounts, appreciate a financial partner willing to take time to contact and educate them on time-saving products and services.

Collaborative effort nets \$90,000 in new RDC revenue opportunities

A leading financial institution wanted to grow their RDC market share, but lacked the internal resources to engage their customers quickly and efficiently. By leveraging Deluxe's RDC Lead Accelerator Program, a complimentary offering for Deluxe clients, they generated 131 new, qualified leads.

These leads tallied \$90,000 in potential RDC revenue, and the opportunity to cross-sell additional bank services. In addition, valuable business customers—including unassigned accounts—received proactive communication that strengthened their bank perception and relationship.

In just 25 days, the Deluxe team contacted more than half of the financial institution's 2,400 existing business customers. During these outbound calls, the team educated nearly 700 customers about the value and convenience of RDC. One in five of these conversations produced a qualified buyer—more than double the industry average for outbound calling programs.⁵



Action:

Team up with your RDC provider to take advantage of immediate opportunities to grow your RDC penetration with existing business customers.

Final Recommendations

Delight more customers

Deluxe can help create an effective RDC strategy that will improve customer experience and fuel immediate growth.

Call 800-937-0017

Visit [deluxe.com](https://www.deluxe.com)

- 1 Celent, "State of Remote Deposit Capture 2017: The Final Stretch," March 2017
- 2 Aite Group, "Unlocking the Revenue Potential of Business Mobile Capture," September 2017
- 3 The Federal Reserve Payments Study, 2016
- 4 Celent, "RDC Replacement Opportunity Survey Results," November 2017
- 5 Deluxe Treasury Management Solutions, "RDC Lead Accelerator Program Case Study," April 2015

RDC, like other transformative technologies, is central to the future of banking, where customers now expect personalized service, frictionless experiences and instant information.

Delivering a next-generation RDC solution will be instrumental for financial institutions who want to increase satisfaction, boost loyalty and deepen relationships with their customer base. Simultaneously, a strong RDC offering will improve speed-to-cash, grow customer balances and ultimately, allow financial institutions to differentiate in a crowded marketplace.

While the RDC market may be entering maturity, it shows no sign of stagnation. Banks and credit unions that refocus on the overall customer experience, enable businesses to do more and partner with the right provider can capture significant new value with businesses and consumers alike.

About Deluxe

At Deluxe, we champion businesses so communities can thrive. Our products and services help businesses, both big and small, start, grow and operate more efficiently. We do this with trusted and tech-forward solutions in areas like Cloud, Promotional Products, Payments and Checks, with more than 4,600 financial institution clients and nearly 4.8mm small business customers across North America.

Payment options are growing rapidly and choice is expected today. The technology Deluxe Payment Solutions offers helps businesses give their customers more options to pay. From treasury management to retail and payroll, our solutions optimize all aspects of a payment ecosystem with the power to give, take and process payments.