

PROJECTS IN PROGRESS NEW FEATURES FOR RDC

## The check becomes virtual for BPM



Piazza Meda's bank has begun a trial to allow clients to deposit checks directly from their home by installing a microscanner on their PC. During this phase, they're also conducting server virtualization, which will be finished in 5 years.

■ ALBERTO MAZZA

**H**ave a check? Now you can deposit it from home. That's the new project that BPM is experimenting with on a sample of 1000 clients, which could bring remote check deposit, which is widely used in the US, to our country. The service includes the installation of a miniscanner in a client's computer, and the online banking software: this way, the machine can scan the check and immediately send an electronic copy to the bank.

This operation represents one of the top projects started by the bank in Piazza Meda [BPM] in 2010. Another flagship project is server virtualization, which will take from 3 to 5 years to complete. BancaFinanza has talked about this with BPM's CTO, Roberto Fonino.

**Question:** Tell us about all the innovations brought on in 2010.

**Answer:** Last year we operated on 2 fronts: on the internal technological world and in "client-side" business innovation.

We started very important projects on both fronts.

**Q: Let's start with your internal projects...**

**A:** In this case, the most important innovation is, without a doubt, the virtualization of the server farm. Basically, with this process, we want

to make physical servers virtual. We have chosen multiprocessor servers, which can accommodate up to 80 multi-platforms (Windows, Unix and Linux). Even if it's not certain that all will be used: it depends on how many resources are necessary. Next year we'll introduce CMDB technology and open up at least some areas to cloud computing.

**Q: Why did you choose virtualization?**

**A:** First of all, because managing fewer machines that host more servers is easier than just managing single platforms. And it was also a matter of cost. The cost comparison between the traditional way (buying many servers) and virtualization (buying fewer machines that are compatible with many platforms) is five to one.

**Q: What will you do with the machines you already have? Will you replace all of them?**

**A:** There will be a transition period, in which they'll operate side by

side, old and new servers. It goes without saying that a machine is an investment, thus the replacement will happen gradually. And, anyway, not before the previous machines break down or become obsolete. In short: we'll migrate only when necessary. Ease of management alone does not justify substituting a machine that still works efficiently. This is why the full migration will take three to five years.

**Q: Let's talk about "client-side" projects.**

**A:** In this field, the most important operation is *remote deposit capture*, or the possibility of depositing checks from home or from the client's business. This is an approach that brings depositing checks into Internet banking mode.

**Q: How is that possible?**

**A:** Through a tiny scanner installed on the client's computer, which completely overturns the logic of depositing checks. Today, the client makes a copy of the check before bringing it to the bank for deposit. With the new approach, the client scans the check at home, deposits it via remote banking, records the scanning and keeps a copy, and brings the check to the bank at a later time.

**Q: Who is this service for?**

**A:** To businesses who process many checks a day, and are forced to send one of their employees to the bank to deposit them. By bringing the deposit to the client's business, time-frames are greatly shortened.

**Q: Why did you come up with this service? Checks are not**

**exactly the "wave of the future" and in 10-15 years they're bound to become obsolete.**

**A:** You said it, in 10-15 years. In the meanwhile, checks will continue to be used heavily. And it's not for sure that they won't be used later on: there's been a lot of talk about a "war on cash" in the last few years, but cash is still being used, even if less so. And the same thing could apply to checks. Especially since remote deposit capture comes from the US, who are one of the forerunners of electronic payments, and also of check transactions (as is France). In the US, for example, these scanners have been installed on 400,000 computers. And, in the future, some computer manufacturer could come up with built-in scanner, as happens now with DVD.

**Q: What does this microscanner look like?**

**A:** It's a little machine of 30 by 10 centimeters that connects to the computer via USB. After configuration, which is identical to that of many other devices (such as external devices, printers and so on), the machine connects to the banking website via software developed ad hoc.

**Q: And at that point, you're ready to go...**

**A:** Yes. The client connects to banking website, inserts the check in the machine, manually adds to the slip the date and the amount (because this data, very frequently, is added by hand) and fills out the slip, all from our website. At the end, it is all

sent through the internet. In short: we only ask the client to scan the check, fill out the slip and enter two data fields. The rest is done automatically by the software, including the reading of the band below the check, which identifies the drawee bank, branch, account and so forth. The scanner is prepared for this operation too. The bank then receives the image of the deposited check and confirms the operation. Using specialized software, the branch can view the deposits made through remote deposit capture, the slips, and the confirmations.

**Q: But there are current laws and regulations that say checks must be physically deposited at the bank.**

**A:** Certainly. For this reason, clients are expected to bring us checks every day. And can use the deposit box outside the bank, avoiding lines. Or, in case of many checks, it is possible to use an outside delivery company that goes directly to the client. Once the checks have been acquired, the bank verifies the information has been entered correctly and confirms the deposit. In any case, there's a great desire to change these laws. In the US, for example, it is not mandatory to transfer the "physical" check to the bank after it has been deposited. Even for this reason, across the ocean, the remote service has been very successful.

**Q: Have you already begun testing?**

**A: Yes.** We started with a target of 1000 business clients out of the 120,000 we serve. The businesses have been chosen according to how many checks they handle per day and, obviously, their reliability. We expect to end the initial testing phase, which involves about 20 clients, by the end of first semester 2011. ■

### MULTIPROCESSOR SERVERS

With server virtualization, BPM aims to virtualize a series of physical servers that are currently installed. The Piazza Meda group has selected multiprocessor servers that can accommodate up to 80 multiplatforms (Windows, Linux, Unix). On the side [referring to the image], the BPM headquarter's reception hall.