



FIRST HORIZON HOME LOANS CASE STUDY

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A MAJOR STEP TOWARDS A PAPERLESS ENVIRONMENT

Overview

Before implementing OCIE®, First Horizon Home Loans relied primarily on printed reports, microfiche, and ALLTEL's PowerView (now known as Fidelity PowerView) for storage and access to CPI report data. First Horizon had recognized OCIE's ability to enhance CPI report printing and data storage processes. OCIE now provides First Horizon with high-speed report processing, instantaneous data retrieval, full-featured search & view capabilities, and long-term data archiving.

The OCIE implementation at First Horizon has:

- Substantially reduced CPI report printing. CPI report production decreased by almost 65%, resulting in a print-related cost savings of nearly 50%.
- Eliminated the need for microfiche to store archived reports. With OCIE, archived reports are retrieved instantaneously and viewed online, thereby increasing productivity and improving customer service. OCIE enabled First Horizon to shut off microfiche production, resulting in annual savings of \$180,000.
- Eliminated the need for ALLTEL's PowerView. Not only was PowerView limited in storage capacity and archive retention, it was also costly to maintain. First Horizon's reports were only available for online viewing 90 days with PowerView. OCIE gave First Horizon the ability to retain CPI reports for an indefinite period, at one-fifth the cost.

Headquartered in Irving (Dallas), Texas, First Horizon Home Loans is one of the top 20 full-service (origination and servicing) mortgage companies in the United States. First Horizon offers a variety of residential and commercial lending products including loans for consumers, construction, and small businesses. First Horizon also offers a full range of financial services including financial planning, wealth management products, deposit products, and credit cards.

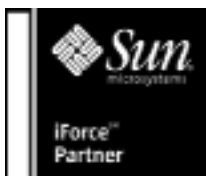
Formerly known as FT Mortgage, the Irving, Texas firm helped more than 144,000 people purchase a home in 1999. Today, the growing company services over 420,000 mortgage loans.

First Horizon took a major step towards creating a paperless environment in April 1999. They achieved vast improvements by implementing OCIE, the industry's first Web-based enterprise report and image management solution.

OCIE enabled First Horizon to retire PowerView which alone provides an annual, ongoing savings of over \$160,000. When combined with the additional savings due to print reduction and microfiche elimination, First Horizon's *first year savings due to OCIE exceeded \$450,000.*

Implementation Approach

Team members from Donnell's OCIE Service and business reengineering groups joined forces with representatives of First Horizon's Servicing Division, Information Technologies, and Service Quality to kickoff an implementation effort in April 1999. OCIE was implemented in five phases. The joint effort achieved success by December 1999.



Phase 1: Hardware and Software Installation

This first phase began as the OCIE support staff began configuring system hardware and software at Donnell headquarters. The OCIE server was then shipped, installed, tested, and prepared for deployment at First Horizon. Phase 1 was completed in June 1999.

Phase 2: Training

OCIE administrative training and end-user training was integrated into the customer's "Train the Trainer" program and conducted on-site for First Horizon professionals.

Phase 3: Corporate-Wide Rollout

OCIE was rolled-out to all users, department by department, during Phase 3. CPI report printing steadily diminished once each report set was identified and loaded to OCIE for secure, online delivery.

Phase 4: PowerView Shut Down

After confirming that the reports for each department were delivered to OCIE, PowerView was shut off. All reports that had been viewed in PowerView were now able to be viewed in OCIE.

Phase 5: Microfiche Elimination

After all reports that were printed and/or stored on microfiche were placed in OCIE, microfiche production ceased.

The Results:

Annual, on-going direct cost savings attributed to OCIE are calculated at more than \$261,000. This represents the actual net savings realized from the reduction of CPI report printing, the elimination of microfiche, and the retirement of ALLTEL's Power View.

Special Note:

Because of PowerView costs and limitations in storage capacity and archive retention, First Horizon had elected to limit online access to only the most critical, high-usage reports. This represented only about 15% of the total CPI report volume.

Had the full arsenal of CPI reports been placed in PowerView (as they are now available through OCIE), the annual savings from retiring PowerView would have exceeded \$828,000. Based on this cost avoidance, the potential net savings from OCIE is nearly \$930,000.

CPI report printing steadily declined as users adopted OCIE throughout First Horizon. Print volume dropped from a high of 1,360,000 pages per month in April 1999 to a currently monthly average of just over 423,000 pages. OCIE made this 54% reduction in report and paper management costs possible by retiring PowerView, eliminating microfiche, and drastically reducing print and related tasks.

Print volumes continue to plummet as First Horizon manages CPI report production more efficiently and incorporates OCIE's DataDigger data mining technology. Indirect cost savings are also realized from minimizing the time and labor spent on report lookup, research, return phone calls, and report preparation and distribution. First Horizon expects additional, substantial savings as new subsystems are developed through the DataDigger module.

Closing Comment:

We believe it a noble enterprise and our mission to combine technology and problem solving talent to help customers fulfill their mission statements. Today's technology decisions can have sweeping ramifications which impact far more than back-office processes and procedures. Without question, technology decisions have a direct impact on your bottom line. Donnell offers a wide range of services, solutions, and consulting to maximize your technology investment.

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