



BUSINESS:
Banking

COMPANY:
State Bank of Long Island

OBJECTIVES:
Preserve integrity of files during audits; reduce paper storage costs; ensure regulatory compliance; provide for disaster recovery; conduct business more efficiently and economically

Determined to solve a chronic problem, State Bank of Long Island invested in electronic content management and is counting unforeseen dividends with SmartSearch

Ironically, it was the auditors who were making a mess. Determined to end its reliance on paper-based records and solve the chronic problem of files that went missing from audit to audit, State Bank of Long Island turned to electronic content management back in 2005. Fast-forward to 2011, and the bank is now experiencing ECM at its best, thanks to SmartSearch.

"Sometimes it seemed like we were inviting the thieves into the vault," said Gerry Harden, First Vice President of State Bank of Long Island. "In a highly regulated industry like banking, audits are a regular occurrence. We turned to electronic content management primarily because we needed to preserve the integrity of our files during routine audits. It was frustrating to be criticized by auditors for having disorganized paper files when in fact the auditors were often creating the problem."

After researching a variety of solutions, the bank realized that electronic content management would pay big dividends in many areas of its operations. Today, in addition to keeping its files "audit-proof," SmartSearch is helping the bank to use its office space and personnel more efficiently and economically, meet demanding regulatory requirements and plan for disaster recovery. SmartSearch offered the bank exceptional value. "Including the cost of scanning and indexing more than one million pages of documents, we easily recouped our ECM investment within the first year," said Harden, who estimated her company is saving almost \$150,000 annually with SmartSearch.

With its corporate headquarters in Jericho, New York, State Bank of Long Island is a \$1.8 billion community bank. The bank maintains seventeen branches in the counties of Nassau, Suffolk, Queens and Manhattan; its diverse customer base includes commercial real estate owners and developers, small to middle market businesses, professional service firms, municipalities and consumers. "What sets us apart from other banks in this competitive market is our reputation for providing high quality, personal service," Harden said.

State Bank of Long Island originally deployed an ECM solution recommended by a trusted office solutions reseller that built a strong relationship with the bank. As a result, when that same reseller proposed an upgrade to SmartSearch, the bank accepted without hesitation. "It was a 'yes' from the start," Harden recalled.



ABOUT SQUARE 9 SOFTWARES

Square 9 Softworks is a leading developer of innovative, business-centric software solutions including the award-winning SmartSearch Content Management Suite. Dedicated to making content management available to organizations of all sizes, Square 9 Softworks designs solutions built on open architecture and cutting-edge technologies that drive efficiency and productivity across all business applications.

Through decades of experience with content management technologies in business enterprises of all kinds, Square 9 Softworks has acquired a thorough understanding of document-driven business processes. Intensely customer-focused and highly responsive, the company delivers effective, value-driven solutions and has achieved a reputation for excellence in meeting the rapidly evolving needs of its customers.

Square 9 Softworks distributes its solutions exclusively through a network of highly skilled channel partners from its corporate office in New Haven, Connecticut. For further information, visit www.square-9.com

State Bank of Long Island uses SmartSearch to manage its voluminous commercial credit and loan files, plus environmental assessments and property appraisals – full-color documents that run 300 to 400 pages in length. Operating with 50 seat licenses, the bank's SmartSearch installation has been configured to its unique requirements. Scalable and easy to support, SmartSearch integrated seamlessly with the bank's Fiserv core computing system that houses account balances and other critical data. Utilizing a centralized scanning system and efficient barcode technology, documents are organized by customer and type using a portfolio code that ties them into the core system.

With the introduction of ECM at State Bank of Long Island, in-house resources were used to economically scan and index more than one million pages of paper documents over the course of the first year. Confident that they were no longer needed, the bank shredded the documents and converted the storage room into comfortable new office space for five workers. "Our old storage room had been crowded with 35 four-drawer lateral file cabinets," Harden explained. "With space renting for \$35 per square foot, the bank was spending \$35,000 each year to store paper documents."

The bank also measures its return on investment with SmartSearch in labor cost savings. "Because managing documents with SmartSearch is far more efficient than handling documents manually, clerical personnel who had been managing our paper documents were freed up to perform other more important tasks," Harden explained. "Our staff declined from four full-time secretaries and one part-time scanner to one and one-half secretaries and one part-time scanner. The savings from these personnel reductions alone is worth at least \$100,000 annually."

Audits had consumed many additional labor hours. "We are audited about 12 times each year and two or more audits can occur simultaneously," Harden explained. "Facilitating these audits was like going through a revolving door. As soon as the files from one audit had been put away – if they were put away – we had to retrieve them again. Now, because SmartSearch is so easy to learn and use, I provide the auditors a five-minute lesson in the solution and they are on their own. Previously, it had taken the staff about 40 hours to support each of the audits. This equates to about \$12,000 in additional savings each year."

SmartSearch helps the bank comply with security, privacy and other requirements mandated by Sarbanes-Oxley and FDICIA. "Documents in SmartSearch are accepted as originals and backed up offsite," Harden explained. "In the event of a disaster, we could be up and running again that same day, and information stored in SmartSearch can only be accessed by authorized users."

Would she recommend SmartSearch? "Yes, I would – and I have!" Harden exclaimed. "We are very proud of our SmartSearch solution. I actually demonstrate SmartSearch to others who are researching content management. SmartSearch has a very nice look and feel and it shows beautifully. Most of the individuals I recommended the solution to installed SmartSearch in their businesses. Once you see it, you want it!"