

Case Study

Global Bank Saves \$45 Million Annually by Redesigning Work



A top bank boosts competitiveness by offloading data validation from loan origination staff and migrating off the mainframe.

The company

This major bank operates on five continents and provides a full range of consumer and commercial banking and investment services.

Business situation

The bank has always led its industry in the adoption of new technologies and services, most recently with ATMs, consumer credit, remote banking, mobile banking, and person-to-person payments. So why was its loan origination system still handled on a decades-old mainframe?

The competitiveness of the bank's mortgage business was challenged by a process that required the loan origination staff to validate all loan application data manually. The process was expensive, time-

consuming and prone to error—issues the Bank wanted to address to help ensure continued competitiveness and customer satisfaction.

Results delivered

The bank made several attempts to repair or replace the system, sometimes on its own, sometimes with systems integrators or others. Then, it turned to Avanade.

Avanade applied Work Redesigned principles to transform the way the bank's sales and loan origination employees and agents worked, creating processes that were faster, more productive, more accurate, more customer-focused and competitive—and less expensive.

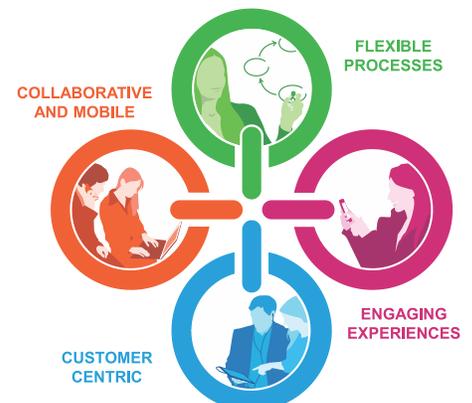
With Avanade's help, the bank built a Microsoft web-based solution, migrated from the mainframe to a best-of-breed Windows-based infrastructure, and adopted a custom mobile app for customers. As a result, the bank:

- **Boosts productivity by 30%** in loan originations, saving \$10 million annually.

- **Saves \$35 million** in licensing fees.
- **Cuts loan origination process by 50%**, to 5 days, from application to settlement.
- **Increases customer satisfaction** with faster, more accurate, and more customer-centric service.
- **Projects business increase of 70%** from 700 to 1200 loans per day.

The Work Redesigned difference

- **Loan officers** spend less time fixing loan applications and more time helping customers.
- **Loan origination workers** spend less time verifying data, and more time on applications that need their expertise.
- **Home buyers** find the loan process fast and simple, boosting satisfaction and loyalty.



The Work Redesigned Difference

The bank replaced a mainframe solution, which required loan origination staff to verify the data in each application, with a Windows solution that verifies data automatically before it reaches loan originators. The bank, its staff, and its customers all benefit from a faster, more accurate, more customer-focused



The inside story

The bank sought Avanade's help during its RFP process for a new software solution. Avanade not only assisted in that process, but also showed how technology would help to redesign work processes to optimize results.

To free up the loan origination staff to focus on the applications where the greatest value could be realized, the redesigned work process moves data verification into the earlier, sales process, and automates it. Sales people—who can be branch officers, tellers, call center staff, or independent financial agents—

submit loan applications through an internal application and receive immediate requests for updated or corrected information, as needed. Customers apply for loans by themselves using a mobile app and receive immediate data requests from the system, as needed.

Corrected applications go to the loan origination staff, who no longer perform routine data validation. Instead, they are far more productive, handling more applications, and far more effective, handling only those applications that require their attention.

Up to 250 consultants and experts at a time worked to deliver the redesigned work processes over 2 years and 9 months—more efficiently than the unsuccessful five projects the bank had previously attempted on its own.

Avanade and the bank rolled out the solution over a couple of releases and in a series of increasingly larger phases, so they could refine and confirm the solution's performance, as well as accustom the sales and origination workers to their new roles.

One challenge was convincing the bank managers who supervised independent financial agents that the change was warranted and the risk acceptable. The managers became convinced when the bank and Avanade successfully switched call center staff to the new solution.

Why was the project successful when the bank's previous efforts were not? Avanade helped them to create the strongest possible business case—exceeding the savings on licensing fees—and executive sponsorship. It also provided the specialized technology leadership they needed, and a comprehensive team including the bank's business and IT managers and its hardware and software vendors.



About Avanade

Avanade provides business technology solutions and managed services that connect insight, innovation and expertise in Microsoft® technologies to help customers realize results. For more information, visit www.avanade.com.

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