

Automating Global Finance and Leasing Transactions

Customer Overview

The customer is a global provider of leasing, business and consumer finance solutions, including vendor finance. Vendor finance is the customer's core competency and their vendor finance operations span the globe. The finance company has a proven track record in small to middle ticket leasing and focuses on a select number of vertical industries. This specialization means that the organization has in-depth knowledge of its client's needs and challenges. The finance company's focus on small to middle ticket leasing requires the organization to process high volumes of transactions. In this environment, profitability is highly dependent on operational efficiency.

Customer Challenge

The finance company was facing a number of challenges in its Australia/New Zealand Vendor Finance division. The credit process for small to middle ticket leasing was very manual and required the credit team to reenter the same data into multiple lease origination systems. The finance company's vendors were using an automated quoting tool but all of the client's information had to be rekeyed into credit applications, transaction documents and the booking system. This reentry of data resulted in high error rates which necessitated constant investigation and rework. The credit staff's efficiency was further hindered by the need to field emails and phone calls from vendors about the status of applications. This inefficient process required the credit team to steadily add headcount to keep up with growing volume of business. The cost of the growing staff was pulling down the division's bottom line profitability.

Third Pillar Project

The global finance company had previously selected Third Pillar to implement its LoanPath Enterprise Credit Management platform for their U.S based vendor finance business. Third Pillar was chosen through a rigorous selection process run by a leading management consulting firm. The Australia/New Zealand Vendor Finance division decided to leverage the success that the U.S. division has experienced with LoanPath. The primary goal of the new system was to improve transaction profitability by driving down operational cost through process efficiency. The organization also wanted to provide its vendors flexibility in customizing leases while maintaining profitable yields.

Challenge

- Automate data entry for multiple lease origination systems
- Provide vendors flexibility in customizing leases
- Reduce the need for more new hires

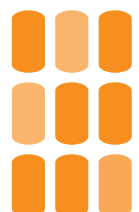
Solution

- Streamline and configure credit processes
- Link to outside credit bureaus through LoanPath
- Fully automate Straight Through Processing

Result

- Complete automation of all leasing transactions
- Rapid business growth without increasing headcount
- Eliminated all paper documentation, filing, and storage

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The finance company engaged Third Pillar Professional Services to streamline and configure the organization's credit process in LoanPath. LoanPath's Workflow Engine and Rules Engine functionality were leveraged to make the quoting, application, underwriting and approval processes more efficient. Credit Scoring was enabled by linking to outside credit bureaus through LoanPath's Web Services layer using XML. All transaction documentation is automatically generated, stored and managed within the LoanPath platform. Once a transaction is approved in LoanPath all of the necessary data elements are transmitted seamlessly to the organization's booking system. By implementing LoanPath, the Australia/New Zealand Vendor Finance division had realized its goal of fully automated Straight Through Processing for all leasing transactions.

Customer Benefits

LoanPath enabled the Australia/New Zealand division's leasing business to grow at a rapid pace without increasing headcount. In fact, the division was able to double its sales volume while reducing its credit staff by 25%.

Vendors are now able to offer their customers discounts, promotions, and variable terms/payments while maintaining a fixed minimum yield through LoanPath's browser based quoting engine.

Vendors are able to check on the credit status of any leasing transaction instantly through a browser. Vendors no longer have to make phone calls or write emails to the credit staff and the staff no longer have to field these requests.

All of the quote information collected at the point of sale is now auto-populated into the credit application. This has

eliminated all rekeying of data thereby reducing error rates and allowing the staff to handle more volume.

All documentation is generated for clients at the point of sale by the vendors. This has resulted in less effort for the credit team and increased customer satisfaction.

Automated credit scoring and approval means that operations staff deal with exceptions only. This has reduced standard multi-day credit approval to same day approval. Same day credit approval has enabled the finance company to sign up new vendors at an unprecedented rate.

The LoanPath system has eliminated all paper documents and the filing and storage associated with them. All documents are contained in a single electronic credit file that can be easily accessed by anyone across the globe via a web browser.

THIRD PILLAR SERVICES

From consultation to implementation, Third Pillar offers a suite of professional services to make sure your investment surpasses expectations.

- Project Management
- Business Analysis
- Business Process Mapping and Re-engineering
- Software Configuration
- Software Customization
- Interface Development
- Implementation Services
- Architectural Consultation

