

Accelerate SME lending through digital offering

Robust, scalable and efficient solution by leveraging Pega platform



About the client

Client is a large bank in Europe. Their strategy is to grow Small and medium enterprises lending business by creating a differentiating customer experience. Client's vision is to provide customers with the most effective solutions to help manage their financial wellbeing.



Overview

The end-to-end SME loan origination process of the bank was fragmented between multiple business divisions. One of the critical aspects of the loan origination process is loan processing and approval. There were several deficiencies in the loan application process such as:

- **Manual loan process** with limited use of technology
- **Excessive paperwork** in loan processing
- **Multiple handoffs** leading to delay in loan approval
- **Lack of automation** in credit decisioning stage



Solution levers

- Accelerate **data-driven decision making** by utilizing the existing data
- **Enhance automation opportunities** and standardize existing customer data to reduce processing period
- Strong workflow management to improve STP, transparency and accountability
- **Digitally-driven application process** to reduce operational risk
- Leveraging the power of Machine Learning to remain competitive in a changing marketplace
- Advanced **API-driven architecture** enabling accelerated information exchange such as credit bureau etc.

Solution

To accelerate the entire loan origination process, HCL enhanced the BPM (Business Process Mapping) tool, using Pega platform

- **Loan origination development & integration** – End-to-end implementation of instant lending platform for SME customers integrated to Pega workflow via ESB layers
- **Pega BPM integration** – Design and build customer lending platform with strong business process management (BPM) by adopting Pega services
- **Credit risk assessment and compliance** – Built and exposed Pega-driven BPM modules to integrate with credit bureau. This helped retrieve instant credit assessment for new customers/leads and top-up loan eligibility for existing customers
- **Smart contracts** - To move away from paper-based contracts, one of the primary build elements was to tap the out-of-box Pega digital & smart contracts. E-sign module is being built currently
- **Product changes & repricing** - All SME banking support functions were included in the solution such as product changes, loan repricing and portfolio servicing. Collections modules were handled by Pega-problem loan management.



Business benefits

- Improve customer satisfaction by making business processes easy, smart, and personalized
- Loan origination processing decisions done based on the External Commercial Borrowings (ECB) standards
- **80% automation** in loan origination process which reduced the operational risk and optimized cost
- Enhanced stakeholder experience through creation of a single loan origination and servicing platform
- Loan processing done in real time through **instant lending feature**.

HCL

HCL Technologies (HCL) empowers global enterprises with technology for the next decade today. HCL's Mode 1-2-3 strategy, through its deep-domain industry expertise, customer-centricity and entrepreneurial culture of ideapreneurship™ enables businesses to transform into next-gen enterprises.

HCL offers its services and products through three lines of business - IT and Business Services (ITBS), Engineering and R&D Services (ERS), and Products & Platforms (P&P). ITBS enables global enterprises to transform their businesses through offerings in areas of Applications, Infrastructure, Digital Process Operations, and next generation digital transformation solutions. ERS offers engineering services and solutions in all aspects of product development and platform engineering while under P&P. HCL provides modernized software products to global clients for their technology and industry specific requirements. Through its cutting-edge co-innovation labs, global delivery capabilities, and broad global network, HCL delivers holistic services in various industry verticals, categorized under Financial Services, Manufacturing, Technology & Services, Telecom & Media, Retail & CPG, Life Sciences, and Healthcare and Public Services.

As a leading global technology company, HCL takes pride in its diversity, social responsibility, sustainability, and education initiatives. As of 12 months ending on December 31, 2020, HCL has a consolidated revenue of US\$ 10 billion and its 159,000+ ideapreneurs operate out of 50 countries. For more information, visit www.hcltech.com



www.hcltech.com