IRON MOUNTAIN®

Accelerate auto financing with artificial intelligence: A four-part framework

Summary

Market demand for vehicles continues to grow, creating opportunities and challenges for the auto financing industry. Auto financiers are expected to provide smooth customer experiences while making loan funding fast, accurate, and compliant. At the same time, they must build capacity for greater sales volume.

Many are seeking a digital-first approach—a way to automate and standardize document processing and digital records to fund the dealership on the loan transaction. Then, provide seamless distribution into the bank's back-office processes. This paper explores strategies and considerations using a four-part framework auto financiers can follow on their path to artificial intelligence (AI) automation.

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Executive Overview

Driven by efficiency demands and consumer preferences, the auto financing industry is shifting toward end-to-end digitization and automation. Today's digital transformation involves AI and smart automation through intelligent document processing (IDP).

In fact, 86% of financial services IT and line-of-business executives consider AI to be very or critically important to their business's success in the next two years, according to Deloitte. They see the potential for technology to answer specific industry pain points, including:

> **Ballooning operational costs:** Manual processes are time-consuming and resource intensive. Finance companies are spending too much time and money on document verification, data entry, and communication with dealerships.

> **Lengthy auto loan funding cycles:** Delays in document review, validation, and decision-making prolong turnaround times. This affects customer satisfaction and dealer relationships and detracts from a bank's business efficiency.

> **Manual processing errors and increased risk:** Mistakes in manual data entry, missing information, or miscommunication can result in rejected applications or incorrect loan terms. Errors lead to extra work, unhappy dealers and consumers, and potential financial losses.

