



Loan Operations Process Automation: Data Mapping to Documents Formerly Filled and Filed Manually

Case Study

A Massachusetts community bank increased its commercial lending and needed an efficient, automated back-office processing operation in order to serve its growing customer base.

The Project

A Massachusetts-based community bank recently added to its commercial banking staff and ramped up lending to small businesses. The increased volume of paperwork and documentation that ensued quickly placed an unmanageable burden on the loan operations staff. The bank's manual, paper-intensive back-office processes had to be replaced by an automated system that resulted in fewer mistakes, expedited loan decisions, and faster time to closing and funding.

Previously, the bank had acquired a subsidiary that owned an application that was used in an equipment leasing business. Graber Associates was retained by the bank to perform an analysis of the commercial lending operation, to assess the suitability of adapting the leasing application to secured commercial lending, and to identify and categorize all information and data fields that would be required to transform the leasing application into one that was suitable for commercial lending.

The assignment entailed recommendations for credit process improvements and design of a new workflow schema that allowed the system to fill out the bank's entire inventory of standard loan documents with customer information required to document, close, and fund the loans. We were to identify all the documents needed for each category of loan and the information points that would flow into each document from the loan application. Each item of information would be entered into the system only once instead of being typed into every single document from a Microsoft Word program.

The Process

We interviewed senior loan officers and identified a key technologist who understood the leasing application. This gave us an understanding of the credit process, of the existing workflow, of what needed to be changed, and of the expectations and needs of the business development officers in the branches.

We documented and modified the necessary fields in the application and recommended updates to the documentation procedures and the process flow. We also identified data fields and other items that had to be added or modified within the existing leasing system to accommodate the lending process.

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- Marketing plans
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- Marketplace analysis
- New market perspectives
- Competitive assessments

We worked with bank staff and the leasing application provider to accommodate changes from a leased-based application to a lending-based application.

The Output

We summarized our findings and presented them to the loan processing department. We identified a more efficient process that was to be implemented immediately. It emphasized cost savings, increased productivity, employee satisfaction and customer benefits. GA provided a modified 'User Guide' for the loan operations staff with each loan document formatted to the bank's specifications. We designed an efficient process for the business bankers in the branches to transmit the customer data to loan operations for processing.

In all, our staff identified and mapped 454 data elements that could be pre-filled by the new process.

Result

The bank's loan operations staff can pre-fill any or all of twenty-nine loan documents by completing one input screen. The data obtained from the business bankers in the field via e-mail is collected by loan operations, mapped to the documents, and readied for processing.

The time to process a loan application has been cut dramatically, and virtually all of the errors and inconsistencies that occur with repetitive, manual processes have disappeared.

The bank is now poised to handle the rapid growth of its loan portfolio, making quicker and more informed decisions and serving its new commercial credit customers with efficiency and professionalism.

About Graber Associates LLC

Graber Associates is a boutique public relations, marketing, and research firm founded in 2002. We develop and implement public relations and marketing communications programs that generate revenue for businesses. We provide research that allows our clients to make better decisions. Although we specialize in financial services and technology, our services cover a wide range of vertical markets.

We work hand-in-glove with you to develop public relations initiatives and execute marketing campaigns that are created with years of experience behind them. Your goals, objectives, and budget are integral parts of our working with you. As part of your team, we begin to think as you do and suggest ways to improve the process and achieve collective goals.

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