CASE STUDY – BUSINESS REQUIREMENTS

When a niche lender wanted to improve its application lodgement experience for its customers We assisted by documenting the business requirements for development of a new "mobile-friendly" loan origination solution.

The Challenge

The company operates in a niche market where over 80% of potential customers who start a loan enquiry do so using a mobile phone rather than a laptop or PC.

Their in-house application software was not optimised for mobile devices, making the process unwieldy for customers and causing many of them to abandon the process mid-stream, resulting in undesirably low conversion rates.

The company's internal on-boarding process also needed attention as there was no systematic validation or controls on data, leading to disconnected customer service and compounding the problem of poor conversion rates.

Internal processes were entirely manual requiring a disproportionate amount of staff effort and cost throughout the loan origination procedure which lacked scalability and was constraining the company's ability to deliver on strategic growth initiatives.

The business needed to review its overall on-boarding process and supporting (front end) technology platform by adopting a more robust, efficient and streamlined process - the

highest order objective being that customers must be able to interact efficiently via mobile devices.

What We Did

We reviewed available policy, process and procedure documentation and conducted

workshops with key stakeholders to understand the current-state processes and systems.

This discovery process coupled with our experience enabled us to design a future-state process that would:

- Introduce process automation and online self-service, allowing new customers to complete an application quickly and correctly;
- Validate information from the customer as it is entered;
- Generate automated prompts to assist the customer as they complete the process; and
- Advance the quality and maturity of internal operations.

Our Plan

Our recommended process flow was designed from both a customer and back-office processing perspective and included the implementation of electronic interfaces that could be leveraged to maximise efficiency gains.

The adoption of automation around any third-party interface was conditional upon completion of an appropriate cost/benefit analysis on the basis that the business could then choose to continue with some or all of its current manual (online) enquiry processes for now and consider a staged implementation of

automation as business volumes justified in the future.

Key recommendations regarding the selection of new software included that it should provide for:

- The customer only being asked questions that are absolutely necessary to the process, and those questions should be generated dynamically as the customer completed their application;
- Only if an application failed the automated process should the company's employees become involved to manually review and resolve;
- Automated alerts, notifications and status reports being generated, to give all stakeholders visibility over the application pipeline at all times;
- Once an application is approved, relevant documentation should be automatically generated and made available for secure download by the customer;
- Contemporary integration standards with third parties (Credit Bureau, etc.); and
- Flexible workflow management capabilities, allowing the company to implement changes to process and policy quickly and seamlessly.

What We Delivered

We documented the business requirements for a new loan origination platform adopting key elements of contemporary on-boarding practices including self-service capabilities and automation of an excessively manual back-office process.   Leveraging technology to improve these processes would enable the company to realise the following benefits:

- Improve the customer experience and, in turn, conversion rates;
- Reduce the time to revenue (accelerate time to cash flow by capturing new clients faster);
- Improve quality and reduce operational risk (and cost) resulting from the removal of manual processing and re-keying of data;
- Improve scalability and growth potential;
- Improve customer communications using automated emails and SMS;
- Increase productivity by freeing up staff time;
- Increase employee engagement levels so the team can focus on more challenging, value-add work; and
- Reduce risk by validating data at the point of entry and avoiding manual re-keying.

More Information

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