

# Texas National Bank

## Adobe® Acrobat® 4.0 Adobe Acrobat Capture®

Community bank reduces costs, speeds loan approval, and wins customers by distributing applications on the Web as Adobe Portable Document Format files

### KEY BENEFITS

- Distribution of loan documents as Adobe PDF files improves bank service and reduces the number of branch locations required—a cost savings of \$600,000 per branch.
- By providing bank information on the Web as Adobe PDF files, the bank saves about \$200,000 annually in customer service personnel costs.
- Acrobat software ensures that legal loan documents maintain fidelity with the originals.
- Adobe PDF forms allow paperless submission of loan applications, eliminating data-entry expense and errors.
- By scanning documents using Acrobat Capture and storing them as Adobe PDF files, the bank has dramatically reduced processing and storage costs.
- Online access to regulations documents in Adobe PDF improves employee productivity and training.

The recent spate of bank consolidations, which lowered costs for large banks, also increased the pace of competition in the industry. To survive and flourish, smaller banks need to focus on cost efficiency as well as customer service.

A case in point: Texas National Bank (TNB) of Tomball, Texas. A local shareholder-owned, nationally chartered community bank, TNB opened in late 1997 without the legacy paper that encumbers many of its more established competitors. Instead, the bank embraced technologies such as Web-based banking and document and check imaging to reduce paper-processing overhead and improve customer service.

At the heart of this strategy is Adobe Acrobat software, used to convert official bank documents such as loan applications to Adobe Portable Document Format (PDF) files. In fact, TNB's paper documents for 2,000 borrowing customers and 3,000 depositing customers occupy just two file cabinets, while all other documents are stored electronically as Adobe PDF files. "Banking has always been very paper-intensive," says Steven Vaughan, CEO. "One of the best ways to improve operations is to harness technology such as Adobe Acrobat

software and Adobe PDF to more efficiently move and manage documents."

The electronic paper (ePaper™) approach contributes to profitability. "The traditional approach to gaining market share for retail banking is to build conveniently located branches," says Vaughan. "By making banking documents available via the Internet as Adobe PDF files, I've effectively placed a branch in every customer's own office, each time saving the \$600,000 my competitors spend to build a brick-and-mortar branch."

"Banking has always been very paper-intensive. One of the best ways to improve operations is to harness technology such as Adobe Acrobat software and Adobe PDF to more efficiently move and manage documents."

—Steven Vaughan  
CEO

### LOAN DOCUMENT DISTRIBUTION

To TNB, one of the most visible benefits of Acrobat software and Adobe PDF is the ability to distribute loan applications more quickly. Customers are directed to the Web

site or are e-mailed the application as an Adobe PDF file. "Small to medium commercial borrowers want their applications—and approval—right away," says Vaughan. "We take the post office out of the equation, making TNB better, faster, and cheaper than the competition."

To create the Adobe PDF files, TNB simply scans paper copies of the official forms and converts them using Acrobat Capture software. The Adobe PDF files look exactly like the originals no matter what computer, software, and printer the customer uses. "Any variation in the forms could invalidate them," says Vaughan. "The exact fidelity of Adobe PDF files is critical for official banking documents."

#### PAPERLESS LOAN APPLICATIONS

As TNB grows, the forms capability in Acrobat 4.0 will help it achieve the goal of paperless loan processing. Presently, after filling out loan applications, customers fax or mail them to the bank, where they are scanned and saved as Adobe PDF files. Eventually, customers will be able to complete applications online by filling in an Adobe PDF form. The data the customer enters will be automatically imported into the bank's credit scoring or loan origination applications. "By eliminating data entry—that is, assigning this responsibility to the customer—we'll reduce personnel costs and eliminate data-entry errors," says Vaughan.

Accuracy is the chief advantage of Acrobat Forms for TNB. "Every time you replicate data entry, you increase expense in three ways: personnel, errors, and the possibility the customer will defect to a competitor in response to the error," says Vaughan. "Therefore, online data entry is a real money saver and a competitive advantage."

#### IMPROVED SERVICE

TNB takes advantage of Acrobat software for customer service as well. By publishing frequently asked questions and answers on the Web as Adobe PDF files, the bank has improved service and reduced support costs. "Acrobat and Adobe PDF contribute directly to our enhanced customer service and our profitability. We employ just one half-time customer service representative, compared with four or five full-time employees in banks of comparable size," says Vaughan. "That translates into an annual savings of about \$200,000." The result: TNB's assets are \$2.75 million per employee, compared with a Texas state average of \$1.7 million per employee for banks of the same size.

*"Acrobat and Adobe PDF contribute directly to our enhanced customer service and our profitability."*

*—Steven Vaughan  
CEO*

The service advantage extends to bank staff as well as customers. Banks must conform to an overwhelming set of regulations, the documentation for which can easily occupy an entire room. TNB saves time and space and improves the quality of its service by making training and reference documents available on every employee's computer, as bookmarked Adobe PDF files. If any customer has questions about lending rules or other topics, the employee simply clicks the appropriate bookmark entry for the appropriate regulations.

#### ELECTRONIC BILL PRESENTMENT

In the long term, TNB plans to offer a strategic new service called electronic bill presentment,

based on Adobe Acrobat and eXtensible Markup Language (XML). When customers sign up for the service, the bank will receive electronic copies of the customers' bills—for example, from utility companies—and make them available on the Web for viewing and electronic payment. "We want to get out of the paper pushing business, and the costs of processing a paper check are much higher than an electronic check," says Vaughan. "Once standards are developed, electronic bill presentment will reduce costs at the same time it attracts new customers."

#### MARRIAGE OF DOCUMENTS AND DATA

"My job is to find ways to use technology to make traditional banking services faster, cheaper, and better," says Vaughan. "Thin-margin organizations, such as banks and industrial distribution companies, can achieve those goals by becoming more efficient at transaction processing. Adobe Acrobat and Adobe PDF are the first cost-effective solutions that have begun to marry documents and data. Go anywhere on the Web and you'll see that when you download official documents, they're Adobe PDF files."

#### TEXAS NATIONAL BANK

[www.texnational.com](http://www.texnational.com)

#### SYSTEMS AT-A-GLANCE

##### Software

Adobe Acrobat  
Adobe Acrobat Capture  
Microsoft® Windows® 95  
Microsoft Windows NT® 4.0  
Windows NT network system

##### Hardware

Compaq Deskpro desktop computers  
Microtek flatbed scanner  
Fujitsu ScanPartner high-speed scanners  
Compaq ProLiant servers for data storage