

# Implementing EAVE for Flexibility and Agility in the Loan Origination Process

## Customer Overview

The customer is a global finance company that provides leasing, lending and capital investment products and services to help business customers grow. The company is among the largest finance institutions in the world with more than a million customers across the globe. Its product offerings include equipment leasing and lending, inventory finance, fleet services and franchise finance. The customer's extensive global operations require that company's processes and client communications follow the sun around the world each business day.

## Customer Challenge

The global finance company had made a strategic decision to automate its paper-based loan origination system well over a year ago. The organization was originating and processing commercial loans all over the world for a wide variety of businesses. The entire loan origination process was completely manual and paper-based. Documents were generated on paper and then circulated through interoffice mail or Fedex for approvals and signatures. Loans to purchase high value equipment such as aircraft had credit files of up to 80 documents that required circulation to almost as many individuals. The finance company's internal project to automate the paper-based process had become bogged down in complexity and delays and the business required an automated solution that could be implemented rapidly.

The finance company had performed research proving that the key driver of customer satisfaction was a consistent and predictable credit process. The research showed that high levels of customer satisfaction require that clients understand what is needed from them at the outset of the credit process. It is also essential that approval time frames are committed to early in the process and adhered to. Any new system would have to enable these primary customer satisfaction goals. Another key goal for the automation project was to standardize the credit process by codifying it into a system. Standardization meant that every loan would be subject to the same set of credit policies and that these policies could be adjusted in real time to respond to market events.

## Third Pillar Project

The finance company presented Third Pillar with a challenge. Streamline and configure the business rules and workflow of the loan origination process into Third Pillar's LoanPath system and have it up and running in six months. The new system would need to incorporate up to ten levels of approval and would be accessed by thousands of users worldwide. The users of the system included executives at the highest levels of the global organization and it was important that users be exposed to only the level of detail that they required. The system would need to integrate with the organization's Seibel CRM system where deal data and documents were collected in the initial sales process. The system would also have to feed the finance company's back-end booking system upon final credit approval.

## Challenge

- Automate an entire loan origination process
- Provide customers with a consistent credit process
- Standardize their credit process

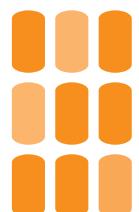
## Solution

- Document policies and workflows
- Generate, store, and manage transaction documents
- Codify the loan origination process

## Result

- Increased customer satisfaction
- Simplified credit approval process
- Reduced credit approval timeframes

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The finance company engaged Third Pillar Professional Services to document the organization's credit policies and business workflows through use cases and configuration templates. LoanPath is a highly configurable application and the Rules and Workflow Engines were leveraged to quickly codify the organization's loan origination process in the system. Third Pillar was also able to leverage many of LoanPath's out of the box business rules and workflows, which are best in class for commercial loan origination. In LoanPath, all transaction documentation is automatically generated, stored and managed within the platform.

The LoanPath platform is built on best of breed Java and XML technology and a Services Oriented Architecture. This open architecture eased the integration effort allowing the Seibel system and the booking system to be connected without delay. The LoanPath system was fully tested and operational in a Third Pillar hosted environment within the 6 month time period that Third Pillar originally committed to. The ability to rapidly model the organization's complex credit environment and fully integrate it can be attributed to the flexibility of LoanPath's architecture. The Rules and Workflow Engines do not require programming and the Web Services architecture speeds integration efforts.

### Customer Benefits

Soon after the LoanPath system was implemented, customer satisfaction levels began steadily rising. The credit approval process had become consistent and predictable allowing the sales team to accurately set client expectations around documentation requirements and approval timeframes.

The new loan origination system allowed the management team to observe bottlenecks occurring in the credit process and then take remedial action since all of the credit activity could be observed on a single system. The ability to load balance activities and tasks among credit teams has resulted in steadily decreasing approval turnarounds.

Now that thousands of users across the globe can access any electronic credit file from a web browser, obstacles in the credit process can be easily identified. A member of the credit team, with the appropriate authority levels, can see the status of any loan application in real time. Relationship Managers are emailed status notifications as their client's loan applications move through the credit process.

The reduction in credit approval timeframes has not only resulted in high win rates. Each deal is now on the finance company's books earning interest sooner than ever before resulting in greater profitability.

The finance company has realized significant cost savings by eliminating paper-based filing, storage and Fedex costs. At the same time the credit staff has been able to process a significantly increased volume of transactions without adding headcount, all with better credit decision data.

Internal and external auditors now access all needed documentation from any web browser and track the approval process as it occurred within LoanPath. The ability for users to add comments to any step in the process has proved invaluable to auditors.

Now that all loan origination data has been captured in the LoanPath system, correlating the performance of outstanding loans with the decisions that were made in the credit process is simple. This feedback loop has led to a cycle of continuous improvement in the credit process.

Since all credit policies have been codified into a rules-based system, credit policies are now being modified in real time to respond to market events.

### 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

