

*e*Zoot®



THE IMPORTANCE
OF CUTTING-EDGE
ORIGINATION

Digitalisation of the origination process is about delivering a flexible, agile, scalable, and above all, cost-effective solution. Critically this solution must successfully support the lending business which is ambitious for growth, delivering for a borrower who is hungry for the “Amazon experience” – now and in the future. Some will say “that will cost a fortune and take forever!”. That is true with some technology choices. They throttle the speed at which the origination process can adapt to meet the changing needs of the business, either through technical limitations or reliance on third parties. Let’s see why.

ZERO - SUM

Traditional wisdom has it that the delivery of any project entails a balancing act between cost, quality and time – a zero-sum game where you can’t improve on one without making at least one of the other worse. Factor in the long-term cost of ownership and the situation gets worse. Build an inflexible solution to keep initial capital investment low and ongoing costs rocket because of the extra effort and time to make future changes. The business will always be slower to respond and in the worst case may not deliver on its growth objectives.

PICTURE IT

Great strides have been made over the last ten or fifteen years to improve development tools available to business users, providing graphical user interfaces which enable them to build and maintain decisioning and workflow processes independent of IT. However, each decisioning component will have its own UI, meaning the business has to invest in staff training on a different toolset for each component. That also assumes that all functionality in the components have development UIs that the supplier will allow the lender’s staff to use.

‘APIness’?

An architectural aspect of modern decisioning solutions has been the explosion in the availability of API driven products and services to build best-of-breed ecosystems. This shifted the solution paradigm by speeding up integration of multiple components and increasing flexibility and speed of change. But APIs still need to be integrated and maintained. As updates are made these need to be built in and, in more complex systems, propagated throughout a solution – a new piece of data at the start of the decision chain potentially has to be propagated to the end creating the ‘API ripple’. API orchestration platforms are available to help in this but they also have the potential to multiply the number of APIs being built and maintained.

Having an IT infrastructure underpinned by an API framework is not a bad thing, but it is not the most efficient or effective solution in every case.

MORE COMPLEXITY = MORE RISK!

Consider the decision chain from the application web page or broker portal to a decision engine, calling out to third party services, then calling a product engine, passing applications to case management for manual review and finally to a decision and offer document generation. If each component is built separately, a framework of APIs is needed to act as the glue between them. The moment that data requirements change within the chain, say a new data source or a new derived attribute is to be introduced, that framework has to be updated wherever the data is needed.

Now overlay the complexity of cases which don't follow the happy path. The truth is that a disproportionate amount of effort is involved in catering for the exceptions. Multiple requests may be submitted by a dealer to get the best deal for the customer or underwriters will need to resubmit cases to different decisioning points following review. Add to that the need for a single version of the truth for eligibility criteria, decision parameters and product selection, and designing those APIs becomes increasingly complex.

API GOOD... SINGLE DATA MODEL BETTER

An API enabled ecosystem results in significant benefits to businesses where independently developed components and data sources have to talk to each other. So, can the API paradigm be improved upon? Businesses still need capable and flexible components to deliver current and future functionality – that can't be compromised. Can the number and complexity of interfaces be reduced? Yes, by using flexible components designed to work seamlessly together, underpinned by a single data model. What does this mean?

A single data model means build once, deploy everywhere without the 'API ripple'. The addition of a new data attribute on the application web page immediately becomes available to use in the decisioning, product engine and case management, seamlessly and without further effort. Changes to the customer journey, pricing, workflow,

lending policy, underwriting, contract execution, and payout approval can be achieved in a fraction of the time compared with a traditionally constructed system. Overlay a common development UI and the time to production is reduced even more when your own staff are trained to build and maintain solutions themselves.

So has the zero-sum balancing act changed? No. But the rules of the game have been changed. The effort needed to deliver a cutting-edge origination customer journey has been reduced through seamless integration of components, underpinned by the single data model, managed by a common UI toolset.

IT'S YOUR (CONSUMER) DUTY

The benefits don't end there. In the new Consumer Duty world, where the regulator and the market drive a rapid change agenda, being fleet of foot with your origination solution means you can gain competitive advantage from the forces driving your industry. The new mantra is Know Your Customer's Needs (KYCN) – and act on them quickly. Consumer Duty is about putting the customer front and centre, building the origination solution around them, seizing the opportunity to build a reputation of trust.

ZOOT OUT-OF-THE BOX

Zoot's origination solution delivers a single data model integrating cutting-edge components - origination screens, automated decisioning and case management - all used without further integration – all facilitated by world-class drag and drop API build tools. Scale your business without scaling costs and lead with speed.

Contact Zoot at hello@zootweb.eu to understand how Zoot are already helping motor and asset finance providers innovate with a seamless origination service.



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From Data to Decision®