

Title : Reducing Loan Approval Delays in a Bank

1.Problem Statement

The bank is facing loan approval delays of 15+ days, while competitors approve loans within a week. This causes customer dissatisfaction, loss of business, and affects the bank's reputation.

2.Stakeholders

- **Customers** → waiting for loan approvals.
- **Loan Officers** → process applications.
- **Bank Managers** → monitor productivity and compliance.
- **IT Department** → supports loan management systems.

3.Requirement Gathering Approach

- Interviews with loan officers : to understand points in workflow.
- Data Analysis : checking average loan approval times and bottlenecks.
- Surveys with customers to identify frustration points.
- Workshops with managers to align business goals

4.Proposed Solutions

- **People:** Hire additional staff for peak periods.
- **Process:** Introduce a queue system.
- **Technology:** Automate initial eligibility checks using a loan approval system.
- **Monitoring:** Dashboard to track each application's status in real time.

5.Outcome / Benefits

- Loan approvals reduced from 15 days to 5 days.
- Improved customer satisfaction & retention.
- Reduced workload stress for loan officers.
- Better tracking with dashboards for management.

6.Tools

Business Requirement Document (BRD):

Background / Problem Statement:

Currently, the loan approval process takes more than 15 business days, leading to business losses and customer dissatisfaction.

Business Objectives:

- Reduce loan approval time from 15+ days to less than 3 days.
- Provide customers with transparency and status tracking.
- Improve overall customer satisfaction.

Scope:

- In Scope: Loan application verification, eligibility checks, approval workflow, customer status tracking.
- Out of Scope: Loan disbursement, repayment collections.

Stakeholders:

- Customers (loan applicants)
- Loan Officers / Staff
- Operations Team
- IT Team

Business Requirements (High-Level):

- The system must enable faster verification and approval.
- Customers must be able to track loan status online.
- The process should minimize manual intervention.

Functional Requirement Document (FRD):**Functional Overview:**

The system will automate and streamline the loan approval process by adding staff capacity, enabling online authentication, eligibility checks, and real-time status tracking.

Functional Requirements:**1. User Authentication:**

- The system shall authenticate applicants online using KYC (Know Your Customer).

2. Application Submission:

- Customers shall be able to apply online and upload required documents.

3. Eligibility Checks:

- The system shall auto-validate eligibility criteria (income, credit score, etc.).

4. **Loan Officer Dashboard:**

- Loan officers shall be able to review, approve, or reject applications.

5. **Status Tracking:**

- Customers shall be able to track their application status anytime, anywhere.

6. **Notification System:**

- System shall send real-time updates via email/SMS on approval stages.

Non-Functional Requirements:

- **Performance:** Loan approval should be processed within 5-6 business days.
- **Availability:** The system must be available 24/7 for online tracking.
- **Security:** Sensitive customer data must be encrypted and comply with regulations.

Success Metrics:

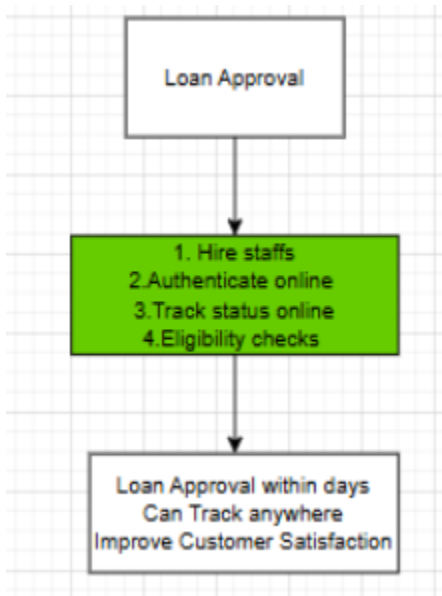
- Reduce approval time from 15+ days to 5-6 days.
- Increase customer satisfaction score by 30%.
- Reduce manual work by 50%.

Process Flow

As-Is:



To-Be:



Dashboard:

