

# Case Studies

## ARVEST BANK CENTRALIZES AND AUTOMATES BACK-END FILE PROCESSING



Managing the growing file communications traffic between a financial institution and its corporate clients, branches, service providers and the Federal Reserve has always been a challenging task. At Arvest Bank Group, it was particularly daunting due to a nearly fivefold increase in assets from 1989 to 1997. The task at hand: Revamp inadequate and inefficient data transmission processes in order to deliver and maintain a high level of customer service.

### Local Focus, Central Administrative Operations

Comprised of nine individual banks in Arkansas, Oklahoma and Missouri, Arvest Bank was built on a foundation of local leadership and decision-making authority. But while each individual bank operated autonomously, Arvest recog-

nized the benefit in centralizing certain back room functions. This included check processing, data processing, rendering customer statements and notices, and the transfer of data between Arvest, its customers and its partners.

### Challenges in a Growing Bank Group

Like many other banks, Arvest processed automated clearinghouse (ACH) transfers to and from the Federal Reserve. ACH origination (or outgoing volumes) accounted for over 300,000 transactions per month, while incoming transactions from the Federal Reserve numbered around 700,000 monthly. With the company's ACH and other file transfer needs increasing exponentially, Arvest needed to develop a file communications solution that could transmit large amounts of data securely, automatically and cost effectively, as well as be scalable to accommodate future growth.

### Moving Towards Momentum

Arvest had been using proprietary software for communicating with the Federal Reserve, and had developed in-house binary synchronous (BSC) communications for other file transfer tasks, utilizing either stand-alone PCs or the AS/400 to transfer and process data.

In late 1994 the bank surveyed a number of service bureaus with similar operational requirements. "I asked them what they used for ACH origination," recalled Ross Hawkins, Arvest's manager of AS/400



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— Ross Hawkins  
IT Manager  
Arvest Bank

systems and services. One service bureau pointed at a box — a Pentium-based server running Intelligent Network Gateway. "It was that automated," Hawkins said. "Intelligent Network Gateway offered us a highly flexible solution with a significantly lower total cost of ownership than competitive offerings."

### **Intelligent Network Gateway at Work**

Before Arvest even placed the order, Momentum Systems gave the company a scaled-down version of the product so that they could begin to learn the system. Once installed, Intelligent Network Gateway was accessed primarily by authorized Information Services personnel for software setup and maintenance. Residing on a Pentium multiprocessor server, Intelligent Network Gateway was connected to Arvest's Wide Area Network (WAN) and was also assigned an Internet Protocol (IP) address which allowed access from other nodes on the network. In this configuration, Intelligent Network Gateway could be secured to prevent unauthorized access. Files received by Intelligent Network Gateway were automatically verified and passed to Arvest's host or other back-end systems for processing.

"With Intelligent Network Gateway's multiple incoming phone lines, our customers — ACH originators — were able to dial directly into Intelligent Network Gateway and download their files for processing," said Hawkins. Equally important, Arvest could send information files that originators and other customers could use, for example, to identify forgeries, prepare early day cash positions, or report to credit bureaus.

### **Automated Processing Reduces Workload**

"Since installing Intelligent Network Gateway, it's doing everything Momentum Systems said it would," said Hawkins. All in-house file communications systems were eliminated and replaced by the software. And since Intelligent Network Gateway handled virtually any file transfer protocol automatically, Arvest's daily manual verification process was reduced from about six hours to one hour, freeing up personnel for other tasks.

"Many of our ACH originations are now received through Intelligent Network Gateway prior to being processed and passed on to the Federal Reserve," explained Hawkins. "Intelligent Network Gateway provides seamless communications to and from our host computer — making it vital to our daily processing requirements."

### **Migrating to NT**

In April 1998, Arvest upgraded to Momentum Systems' newly introduced Windows NT version of Intelligent Network Gateway, enabling the company to move its file communications server onto the open, scalable Windows NT platform. "With the NT version, we can load the software and not be tied to a single vendor for either technical support or hardware," said Hawkins.

"Any way you look at it, Intelligent Network Gateway has increased our flexibility, cut costs and simplified our operations. In this business, there's no better solution than that."

