



CASE STUDY

Ashikaga Bank boosts business operations efficiency with Microsoft Power Platform

Automation simplifies mortgage screening process to improve customer experience

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As financial deregulation in Japan has advanced, the banking sector has faced intense competition from other industries and pop-up internet banks. Moreover, prolonged low interest rates have made revenue maintenance difficult. In an effort to increase customer convenience and retain business, many banks have launched initiatives to reduce or eliminate physical documents and automate documentation by robotic process automation (RPA) and the latest technology.

Business situation

Volume of mortgage application documents delays approvals

The Ashikaga Bank, Ltd. is a regional bank based in the northern part of Kanto, Japan with its head office in Utsunomiya City, Tochigi. In April 2020, it launched a business process reform (BPR) program using an existing RPA team, and kicked off BPR for the overall business with the newest IT tools, including [Microsoft 365](#).

“We selected the efficiency of our mortgage loan screening operation for our first project.”

Kiichi Kobayashi

Head of the BPR Promotion Office

The volume of documents required for housing loans complicates the screening process, and more than 80% of Ashikaga Bank loans to individuals (about 40% of the bank loan business) are mortgages. The BPR promotion office wanted to extend mortgage business process efficiencies to simplify other business operations in the bank as well.

The BPR promotion office set three goals for an efficient mortgage loan screening process:

- Decrease the number of business days required for loan approval
- Reduce the number of documents required of customers
- Cut the bank's administrative operations costs

The aim was to reduce the workload by half by shifting paper documentation to digitalization.

Solution

Business operations reinvention

The BPR promotion office selected [Microsoft Power Platform](#), as Ashikaga Bank recognized:

- Power Platform could be a platform for business process reform.
- Microsoft SharePoint could be used as database.
- Advanced connectors in Power Apps could easily communicate with systems used for different business purposes.
- A low-code development tool could enable employees outside of the bank's systems department to develop applications themselves.

Because Ashikaga Bank was using Power Platform for the first time, the bank sought expert support for its proof of concept (PoC). “We looked for a company that had bountiful experience in introducing the system and could work shoulder-to-shoulder with the bank, from setting requirements to conducting the PoC,” said Mr. Kobayashi. Ashikaga Bank chose Avanade for its work history in supporting the introduction of Power Platform.

The project started with interviewing employees in Ashikaga Bank's loan center to identify mortgage loan business requirements, as well as business process flows. Avanade contemplated the bank's ideal business process. Together, we determined the systems to be verified by the PoC while

“We communicated closely with the BPR promotion office to garner requirements for the future business processes. We also explored generic architecture commonly used, even for businesses other than mortgage loan operations.”

Mr. Goto

Avanade's Power Platform Center of Excellence Lead

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Avanade developed a system for the PoC and confirmed its feasibility. Two applications were developed in Microsoft Power Apps: one for the head office of Ashikaga Bank and another for the loan center. The screen for customers to enter information was created in Microsoft Forms, but in the future, we are exploring architecture that utilizes the benefits of Power Platform, such as creating the screen with Power Apps Portals and moving the database to Microsoft Dataverse.

Results

Ensured efficiency

"We confirmed that Power Platform is very useful for a seamless mortgage loan screening process after having conducted a PoC with Avanade. We were able to achieve 120% of our targeted goal," Mr. Kobayashi said.

With approval from the loan business department, the BPR promotion office planned the transfer from PoC to actual operation, including purchasing the license and incorporating functions to communicate with other business systems.

The application will be gradually rolled out to the 15 Ashikaga Bank loan centers to minimize business impacts and implement application improvements based on use. "We strongly felt our path should be to work with an IT expert to handle even higher goals," Kobayashi said. "There are no good outcomes by using only what a vendor brings to us or by just expressing our requirements without touching anything on software development."

Kazuyuki Sagawa, principal examiner at the BPR promotion office said, "We could see the light at the end of the tunnel for Ashikaga Bank's efficient loan business operation after completing development of a platform for seamless business operation and digitalization. Avanade is well-versed in Microsoft products and business process reforms."

"We are very grateful for Avanade's speedy and accurate response to our questions, raised by people with almost no knowledge of Power Platform. Because of this support, we are now able to try simple applications on our own."

Seiko Ishimori

Deputy Manager at the BRP Promotion Office

About The Ashikaga Bank, Ltd.

A regional bank based in the northern part of the Kanto region, the Ashikaga Bank started on October 1, 1895 at Ashikaga-machi, Ashikaga County, Tochigi prefecture (now Ashikaga City, Tochigi), and relocated to Utsunomiya City, Tochigi in February 1967. After having merged with Joyo Bank, Ltd. on October 1, 2016, it established Mebuki Financial Group, Inc. Total asset value is 6948.7 billion yen. The bank provides financial services to individual and corporate customers through a network including 107 head or branch offices and 43 field offices. <https://www.ashikagabank.co.jp/>

About Avanade

Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences on the Microsoft ecosystem. With 39,000 professionals in 25 countries, we are the power behind the Accenture Microsoft Business Group, helping companies to engage customers, empower employees, optimize operations and transform products, leveraging the Microsoft platform. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at: www.avanade.com

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