Companies that have deployed modern technologies say cost and other barriers to adoption are falling. It is becoming easier to implement and integrate solutions.
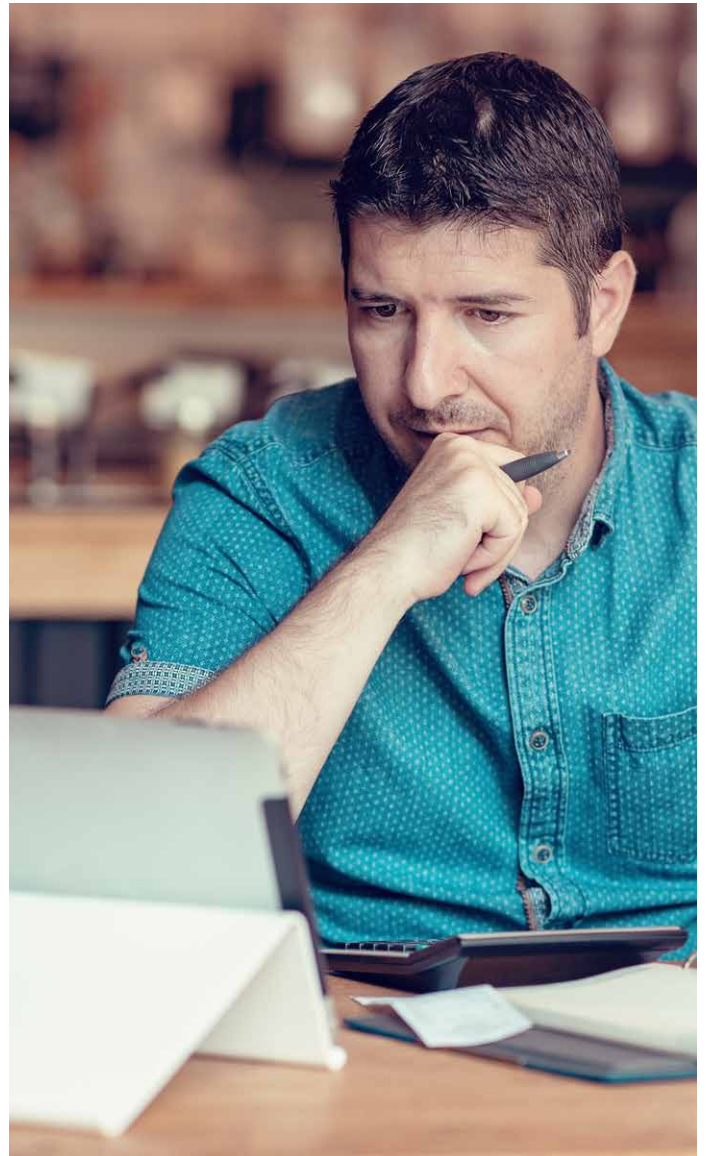
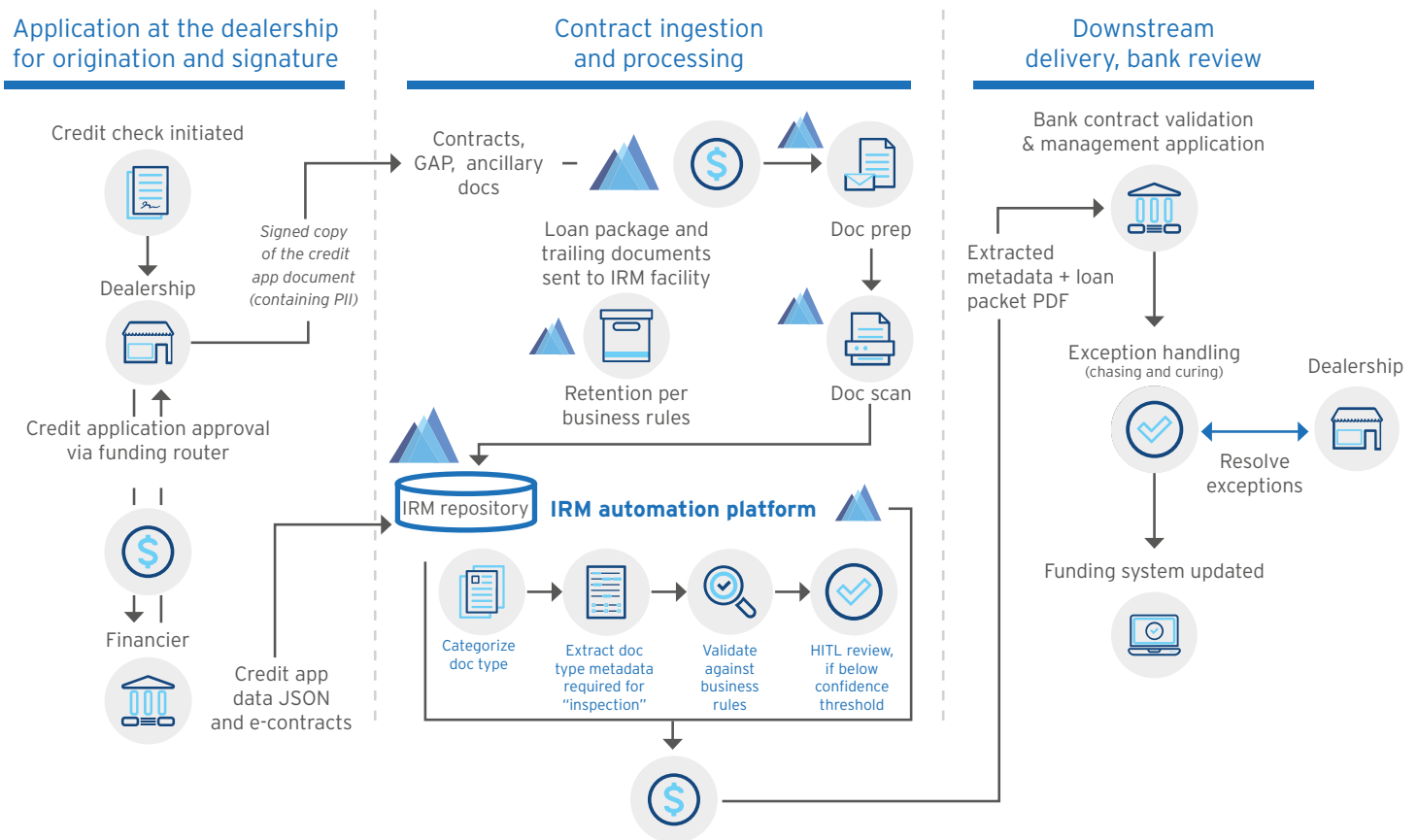# Understanding the four-part framework for driving automation

What every decision-maker needs to know

Smart automation and [AI are critical to efficiency and competitiveness](#) in the auto finance industry. A framework can guide organizations through this important transformation. The framework

consists of four components designed to streamline processes, improve data quality, and optimize operational resources.

