

BANK OF IRELAND

Digital transformation of mortgage sales system pays big rewards

ESSENTIALS

Challenges

- Banking industry undergoing digital transformation
- Act quickly to gain & retain market share in a rebounding mortgage market
- Broaden sales distribution to new partners
- Strategic objective to grow the mortgage book

Dell EMC Solutions and Services

- Dell EMC Services - Digital Applications Consulting, Discovery, Agile Development, Systems Integration, Program Management

Results

- New online digital mortgage sales system developed and launched in 12 months
- A single platform attracts and delivers tailored services to customers, branch, brokers, and contact center channels across multiple brands
- Reduced time to submit a mortgage application by 75 percent
- £250 million (USD \$263 million) in new mortgage applications in first three months
- Reduced mortgage mailroom volumes by 50% and mortgage payment calls by 2,000 per month; and increased capability by 25 FTE
- Expanded distribution to major new partners offering the bank's mortgage products across the UK

The Bank of Ireland UK aims to be more than just a retail bank. Through partnership with trusted institutions, it seeks to extend access to new kinds of financial services to consumers across the United Kingdom. For example, the bank has long had an exclusive financial services partnership with the UK Post Office to serve more than 3 million customers with mortgages, savings, credit cards, personal loans, and foreign exchange services.

With recovery from the global recession and the rebound of the UK housing market, the bank set out to increase its share of the mortgage market. "Our business objective was to more than triple the number of mortgages written by the bank, either directly or through channel partners," says Jonathan Workman, Program Director, UK Mortgages, Bank of Ireland. "With around 70 percent of mortgages introduced through brokers, our strategy was to widen our distribution to include the top intermediary networks, develop deeper relationships with strategic partners, simplify the process of applying for a mortgage, and introduce new backend efficiencies."

DIGITAL TRANSFORMATION

A critical factor in meeting the bank's ambitious mortgage business goals was an internal digital transformation program, called "Springboard," responsible for developing the technological solutions the bank needs to compete effectively in a digital economy.

While competitors purchased off-the-shelf sales software products, the Springboard team set out to deliver a custom mortgage sales system that provided a superior customer experience by simplifying the entire mortgage process, from initial consumer inquiry, through bank approval, to loan offer and acceptance.

"We approach things differently," says Workman. "Our objective was to develop an online mortgage application tool for existing and new partners, independent brokers, institutional partners, and borrowers that would differentiate us in the market, not just immediately, but over time. The platform needed to provide a tailored, market-leading experience for each of our channels and across multiple brands. We needed the new system to be the foundation for a compelling service proposition."

BUILT FOR BROKERS

The bank worked with the Dell EMC Services Digital Application Transformation team as its strategic partner on the project.

"Dell EMC didn't just come in, review our requirements, and propose a solution," says Workman. "They invested in gaining a deep understanding of our entire digital transformation business strategy and the digital experience we wanted to deliver to brokers and borrowers. They brought strategic thinking that helped us develop our vision, including a focus on the digital user experience and insight into what other companies in other industries were doing, beyond financial services."

After an in-depth study of prospective end-users (brokers, partners, borrowers), Dell EMC developed an “art of the possible” exercise that enabled bank stakeholders to explore different ways the bank could interact with its targeted users online to make the most of every touch point.

“Dell EMC played a significant role as our digital transformation partner, helping shape our vision and turn that vision into a reality. We made a substantial investment in understanding and delivering what the business, consumers, brokers, and our partners wanted—and that has paid huge rewards.”

—Jonathan Workman, Program Director, UK Mortgages, Bank of Ireland

The next step was to determine user-centric objectives for efficiency, ease of use, and flexibility. For example, the bank wanted new brokers to be able to register and start submitting new business within minutes. Other requirements included: straightforward, clearly labeled forms; integration with scoring and credit data services, such as Experian; a centralized case hub; automated processes; automated document bundling for compliance; direct messaging with assigned case managers and underwriters; and the ability for users to see at a glance where they stood in the application process. The bank also wanted the system to accommodate small and large brokers—for example, with easy options to delegate applications to case administrators in the broker or branch networks.

AGILE APPROACH

“Along with our other partners, Dell EMC helped us to develop a highly customized detailed and compelling vision, define and articulate objectives, and lay out a roadmap for how to achieve them,” says Workman.

