

from mind to market



Case Study

Automation in financing and leasing operations

Process optimisation and efficiency improvement in a leading automotive bank

Process optimisation and efficiency improvement of a leading automotive bank

No project without a business case, no investment without a sound basis for decision making. For that very reason, a leading automotive bank decided to work together with the experts of afb Application Services AG, who examined and rated the specific process stages and procedures involved in financing and leasing operations in terms of their optimisation potential as part of a consultation project. The result was significant process optimisations in commercial credit decisions, better distribution of the workload and increased customer satisfaction.

THE CUSTOMER

This automotive bank is one of the leading financial service companies in the German automotive industry. In Germany, the automotive bank has been offering financial services to dealers and consumers for over 90 years. Their services include financing and leasing, automotive insurance and dealer financing.

Management Solution (afb-CMS) used by the automotive bank as a response system for the efficient management of front office processes is closely linked to the existing dealer management and CRM systems. The time and effort required for applying for credit or lease contracts is thus reduced to a minimum, allowing for the fast and reliable receipt of requests from vendors before they are forwarded to the middle office for further processing.

THE CHALLENGE

Since 2000, the automotive bank has been using the solution from afb Application Services AG (afb) as a front office solution to process credit and leasing requests. Every year, traders and resellers submit more than 100,000 requests using this system. The afb Credit

The credit decision-making process for commercial customers involved a lot of manual effort at that time. A large number of media discontinuities in the system required human intervention and delayed customer response time.

Based on the positive results from previous projects and due to the convincing product range of afb-CMS in the

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QUICK FACTS

Business sector
Automotive banking

Company establishment
90 years ago

Project scope
afb-Consulting

Partnership
From 2000 until today

"The expert team from afb has fully analysed each process using standard and specially developed methods. We were very impressed by the implemented approach and the resulting transparency regarding the optimisation potentials."

Head of IT of the automotive bank

middle office area, the automotive bank commissioned afb to analyse the credit decision-making process for commercial customers. The objective was to establish a business case for a possible optimisation project. *"afb has proven their expertise in the optimisation of financing operation processes again and again since 2000. Therefore, commissioning afb to also overcome these challenges seemed like the natural thing to do"*, says the Head of IT of the automotive bank.

The consultant team from afb faced up to the enormous challenges of the project. These included significant cost reductions through automation, strict segmentation and risk mitigation in terms of credit decision, in addition to increasing the satisfaction level of the business partners.

In order to bring down processing costs, redundancies in the process chains had to be avoided and organisational as well as technical interfaces reduced.

THE APPROACH

During the analysis of credit decision-making processes, the on-site afb consultants gained an overview of the work processes.

This so-called origination process integrates a number of sub-processes such as the collection of information from external credit inquiry agencies and the implementation of scoring or ratings. It has great influence on the satisfaction of business partners and is strongly influenced by compliance requirements. Furthermore, this process has a great impact on the quality of the portfolio and offers a high potential for automation.

afb examined each sub-process, each activity and each media disruption and verified its reason for being. Based on pre-built process-oriented questionnaires, which are based on an idealised target process, the team conducted interviews with loan officers, accompanied their working steps and conducted a benchmark study comparing the processing times with industry-standard values.

The experts documented the results according to the criteria of automation, compliance, portfolio quality, business partner satisfaction and system support and revealed a number of shortcomings and optimisation potentials. Anticipated implementation costs and benefits have been identified and assessed for each identified optimisation potential.

The result of the analysis was a solution-oriented master plan. This included the presentation of the specialist and IT architecture in a system context and the elaboration of the project structure and the business case in addition to a concrete description requirement.

The business case forecasted the economic impact of the implementation of the identified potentials regarding objectives, options, costs, benefits, risks and timeline. This, in turn, created the basis for investment in the following implementation project.

THE END RESULT

The automotive bank has with afb-CMS a fully automated solution that supports the entire credit process - from quotation to the application with fully automated credit decisions and processing through to contract activation.

Case Study automotive bank

As part of the optimisation effort, interfaces were incorporated into the systems of Schufa, Creditreform and Schwacke. The automation now also includes commercial customers, whereby the penetration of the system was significantly increased.

The shortened processing times in the process chains and the elimination of media discontinuities through automatic, system-based collection of external information allow the automotive bank to make quick credit decisions for its commercial customers. Furthermore, the bank is also able to cover the fleet business of small traders thanks to the newly introduced functions.

In the words of the Head of IT: *"We are pleased that we were able to improve the process of commercial credit decision with the help of afb. Our customers also benefit from smoother processes while we enjoy a higher level of customer satisfaction."*

Using afb-CMS and other services of afb such as consultation for optimising the IT environment, safe and reliable application and infrastructure management, access to a vehicle database with current data from more than 170,000 vehicles and comprehensive support services, the automotive bank benefits today from a high resource efficiency.

AFB APPLICATION SERVICES AG: INNOVATION AND TRANSFORMATION PARTNER FOR DIGITAL PROCESSES

As an Innovation and Transformation Partner, afb Application Services AG offers modular software solutions and outstanding consulting services.

from mind: Customer orientation, digitisation and innovation are the drivers of our work for financial and service providers, vendors and manufacturers.

to market: Our mission is to optimise business processes for the credit, leasing or factoring-based financing of goods flows. This benefits a large number of customers throughout Europe.

afb: For more than 20 years, industry know-how and best practices have been the basis for solution-oriented consulting and the development of user-friendly software. afb's range of services is rounded off by application and infrastructure operation, business process management and outsourcing.

Find out more www.afb.de/en/

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