

MOBILE DEPOSIT: THE LATEST ADVANCEMENT IN REMOTE CAPTURE TECHNOLOGY

By J&B Software

Many organizations utilize remote capture technology to convert paper into actionable images very early in their transaction life cycle. While the technology is utilized mainly for deposit processing, remote capture technology is gaining traction for other document-intensive operations as well, including invoice processing, claims processing and other types of forms management. There are many benefits to this "hub and spoke" architectural approach to transaction processing, including streamlined processing, improved cash flow, lower clearing costs, enhanced visibility, and interoperability with the existing ERP infrastructure.

However, for some businesses, the costs associated with a remote capture solution make the solution's return on investment analysis more difficult to justify. Although small businesses and professional practices have much to gain from check imaging and electronic clearing, they lack adequate deposit volume to justify the capital investment. Businesses that accept payments at the point of delivery are forced to use less than efficient deposit methods.

For these businesses, remote capture has just become more accessible and affordable, thanks to the evolution and penetration of several pivotal mobile technologies. Recent advances in imaging processing and recognition technologies are enabling many mainstream

camera phones to perform as mobile remote capture devices. This is a particularly important development both because of the ubiquity of mobile phones and because of the wide adoption by consumers and businesses alike of mobile phones as converged devices (with cameras and data services). "With consumers becoming increasingly savvy, mobile phones will be used for an expanding array of functions," commented Vikrant Gandhi, Strategic Analyst at Frost & Sullivan. Improvements in usability and resolution (at or above 2 megapixels) have made integrated cameras appropriate for both high-quality photos and document imaging. Innovations in mobile security, such as embedded two-factor authentication and other sophisticated risk management tools, are enhancing users' confidence in utilizing mobile phones to conduct high-value transactions.

With the advent of mobile deposit, utilizing mobile capture technology holds great promise for consumer banking as well. Once enabled by their bank through a software download, consumers can use their mobile phones to scan and electronically deposit paper checks. Mobile banking is gaining acceptance, especially among younger consumers who prefer to use their mobile

phones for entertainment and communications as well as financial activities. Nick Holland, senior analyst at Aite Group, forecasts that the mobile banking market will more than double in 2009 to 21.1 million users, with an estimated 35 million users in the U.S. by 2011. Mobile capture introduces an important home deposit component to mobile banking capabilities.

Mobile deposit is now poised to transform the way many companies do business. Small businesses, with the implementation of mobile deposit, can improve their cash flow and accelerate clearing by replacing their current need to have multiple bank runs throughout the day. Large businesses with an existing remote capture infrastructure can extend their capabilities and implement mobile deposit with minimal additional investment. These companies, many of which are struggling with a paper base

environment that is mixed with an electronic remittance environment, will finally be able to eliminate paper check processing and can integrate all of their images into a consolidated archive for enhanced visibility and improved customer service. Delivery-intensive businesses such as distributors, manufacturing companies, or commercial freight organizations will now be able to improve float times, minimize the incidence of misplaced checks, and fine tune their logistics.

Financial institutions will be able to offer new, value-added services as part of their online and mobile banking portfolios. Offering home deposit through mobile capture can potentially be a competitive advantage for financial services companies competing for high-value consumers.

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