Future state | proposed auto loan funding process

A reimagined end-to-end flow reduces manual touches and promote streamlined processing

Application at the dealership for origination and signature

Credit check initiated

Dealership

Signed copy of the credit app document (containing PII)

Credit application approval via funding router

Financier

Credit app data JSON and e-contracts

Contract ingestion and processing

Contracts, GAP, ancillary docs

Loan package and trailing documents sent to IRM facility

Doc prep

Doc scan

Retention per business rules

IRM repository

IRM automation platform

Categorize doc type → Extract doc type metadata required for "inspection" → Validate against business rules → HITL review, if below confidence threshold

Downstream delivery, bank review

Bank contract validation & management application

Extracted metadata + loan packet PDF

Exception handling (chasing and curing)

Dealership

Resolve exceptions

Funding system updated

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1. Digitize documents and loan originations: Through smart automation, organizations significantly reduce manual tasks, shorten cycle times, and reduce costs with digital data. Digital transformation at this stage enables faster processing of vast amounts of data using fewer resources. Manageable and secure digital processes improve data quality and enable scalability. Ultimately, by digitizing documents and loan originations, financiers build a foundation for a modern and efficient end-to-end loan funding system.

2. Automate contract ingestion and document processing: A seamless internal and external process shortens cycle times, eliminates redundant steps, and provides visibility to support risk management. When contracts and related documents are digitized and automated, they can be rapidly processed. This makes for a better customer experience while reducing both costs and errors. Premier IDP solutions leverage AI machine learning models and metadata to enrich records.

3. Streamline contract validation, delivery, and bank review: Sophisticated automation includes prebuilt data extraction models, business rules, workflows, and application programming interfaces (API) for back-office banking systems. These capabilities enable rapid deployment tailored to the auto financing industry's dynamic needs. Additional benefits at this stage include cross-validated data and better reporting to support compliance. Automated quality control checks detect, and reduce errors. Workflows are validated, enabling timely notifications, alerts, and adherence to business rules.

