



Overview

Country or Region: South Africa

Industry: Financial Services

Customer Profile

Nedbank, listed on the Johannesburg Stock Exchange since 1969, is one of the four largest banking groups in South Africa, offering a wide range of wholesale and retail banking services.

Business Situation

To improve service and better compete with other providers, Nedbank wanted to develop an automated solution to improve response times for customers seeking personal loans.

Solution

Microsoft® Certified Partner Intervate developed a new system for processing loans using the Microsoft .NET Framework and the K2.net 2003 workflow engine.

Benefits

- Helps sales consultants meet targets.
- Customers get loans in minutes, not days.
- Managers gain 360-degree view of business.
- Improves collaboration.
- Low cost of ownership.

South African Bank Approves Customer Loans in Minutes with New Processing System

“Provided we have all the correct documents, we can go from pre-application to disbursement of a loan in less than a working day, and the record for a priority loan now stands at six minutes.”

Andrew Souchon, Head of IT, Nedbank Personal Loans

Nedbank, one of the four largest South African commercial banks, is a major player in the micro and personal loans sector, with a focus on the country's financially underserved and low-income communities. Faced with growing demand, Nedbank Personal Loans looked for an alternative to its paper-based loan-processing system, which was time consuming and inefficient. Nedbank turned to Microsoft® Gold Certified Partner Intervate for a business-process automation and workflow solution using the Microsoft .NET Framework development system. As a result, in 2006, Nedbank handled a 107 per cent growth in loans business, with only a 6 per cent increase in resources. Approval time for processing a loan—where the customer provided all information correctly—fell from five days to less than a day.

“Our personal loans and micro finance business is operating in a very dynamic way. We are growing our personal loans business three times faster than our nearest competitor.”

Andrew Souchon, Head of IT, Nedbank Personal Loans

Situation

Nedbank—one of the four biggest commercial banks in South Africa—is now growing three times faster in its micro and personal loans business than its nearest competitor. Micro loans are currently dispensed to customers for amounts of between 2,000 and 10,000 rand (U.S.\$285–\$1,420), while personal loans can range from 15,000 to 100,000 rand. Only three years ago, Nedbank Personal Loans was dependent on a manual, paper-based tracking system, which was time consuming and unproductive.

Consultants in the company's 200 countrywide branches would record the loan application details using an internal risk-based pricing solution. They printed out forms, obtained customer signatures, and faxed the forms to the head office, along with other relevant supporting documents. The paper-based system had severe limitations that often caused unnecessary delays. It could take as long as a week to process a “clean” application and even longer if queries arose.

In 2004, the bank decided that it needed an automated business process and workflow solution with a document image viewer to improve turnaround time for customers. It also wanted to meet growing demand created by the bank's successful marketing campaigns.

Andrew Souchon, Head of IT, Nedbank Personal Loans, says: “When considering our options, we made the decision not to undertake a radical re-engineering of the existing process. We wanted to ensure that the process was familiar to our users. Our primary requirements were that the system automate workflow and ensure adequate measurement, tracking, and escalation and give us a paperless environment with all documents presented in digital format.”

Nedbank also decided to spend time on improving its employees' skills base, particularly those in its head office business hub or mail room, many of whom had not previously used computers. “It was very important that the solution provide ease of use for all employees,” Souchon says.

Solution

Working in partnership with Intervate, a Microsoft® Gold Certified Partner with information worker competency and custom development competency, Nedbank developed an automated solution to streamline the processing of loan applications. Intervate undertook a full needs analysis before designing a workflow solution using the Microsoft .NET Framework development system and the K2.net 2003 workflow engine. All computers within the division were upgraded to Windows XP® operating system.

Initially deployed in February 2005, the system presents an easy-to-use graphical user interface (GUI), with various departments within the division logging into user interfaces of the Web-based workflow solution. Each individual interface makes it easier for each department to complete its allocated tasks.

The Intervate solution automated the company's personal loan processes by sending all faxes from branch offices to a fax server—an element of Microsoft Windows® 2003. The division is also using Microsoft Office 2003, which includes Microsoft Office Document Imaging, helping users to scan, view, and perform minor editing on images that are part of the loans processing system.

As the initial project work avoided creating a completely re-engineered process, the solution has been fine-tuned since 2005 with further enhancements planned. Souchon says: “This has meant that the solution has

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Andrew Souchon, Head of IT, Nedbank Personal Loans

grown organically and in response to the changing needs of our business, including capacity for new product development and easier compliance with regulators.”

The primary challenge in implementing the solution was not technology related, but rather based on the change management needed in order to make the project a success. Lionel Moyal, Chief Technology Officer, Intervate, says: “To address this potential drawback, Intervate and Nedbank Personal Loans worked closely together to ensure that employee buy-in to the project was secured from the outset.”

Benefits

Loan approval time for customers with all the correct supporting documents has been cut from five days to less than a day, with some priority applications taking as little as six minutes. Sales throughput rose by 107 per cent in 2006, while resources have only increased by 6 per cent. The highly effective new tool cost Nedbank 20 per cent of what it would have been charged to use another solution.

Loan Consultants Meet Higher Sales Targets

With the automated system, Nedbank’s loan consultants throughout South Africa are meeting higher sales targets, with throughput up by 107 per cent in 2006 compared to the previous year. There was minimal increase in employee count, with resources only rising by 6 per cent. “Our personal loans and micro finance business is operating in a very dynamic way,” says Souchon. “We’re growing our personal loans business three times faster than our nearest competitor.”

Customer Loans Disbursed in Minutes

In a highly competitive industry, Nedbank is now approving and disbursing priority personal loans in as little as six minutes, while non-priority loans can take just 75 minutes. This massive improvement in

performance is ensuring higher levels of customer satisfaction and bringing huge benefits to South Africa’s financially underserved and low-income communities, where the need for micro finance is highest.

“Provided we have all the correct documents, we can go from pre-application to loan disbursement in less than a working day, and the record for a priority loan approval now stands at six minutes,” says Souchon. “Our decision making on loan applications is much more consistent and accurate, reducing the potential for financial losses by the bank. The number of loan applications not taken up has decreased because our back office can handle more applications and serve customers more effectively. It has also cut the risk of losing business to competitors.”

360-Degree View of Performance

Managers can now accurately track and measure the work of the Nedbank Personal Loans division. Management has gained a 360-degree view of the division’s operations and measures its critical success factors more accurately than before. This also helps with identifying new products and resources and makes compliance with regulators easier.

Souchon says: “Analysts are provided with more powerful and improved decision-making tools due to the increased amount of data made available by the implementation of the workflow solution. It has been a tremendous help from an operations and quality control perspective.”

Good Return on Investment for Managers

The highly effective tool supplied by Intervate cost Nedbank 20 per cent of what it would have been charged to use another solution. However, Nedbank was not primarily concerned with costs, but more with meeting the needs of its growing business and ensuring better services for customers.

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about Intervate products and services, visit the Web site at: www.intervate.com

For more information about Nedbank products and services, call 0860 103 582 or visit the Web site at: www.nedbank.co.za

Souchon says: "We gave developers clearly defined scope and specifications for the project, which ensured a fast turnaround time on changes. We have also ensured that Nedbank Personal Loans meets compliance requirements because all loan applications are quickly and easily accessible should a query arise."

Partnership Working Improves Offerings

Nedbank Personal Loans does not follow a traditional vendor-supplier model, but looks instead for a strong partnership ethos in all its relationships with suppliers. Intervate met this requirement to the full.

"Intervate participated in the project as team and project members, rather than as the outside supplier," says Souchon. "The division's business users interacted with Intervate regularly, giving the development team an understanding of the people in financially underserved communities for whom the solution was being developed."

Microsoft .NET

Microsoft .NET is software that connects people, information, systems, and devices through the use of Web services. Web services are a combination of protocols that enable computers to work together by exchanging messages. Web services are based on the standard protocols of XML, SOAP, and WSDL, which allow them to interoperate across platforms and programming languages.

.NET is integrated across Microsoft products and services, providing the ability to quickly build, deploy, manage, and use connected, secure solutions with Web services. These solutions provide agile business integration and the promise of information anytime, anywhere, on any device.

For more information about Microsoft .NET and Web services, please visit these Web sites: www.microsoft.com/netmsdn.microsoft.com/webservices

Software and Services

■ Products

- Microsoft Office 2003
- Microsoft Office Document Imaging
- Microsoft Windows 2003

■ Technologies

- Microsoft .NET Framework