Dell EMC recommended an agile development approach, which the UK mortgage business had not used before. The Springboard team got the mortgage business executives and stakeholders on board with the method, in which prototype solutions are developed rapidly and refined iteratively through feedback from business users. The approach also allowed new processes to be developed and supported. For example, the bank’s compliance team was able to gain an early understanding on the new customer journey, as well as to provide feedback, enabling an ‘online document certification’ process that met regulatory standards.

“Agile development actually gave the business more control over the product and making sure it did what we wanted it to do, while enabling us to bring it to market more quickly,” says Workman.

Dell EMC worked with the bank and its partners—including the bank’s existing Romania-based mortgage application developer iQuest—to design an advanced digital solution architecture with a highly configurable application orchestration layer. A customizable, omni-channel interface was developed for consumers, brokers, and the branch staff of partners, such as the Post Office, to sell mortgages backed by Bank of Ireland UK.

The new platform was named ‘ROME’ because, just as ‘all roads lead to Rome,’ it puts the user at the center. ROME was built on a 3rd Platform foundation, so that it could easily be extended to support data analytics, social media, and mobility going forward.

Simultaneously, Dell EMC worked with the bank to integrate back-end systems and processes, as well as to optimize performance and processes to handle larger volumes of mortgage applications efficiently.

“Dell EMC provided us with a single point of project management and control, while working very collaboratively with us and with the iQuest team. They pulled in the right internal expertise and external resources at the right time. They made sure things came together technically and were delivered to expectation, time, and budget,” says Workman. “The project and solution has been widely recognized across the bank as a leading example and significant success.”

SPEEDING TIME-TO-MARKET

In less than 12 months, the bank successfully launched its new mortgage sales platform ‘ROME’ into the market.

“Our strategy was to get a high quality platform out fast and evolve it over time,” says Workman. “In fact, we were able to accelerate the rollout of further functionality to respond to emerging market needs.”

The feedback from brokers, the internal Bank of Ireland sales team, and industry watchers was extremely positive. For one thing, the new application accelerated the average time it took to submit a mortgage application. While it had taken approximately an hour on the old system—with ROME, brokers could complete the application in about 15 minutes.

Within the first three months of going live, the bank received more than £250 million (USD \$263 million) in new mortgage applications from the initial rollout group. The system was also widely recognized for setting a new benchmark in the lending market. Industry awards included the FStech award for “Best Use of IT in Retail Banking & Insurance” and the Mortgage Finance Gazette award for “Best Use of Technology by a Lender.” Most notably, Bank of Ireland earned five stars in the Financial Times FTAdviser “Online Innovation & Service Awards,” as voted by brokers, and was ranked highest of all 37 lenders in the online mortgage service provider category.

GAINING OPERATIONAL EFFICIENCIES

Back-end system integration and process improvements delivered additional efficiencies. For example, the Service & Operations department has already seen a 50 percent reduction in paper documents. A new online payment solution has provided an improved service and reduced calls by 2,000 per month. So far, process optimization has increased capability by the equivalent of approximately 25 full-time employees (FTEs).

RESULTS

In the months after the initial release to brokers, ROME was successfully rolled out to direct customers and the branch networks of Bank of Ireland UK and the Post Office. Subsequent releases have delivered new features, including: automated documentation requirements with an integrated document upload facility, multiple interfaces (Experian, OpenText, Anti Money Laundering system), online legal panel look-up and selection, and integrated regulatory approval for advisors.

“The new digital technology architecture, configurable application orchestration layer, customizable omni-channel interface, and an agile approach have not only enabled us to keep pace over time, we have been able to stay out front as a leading provider,” says Workman.

The bank has also brought major new mortgage service partners on-board, including the 4-million-member British Automobile Association (AA), which now offers Bank of Ireland UK mortgage services under a broader financial services partnership; and Intrinsic Financial Services, with an additional 3,000 advisors to offer Bank of Ireland products across the UK mortgage market.

Today, close to 94 percent of the bank's new business is submitted through ROME, with plans to cover all business with the release of a new contact center sales module in the next few months.

"Bottom line, we have been able to gain new revenues, retain business, and gain new cost-efficiencies," says Workman. "Dell EMC played a significant role as our digital transformation partner. Their expertise across disciplines—business, IT, agile development, program management—helped us shape our vision and turn that vision into reality that met the objectives and expectations of our executives, stakeholders, and partners. The business results have been exceptional."

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