

IBM Banking Solution – Multichannel origination solution for consumer lending

*Streamlining multichannel origination for
consumer lending using business process
management (BPM)*



Highlights:

- Drives improved customer engagement by enabling an enhanced user experience across channels
 - Enables near-real-time monitoring to help reduce risk as well as cost of pipeline management
 - Helps improve net interest income through additional volumes
-

Retail banks have complex origination processes for consumer lending. The inability to standardize end-to-end processes results in multiple origination, underwriting, scoring and servicing applications, complicating the sales efforts and the required infrastructure to support origination. At a time when organic growth is critical to the goals of the financial institutions, nontraditional lenders are gaining an advantage in capturing new customers. To capture new businesses, the banks need to reduce the time required to execute end-to-end origination processes.

Start the transformation to streamline multichannel origination

IBM's solution for multichannel origination is designed to integrate business process management, business activity monitoring, analytics and content management technologies in a more streamlined end-to-end process. Our approach helps reduce the time required to execute the origination process and provide a near-seamless user experience across channels.

The following scenarios represent the typical challenges that our solution can address:

- Abandoned loan applications lead to higher per-unit cost to originate and lower net revenue driven by lower capture rates.
- Staffing is not aligned with process volumes and backlogs, resulting in higher costs and or failure to meet service level agreements.
- Customer satisfaction is diminished by longer approval times and unclear status of the approval process, which can lead to attrition of other products.
- Channels and products drive different origination processes, resulting in uneven experiences and staffing models





Enable improved capture rates while helping reduce costs

The business impact of IBM's solution will help increase capture rates on new account origination, improve front office (branch) utilization and lead to reduced processing costs from "started not completed" applications, regardless of channel. The integrated end-to-end process will also help institutions improve pricing and capture by enabling "right-offer, right-price" strategies.

Our solution is designed to provide the following business benefits:

- Improved book-to-look ratios or application to funding ratios that help improve net interest income through additional volumes
- Reduced cost from processing non-booked applications
- Reduced cost from pipeline management through business activity monitoring (BAM) and business intelligence (BI)
- Improved customer engagement by enabling an improved multichannel experience
- Possible price improvements through price optimization—right price, increased price for expedited processing
- Possible risk reduction through near-real-time monitoring

Why IBM

IBM provides one of the most comprehensive offerings in the industry with a single source of services and solutions to drive innovation and transformation. We are a trusted partner for building your BPM roadmap with our strategy consulting, software implementation and system integration expertise for BPM solutions.

IBM has industry-leading banking experience, advanced technology expertise and cost-effective methodologies to help banking organizations of all sizes transform their value chains and realize business value. Our centers of excellence, proof-of-concept engagements and IBM Research "first-of-a-kind" projects conducted with clients demonstrate innovation and tested ability in solution implementation. IBM has a global presence with local expertise in the banking industries, combined with hardened methods for executing successful BPM programs.

For more information

To learn more about IBM's solution for multi-channel origination, please contact your IBM representative, or visit the following website:

ibm.com/services/bpmconsulting

© Copyright IBM Corporation 2013

IBM Global Services
Route 100
Somers, NY 10589
U.S.A.

Produced in the United States of America
April 2013
All Rights Reserved

IBM, the IBM logo and ibm.com are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol (® or ™), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at: ibm.com/legal/copytrade.shtml.

Other product, company or service names may be trademarks or service marks of others.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.



Please Recycle