4. Work with a trusted partner: Organizations can significantly increase the effectiveness of automation initiatives by collaborating with a trusted partner and end-to-end solution provider. Iron Mountain, a company known for helping to manage not only documents, but also information, is customer-tested, with more than 70 years of experience processing billions of documents and protecting assets across industries. Of the top 50 US banks, 46 work with Iron Mountain. More than 2,500 financial services institutions, almost all Fortune 1000 companies, and thousands of local enterprises rely on Iron Mountain's solutions and services. And the Everest Group recently identified Iron Mountain as the fastest-growing business process services (BPS) company.
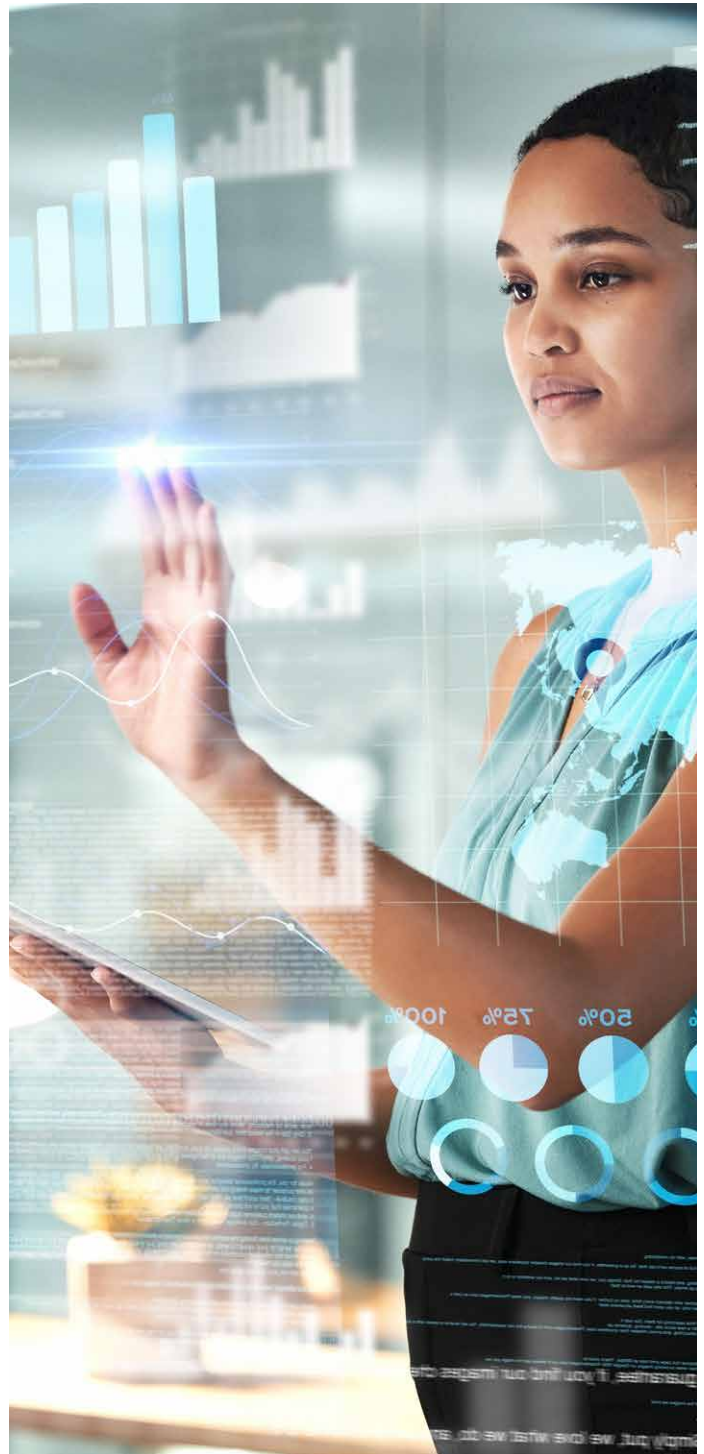
Achieving the four-part framework for driving automation

Adopting end-to-end capabilities backed by a robust content management platform, AI, and IDP

To realize the benefits of the four-part framework, organizations need to work through each step: Digitize applications and loan originations; automate contract ingestion and document processing; and streamline contract validation, delivery, and bank review for loan funding. It's a tall order—one that demands a trusted provider of a comprehensive content management platform and cutting-edge intelligent document processing (IDP).

What is IDP? It is the use of AI and machine learning (ML) technologies to automate the processing of unstructured data contained in documents. IDP systems are designed to extract, classify, enrich, structure, and search relevant information from documents such as loan applications, financing agreements, title registrations, odometer affidavits, and other key auto lending documentation.

Traditional document processing often involves manual data entry and extraction, which is time-consuming, error-prone, and inefficient. IDP automates these tasks by using AI algorithms to analyze and interpret the content of documents. The results are powerful.

Banks, financial services, and insurance companies use IDP to automate the processing of loan funding, mortgage documents, and insurance claims. It reduces manual errors, accelerates decision-making, and heightens customer satisfaction. IDP systems can extract key customer information, automate loan processes, and promote compliance with regulatory requirements.

