



## A Partner Solution for the Financial Services Sector

### Enhancing Return on Investment through Customer-Focused Commercial Lending Solutions

IBM **Information Management** software

# Crowe Horwath Straight Through Processing for Commercial Loans

## Partner Solution

### ■ **Target Industry**

*Banking and Financial Markets*

### ■ **Business Application**

*Lending*

### ■ **Products**

*IBM FileNet Business Process*

*Manager*

*IBM FileNet Content Manager*

*IBM FileNet eForms*

## Business Challenge

Commercial lenders can no longer afford the traditional, manual approach to managing increasingly complex and customized commercial loans. As volumes grow, these lenders face increasing risks and costs associated with manual data entry, lost documentation, and difficulty in complying with regulatory requirements such as Basel II.

Commercial institutions using traditional manual-based systems are slower to respond to customer needs and have difficulty delivering the product flexibility needed for competitive differentiation. Manual processing reduces the time customer relationship managers can spend on sales and limits revenue potential.

Manual processing also presents a number of other challenges including:

- The need for duplicate data entry into multiple applications, further increasing workload and requiring additional staff;
- Siloed systems, which make monitoring status time-consuming and rapid response to customer needs very difficult;
- An inability to monitor productivity levels or identify opportunities for process improvement;
- Creation of audit trails and consistent documentation is difficult, at best;

- Delayed creation of securitization packages, due to the need to manually source documentation from various locations, which negatively affects loan value; and,
- Inability to integrate systems, making reliable monitoring of assets and covenants difficult, and increasing risk to the lender.

## Solution

Crowe Horwath's Straight Through Processing for Commercial Loans (STP-CL) solution automates and streamlines the entire loan origination process, from deal inception to booking. Based on the IBM Enterprise Content Management (ECM) suite of products, the STP-CL solution provides unparalleled functionality to minimize manual, paper-based loan processing, while supporting the financial institution's desire to customize loans to meet the needs of their customers. STP-CL also integrates with existing document creation and loan servicing systems to create a unified platform that enhances efficiencies throughout the lending organization.

The solution supports complex group credits and facilitates loan approvals with multiple obligors, obligations, and items of collateral; for all sizes and types of credit, from business banking through mid-market to large syndications.



STP-CL leverages sophisticated business rules and workflow capabilities to automatically route each loan through the appropriate steps, and defines, enforces, and maintains origination and loan processing policies through this integrated rules engine, which ensures regulatory compliance and mitigates risk.



## Value Proposition

The STP-CL solution enables lending institutions to centralize and optimize disjointed business processes, replace traditional, manual-based practices and improve time-to-market through automation. As a result, lenders are able to make faster, more informed decisions and dramatically enhance service levels to impact bottom-line profitability.

By implementing STP-CL, lenders can also achieve the following additional benefits:

- Improved operational efficiency through staff redeployment, reduction in duplicated efforts, faster loan processing, and improved data integrity;
- Improved customer satisfaction and loyalty with automated customer updates;
- Increased visibility and awareness through immediate, secure access to loan applications status;
- Accurate insight into process status, pipeline activities, and throughput metrics, enabling customer relationship managers to focus more time on sales and process improvement;
- Consistent and transparent underwriting and documentation processes, ensuring compliance with regulatory requirements;
- Unified access to documentation speeds the creation of securitization packets and ensures timely processing; and,
- Time notifications and milestones help to effectively manage collateral and covenants, improve risk management and increase investor confidence by guaranteeing compliance with loan agreements.

By deploying the STP-CL solution, a commercial lender can experience upwards of a 30 percent increase in productivity, with an 18-month payback typical.

## Company Description

As one of the top 10 providers of consulting and assurance services in the United States, Crowe is recognized for excellence and innovation in a wide range of business competencies including risk management and performance improvement. Serving more than 900 financial institution clients, Crowe understands the key business processes in commercial and retail banking. We have a wealth of experience guiding U.S. and global financial institutions to optimize processes and enabling them with technology to drive higher performance. Our seasoned consultants are skilled at adapting best practices to your unique needs.

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