

Prepare for downturns by upping technology

WHY SOFTWARE IS THE KEY TO MANAGING YOUR LOAN QUALITY

As automation increases, the banking industry rapidly evolves. Executives and stakeholders continuously vet new products, different paths and software solutions in the never-ending task of improving quality and efficiency. One critical area of that focus: the management of asset quality.

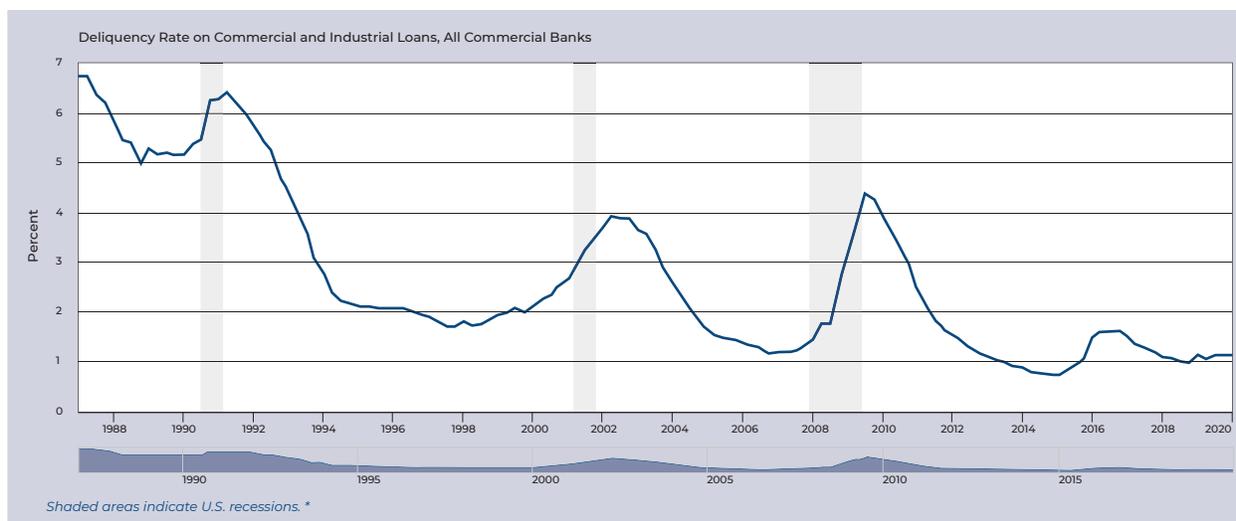
Since asset quality, and specifically loan quality, is one of the most important aspects in determining the overall health of a bank, it's essential that systems are in place to not only effectively identify problem assets in a timely manner, but also to proactively take actions to solve problems. Furthermore, streamlining the asset quality management process allows banks to deploy their talent more effectively by allowing them to focus on strategic thought and action, rather than repetitive and tedious data assembly.

While economic downturns bring uncertainties, the management of asset quality shouldn't be one of them. Equipping and training bank employees with the right tools to manage asset quality is the key to maintaining the institution's health throughout business cycles.

Prepare now, benefit later

When the forecast calls for storms, you grab your umbrella before you head out the door so that when those gray clouds roll in, you're covered. Within asset quality management, technology is increasingly seen as the umbrella that provides assurance, no matter the state of the economy. Preparation and organization of assets is especially beneficial to a banking organization when delinquencies rise. Economic downturns can happen rapidly, and when that happens, history has shown the increased likelihood of delinquencies or problem loans.

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Source: St. Louis Federal Reserve

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Asset quality management solutions pay off in other ways, too. Not only is technology an impactful tool during economic uncertainty, but it is also a critical factor in being organized and ready for regulatory exams and loan reviews. Bank management spends significant resources administering assets, particularly its loan portfolio. Leveraging software allows you to get ahead of problems before they become unsalvageable, ultimately allowing managers to save time and operate more efficiently.

A software solution like Asset Quality Manager empowers the team to successfully and profitably manage assets. When technology allows bankers to reclaim lost time previously spent managing the details, it's not only a bonus for the bank's bottom line, but it's also a plus from an examination standpoint. That's because a bank's asset quality rating not only reflects the quantity of existing and potential credit risk associated with the bank's loans and assets; it also analyzes the ability to manage and identify credit risk.

Bring new staff up to speed, lightning fast

Successful asset quality management means your team knows the nitty-gritty details of every loan or investment in your bank's portfolio and equips them to handle problem loans with actionable steps. Learning all the ins and outs of managing and working on asset quality and loan problems is something that takes time to master, and back before the introduction of technology, was a skill crafted purely from long-term experience and exposure.

However, today's technology gives banks a tool that allows these nuanced skills to be easily coached. A secure, intuitive hub that not only

ANSWER THE CALL FOR AUTOMATION.

Apply your team's energy to strategy, not data assembly.

Before the invention of the Traffic Service Position System in 1969, there were more than 10,000 telephone switchboard operators in the United States. With the innovation of a circuit switch system, the traditional cord switchboard became a relic of the past.

There are many stories of industry innovation leading to change. Traditional taxi owners had to rethink their entire business model when internet-fueled ride-sharing services like Uber and Lyft disrupted the industry. These shifts in technology are not unlike the possibilities and potential of automation that banks can tap into. By shifting time and resources previously spent inputting data on asset quality to instead analyzing, strategizing and acting on that data, banks can change the game and become more efficient.

Simplify measurement and monitoring

Inputting data by hand is tedious and introduces the possibility of human error. Not only does this software deliver accuracy and flat out save time, it also simplifies navigation. Instead of spending countless hours searching for specific details, you can seamlessly navigate to the right data, right away. Being able to see the big picture, but also quickly drill down to individual accounts all while using a single platform allows your team to get the details they need fast, without changing systems.

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houses portfolio information, but also provides detailed reporting and automatically generates “watch lists,” simplifies a typically labor-intensive process and eliminates the possibility of human error. Asset Quality Manager, for example, works in tandem with the data gathered from a financial institution’s core system, and simplifies the creation of the required ASC 310-10 reports for the analysis and management of impaired loans. It also supports the required ASC 450-20 calculation of the allowance for loan losses, including both specific and homogeneous reserves.

These are all huge bonuses to automation. Of course, it takes a trained team to take full advantage of all the features this software has to offer. That is why it is so important to support a culture that embraces tools and technology that simplify the monitoring process. Adopting a software tool like Asset Quality Manager makes the coaching process much easier by providing all the data in one centralized location that is easy to navigate. ■

AUTOMATION OF ASSET QUALITY

Ultimately, it’s the competitive advantage of allowing your team to be proactive instead of reactive. Software helps estimate losses in the Allowance for Loan and Lease Losses (ALLL), produces recap reports, and even guides teams through the process of creating necessary action plan reporting.

If you are like many executives across the country right now examining ways to increase the bottom line, it’s worth looking at your technology systems. When it comes to asset quality, you’ll find that there is time to be saved and details waiting to never be missed again.



Asset Quality Manager™
Every detail. Every delinquency. Done.

BUILT BY BANKERS, FOR BANKERS.

Stratman Solutions has led the banking software industry since 1996 with innovations hundreds of financial institutions across the country rely on to maximize efficiency.

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