> **Iron Mountain offers the Digital Auto Lending solution, a managed service offering that combines a unified and secure end-to-end software-as-a-service (SaaS) platform that ingests and processes unstructured content and can integrate with key business processes and systems via prebuilt connectors or APIs. The modular platform, InSight® Digital Experience Platform (DXP), is used to quickly build solutions with physical and digital content management, IDP, and workflow automation capabilities.**

Features include:

- Document scanning and digital content ingestion

- Automated classification and extraction driven by AI/ML models enriched with metadata

- Automated workflow validation, notifications, and alerts

- Secure physical and digital content storage with role-based access

- Downstream distribution and integration to key stakeholders via appropriate APIs

With the Digital Auto Lending solution, financiers overcome legacy document processing challenges to seamlessly distribute digital information from dealers into bank back-offices. They can outsource the receipt, scanning, and digitization of physical documents and images of loan packages while maintaining chain of custody tracking.

As a world-class managed service offering, the Digital Auto Lending solution combines Iron Mountain's expertise in physical asset management and digital software with its core document management capabilities. Managed services include people, processes, software, and secure storage of both physical and digital assets. The combination of these capabilities results in reduced costs, increased efficiency, and more accurate loan processing.

Proof points: Automation success using Iron Mountain's end-to-end capabilities

While innovative finance companies strive to optimize workflows with process automation and technologies, few have implemented all of the framework required for true optimization. Several Iron Mountain banking and financial services customers share their experience using InSight on streamlining workflows, driving efficiency and process automation.

> "With InSight, we have visibility into what's going on with our portfolios. From an effectiveness and efficiency standpoint, there is definitely a gain for both customer service as well as internal review."
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> *–Forrester Total Economic Impact™ Spotlight*

Forrester interviewed representatives from financial services organizations who have experience using InSight with IDP capabilities. The report, commissioned by Iron Mountain for a Total Economic Impact Spotlight, combined the results into a three-year financial analysis for a composite organization. Risk-adjusted, present-value, quantified benefits for the composite organization include:

> More efficient finding of documents and information by 40%, resulting in a financial benefit of $3.1 million

> Improved cataloging and understanding of documents and information by 55%, resulting in a financial benefit of $846,400

> Increased collaboration leading to 26,000 hours saved annually, resulting in a financial benefit of $905,200

> Better security and compliance processes, reducing time spent on auditing work by 25%, resulting in a financial benefit of $247,300

> Reduced storage costs, resulting in a financial benefit of $211,400

> Return on investment net present value 196% and $3.5 million

Iron Mountain Digital Auto Lending solution is built on a comprehensive physical and digital content management platform with workflow automation and IDP.

Iron Mountain InSight® Digital Experience Platform (DXP) is the robust and scalable SaaS platform that ingests and processes unstructured content integrating with customers' key business process and systems via prebuilt connectors or APIs. The modular platform is used to build solutions with physical and digital content mantagement. It uses IDP and a workflow management rules engine that analyzes extracted data, checking for information required by bank submission standards. It matches and reconciles data sourced from each document against the bank's system of record and loan purchase criteria.

The InSight Intelligent Document Processing (IDP) module classifies and extracts key information to automate business processes and generate key insights by applying machine learning to read, extract, and index critical data. A human-in-the-loop approach allows users to review any exceptions flagged by the automated workflow based on your defined data confidence levels and then make corrections as needed. Iron Mountain InSight IDP is a software-as-a-service (SaaS) module that enables the extraction and structuring of data trapped inside documents. Its low-code environment makes it possible for anyone working with documents to structure their data for analytics and automation.

(Access the Total Economic Impact Spotlight: Iron Mountain InSight Improves Financial Services Organizations' Information Management for Operational Efficiencies, Cost Savings, and Business Benefits)

"The number one value of InSight is efficiency," a financial services COO was quoted as saying in the Forrester report. "It's a secure system that allows our employees to look at a customer and get all associated documents for that account in one place. The documents created by multiple systems are tied into one master system."

Another COO said: **"With InSight, we have visibility into what's going on with our portfolios. From an effectiveness and efficiency standpoint, there is definitely a gain for both customer service as well as internal review."**

The Forrester report highlights several key points related to the implementation and impact of the Iron Mountain platform. Here are the main takeaways:

Efficiency and productivity gains: Organizations realized efficiency and productivity gains by centralizing access to data and documents. Before adopting an Iron Mountain solution, they struggled with disparate systems and manual processes that hindered data retrieval. A centralized system allows employees to quickly search and access customer records, reducing the time spent on manual tasks.

