

CASE STUDY – SOFTWARE SELECTION

When a leading mutual bank wanted to transform its loans origination platform and enhance its customer online experience

We assisted by comparing available software solutions, preparing a Request for Proposal (RFP) and facilitating a competitive evaluation and selection process.



The Challenge

The bank's loans origination system was outdated, heavily customised and expensive to maintain. This had led to the creation of numerous workarounds and inefficient processes and practices. The online loan application process was complex for customers and the bank was inhibited in its ability to process loans quickly and take potential customers out of the market early.

What We Did

Working with a small team of key people within the bank, we facilitated a series of workshops to conduct an end-to-end review of the current loans origination processes to identify areas of inefficiency, major "pain points" and rank functionality requirements on a must-have, like-to-have and wish-list basis.

Our knowledge of market solutions was coupled with the bank's requirements to inform a review of potentially suitable software solutions and a shortlist of potential suppliers were invited to participate in a competitive bid process.

We then prepared a formal RFP and issued bidder packs to eligible suppliers requesting their formal solution proposals. Candidates were asked to complete a detailed questionnaire designed to facilitate uniform

supplier responses and enable an "apples to apples" comparison across factors including

functional fit, solution architecture, delivery capability, maintenance & support, track record and cultural alignment.

Each question was weighted based on the bank's priority (e.g. wish-list, desired, must-have) and candidate responses were scored on the bases of each function being either fully met, requiring customisation or not provided in the native software. This enabled a weighted average response to be calculated for each question, corresponding to the bank's needs.

Once final submissions were assessed and compared, the candidate shortlist was reduced and the remaining suppliers invited to demonstrate their solution, enabling assumptions to be tested and key requirements to be locked in prior to final recommendation.

Throughout the project, we managed all aspects of engagement with potential suppliers, ensuring maintenance of process probity, substantiating responses through follow-up questioning and requests for additional information and carrying out due diligence.

What We Delivered

During our initial current-state process assessment, we identified an opportunity to leverage this work by actioning “quick win” opportunities. This allowed us to develop a prioritised roadmap of pragmatic initiatives that could be executed quickly and without significant increase in compliance, credit or operational risk, and without delaying the RFP process.

We then delivered an RFP that:

- Contained quantitative evaluation criteria;
- Generated quality and value in responses;
- Covered all key solution elements likely to influence a decision; and
- Addressed all current and future business requirements in sufficient detail so that potential suppliers did not submit an inaccurate solution.

We managed all interaction with potential suppliers and completion of due diligence.

Our final report for the bank’s board identified a front-end lending solution that would:

- Provide a modern (online) self-service experience for customers, including information portals, back-channel messaging and mobile device capability;
- Improve the bank’s ability to service customers and reduce the “time to decision”;
- Reduce operational costs by automating manual processes;
- Keep pace with Australian regulatory and compliance requirements;
- Support third party systems integration (Credit Bureau, Valuers, LMI, Core Banking, etc.);
- Ensure “grow with” potential for emerging channels, product and sales processes;
- Handle multiple asset classes (home loans, commercial and personal loans);
- Provide faster and more reliable delivery of product development initiatives;

- Improve quality control by standardising with best practices;
- Reduce operational risk through removal of manual processing and re-keying of data; and
- Deliver improved visibility and reporting.

More Information

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