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3 Ways Remote Deposit Capture Can Increase Business Efficiency

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Remote deposit capture (RDC) technology is [designed to improve the efficiency of check depositing](#). It allows a customer to deposit a check remotely from virtually anywhere and receive near-instant access to their funds.

RDC was initially developed as part of the Check Clearing for the 21st Century Act (Check 21 Act) of October 2004; that act created a concept known as “the substitute check,” which is just a scan of the front/back images of a check. The Check 21 Act stipulated that, legally, those images can represent the check itself. Once the Check 21 Act established the “substitute check” legality, financial institutions were free to deploy RDC. That was late 2004. By mid-2008, close to 70 percent of U.S. banks were offering this technology. It was banking’s [first major foray into the emergent on-demand economy](#).

Today, RDC technology is commonplace for many consumers and financial institutions. How is it making business more efficient?





Operational efficiencies and reduced costs from flexibility

With RDC, a business can make deposits from anywhere -- in the field, at their office, or at the home of an accounting staff member -- and save time (and miles/gas) on trips to an ATM or branch. Real estate companies, which have many in-field employees (agents), have found success with this model. Realtors can make deposits -- fees from buyers, closing costs -- remotely from anywhere, saving them time each day. That time can be reinvested in client development work, leading to increased revenue for the parent agency.

On the financial services side, banks and credit unions create operational efficiencies when their customers scan, review, and correct their own items. This can lead to staffing reductions (back-office and tellers), which is a cost-saver.



Get more from the information you have

2017 is expected to be [a major year for the continued advancement of big data](#), and RDC benefits businesses in this way as well.

Most applications of RDC have enhanced data entry fields and reports. They are also easily exportable into a business' primary financial accounting software, be that QuickBooks, Xero, or something else. The best RDC applications also "speak" to a company's CRM, so that customer information and financial accounting can remain real-time.

For companies to [actively compete on data](#), this is a crucial step. No one will use data within an organization if the data resides in 10 different places; that's too much work in an already-busy employee population. But if data all funnels together because the systems integrate, then it's going to be more successful for the business.

RDC transactions should also be able to be exported as CSV, XLS, or other popular formats that most businesses are comfortable with -- and most accounting suites prefer. Direct data download from RDC transaction logs into standard formats makes the process hassle-free for businesses. This is also a cost reduction.

More effective security measures

When shifting to a more mobile-first mindset, a primary concern that many businesses raise is security. [We all know mobile phones can be hacked](#); *60 Minutes* did a story in 2016 where [a group of hackers got into a U.S. Congressman's phone -- and relatively easy](#). Will RDC transactions be a secure avenue for your business, or should this be a concern?

Most RDC programs operate with a security hierarchy. A company can set who has permission to what levels and what deposit account authorizations. Your employees cannot operate about their preset level unless an administrator changes their permissions. Plus: data is encrypted upon send, and [most RDC applications use a form of multi-factor authentication as an added safeguard](#).

It's always a good idea to ask numerous security-related questions of any potential RDC partner, [as security breaches cost companies \\$4 million on average](#).

A note for banks and financial institutions

While this has focused on why businesses should use RDC, there are also advantages for banks, credit unions, and financial institutions as well.

They can scale operations while keeping costs down. Instead of building more branches or ATMs (costly), an effective RDC program extends the reach of your customers' locations right into their living room. A financial institution gains customers without spending money. The RDC application can also be customized with specific brand colors and logos to keep the company on-brand. Greater capabilities and autonomy are attractive to most banking customers, especially younger generations who are growing up comfortable with smartphones, so this is a cost-effective way to expand reach.

If you have any questions or concerns about RDC and how it might best work for your business, feel free to [reach out](#). We regularly work with both financial institutions and small-to-large companies on mobile-first solutions to efficiency concerns. We'd love to help you as well.



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