Compliance and risk management: Iron Mountain helps organizations securely manage data access, follow data retention policies, and respond efficiently to audits. These capabilities minimize the risk of non-compliance and potential fines.

Cost savings and resource optimization: Organizations cut storage costs, increased document management efficiency, and streamlined workflows. They lowered operational overhead, resulting in significant financial savings.

Revenue generation and customer experience: Iron Mountain solutions empower organizations to boost revenue generation and enhance customer experiences. Faster access to critical information and quicker responses to customer inquiries support overall business growth.

Related content and resources

Read more success stories about automation and IDP with Iron Mountain.

> A top US insurance provider swiftly and securely processes more than a million claims files.

> A leading mortgage lender responds more quickly to market demand, growing its business by 30% year over year.

> A state agency digitizes its claim documents for end-to-end efficiency to promptly meet the needs of residents.

Learn more about IDP and workflow automation.

Get started today

An IDP solution reinforced by a robust content management platform, like InSight DXP, supports the four-part framework for driving automation. It allows financiers to digitize loan originations, automate contract ingestion and document processing, and streamline loan funding, including contract validation, delivery, and bank review.

Organizations looking for an end-to-end solution must also consider scalability, security, integration with third-party software, and the depth of vendor experience.

> "We see Iron Mountain as uniquely qualified to deliver on the promise of IDP. The company's portfolio of products and services spans the range of data management, and its decades of experience in the physical and digital asset management space sets it apart."
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> *–Moor Insights & Strategy*

According to Moor Insights & Strategy (MI&S), although higher-level digital transformation use cases garner much attention, companies' most significant challenge is transforming assets. Converting existing physical documents and artifacts to digital and comprehensive workflow management that categorizes, secures, and shares these new digital assets across the company are

critical in enabling a company to solve specific business challenges and process inefficiencies. Rather than searching multiple repositories and systems that house data in a variety of formats, business users must have a single source of truth.

IDP is a solution space that helps organizations achieve these goals. Considering the business with multiple divisions that will consume as much as possible, one can see the challenge of selecting the right IDP solution. The depth of functionality must complement the breadth of features. And in this era of the citizen developer, low-code or no-code workflow automation powered by AI is a must. Point-and-click simplicity is the design standard for the capture, conversion, categorization, and centralized storage of data.

Further, technology is only as good as the company that supports it. **Iron Mountain has a proven track record of managing customer data. MI&S sees these considerations as critical to evaluating IDP solutions providers in the market. And because of this, we see Iron Mountain as uniquely qualified to deliver on the promise of IDP**. The company's portfolio of products and services spans the range of data management, and its decades of experience in the physical and digital asset management space sets it apart.

(Access the MI&S report: Exploring Iron Mountain's Role in the Digital Transformation Value Chain)

About Iron Mountain

For over 70 years, Iron Mountain Incorporated (NYSE: IRM) has been your strategic partner to care for your information and assets. A global leader in storage and information management services and trusted by more than 225,000 organizations around the world, including over 90% of the Fortune 1000, we protect, unlock, and extend the value of your work—whatever it is, wherever it is, however it's stored.

We create the framework necessary to bridge the gaps between paper, digital, media, and physical data and extract value along its lifecycle, helping to build your organizational resilience. And all this with a commitment to sustainability at our core.

Our relationship is a true partnership where you trust us not only to preserve institutional knowledge and enhance efficiency, security, and access but to make your work mean more. Because in that work is the power to not only accelerate your business but elevate it.

Trusted by more than 225,000 organizations around the world, and with a real estate network of more than 85 million square feet across more than 1,400 facilities in over 50 countries, Iron Mountain stores and protects billions of valued assets, including critical business information, highly sensitive data, and cultural and historical artifacts. Providing solutions that include information management, digital transformation, secure storage, secure destruction, as well as data centers, cloud services, and art storage and logistics, we help customers lower cost and risk, comply with regulations, recover from disaster, and enable a more digital way of working—and all this with a commitment to sustainability.

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