

# **Business Needs Document for Alpha Bank Loan Process Improvement**

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## **1. Manual Form Filling**

### **Pain Point:**

Customers still fill out physical loan forms at the bank branch, which takes time and often leads to errors.

### **Cause:**

There is no digital loan application platform. Staff rely on paper-based processes and re-enter data manually.

### **Business Need:**

Build an electronic loan application system (web/mobile) that allows customers to submit their information digitally, reducing paperwork and human errors.

## **2. Document Upload Errors**

### **Pain Point:**

On digital platforms, customers struggle to upload required documents successfully. Uploads fail or hang without feedback.

### **Cause:**

Backend infrastructure is weak, upload validation is missing, and the system doesn't handle poor network conditions well.

### **Business Need:**

Develop a stable and responsive document upload system that supports multiple file formats and clearly informs users if something goes wrong.

## **3. Repeated BVN or Personal Info Entry**

### **Pain Point:**

Customers are asked to re-enter their BVN or personal information multiple times in the same loan session.

**Cause:**

The system does not retain session data or securely store user input during processing. There's no proper identity flow.

**Business Need:**

Design the form process to capture BVN once, verify it securely, and avoid asking users to repeat the same step unnecessarily.

**4. Lack of Loan Progress Updates****Pain Point:**

Customers do not get any updates on the status of their loan application unless they follow up themselves.

**Cause:**

There is no notification system or tracking dashboard built into the process.

**Business Need:**

Introduce real-time status updates via SMS, email, or in-app notifications to keep customers informed at every stage.

**5. No Clear Communication on Next Steps****Pain Point:**

Many customers don't know what to expect next whether it's document submission, providing a guarantor, or waiting for approval.

**Cause:**

There is no structured communication flow or dynamic checklist guiding customers through the process.

**Business Need:**

Provide step-by-step instructions through automated messages or app notifications based on loan type and current application status.

**6. Tedious Multi-Visit Process****Pain Point:**

Customers are asked to return to the bank several times to fix form issues, submit documents, or follow up on progress.

**Cause:**

The process is not fully digitized, there is no clear checklist upfront, and corrections must be done manually in person.

**Business Need:**

Digitize the full loan journey, allowing customers to complete applications, upload documents, and receive feedback remotely. Introduce a digital checklist that confirms all requirements before submission.

**7. Collateral/Guarantor Requirement Causes Drop-Off****Pain Point:**

Even after approval, many customers abandon the process because they can't provide a guarantor or collateral.

**Cause:**

The bank has rigid risk policies, lacks early-stage screening, and does not offer flexible loan types for customers without assets.

**Business Need:**

Introduce a pre-eligibility screening system that assesses customers before they begin the full application. This will help filter out ineligible cases early, prevent wasted effort, and reduce drop-offs at the collateral stage. Also, offer flexible loan categories such as unsecured loans for verified low-risk customers.

**8. No Live Support on Digital Platforms****Pain Point:**

Customers using the existing digital loan app cannot reach a live representative when they encounter issues. They only receive automated responses.

**Cause:**

There is no human support feature built into the app, and support depends too much on bots or passive contact forms.

**Business Need:**

Add in-app support that includes live chat during business hours or a call-back request feature to assist users facing difficulties.

## **9. Poor App Design and Missing Features**

### **Pain Point:**

Loan apps are difficult to navigate and lack basic features like user profiles, progress tracking, and document status indicators.

### **Cause:**

The apps were developed without a focus on usability or proper user feedback, resulting in incomplete customer journeys.

### **Business Need:**

Redesign the app based on real user needs, and include core features such as a dashboard, loan status tracker, document checklist, and editable user profile.

## **10. Security Concerns from Repeated Prompts**

### **Pain Point:**

Users feel unsafe because the existing app keeps asking them to re-enter sensitive information like BVN or personal details multiple times.

### **Cause:**

The app lacks proper session handling and gives no reassurance on data security or regulatory compliance.

### **Business Need:**

Enable secure, one-time BVN verification per session, and clearly communicate data protection policies. Display regulatory badges (e.g., CBN license, data privacy terms) to build user trust.

## **11. No Reward for Good Credit Behaviour**

### **Pain Point:**

Even users with a strong repayment history are denied better loan limits or faster approvals. They are asked to reapply from scratch every time.

### **Cause:**

The app does not recognize or factor in past repayment behaviour. There is no built-in scoring model or customer history retention for repeat borrowers.

### **Business Need:**

The loan app should retain and analyse repayment history and automatically adjust credit limits or approval speed for returning users with a positive track record

## **12. Manual Document Collection**

### **Pain Point:**

Relationship Officers still collect documents physically, using hard copies or USB drives.

### **Cause:**

There's no provision for customers to upload documents digitally via a secure platform.

### **Business Need:**

Provide a secure digital upload system that allows customers to submit all required documents online. This will reduce branch visits, prevent physical loss, and speed up processing.

## **13. Manual Review of Bank Statements**

### **Pain Point:**

Staff manually review customer bank statements to estimate monthly income and repayment capacity. This slows down the process and contributes to credit check delays.

### **Cause:**

There is no system in place to automate income analysis. Income patterns and transaction details are assessed manually by staff.

### **Business Need:**

The loan system should include a feature that automatically extracts and analyzes income trends from uploaded statements. This will speed up reviews, improve accuracy, and reduce dependency on manual work.

## **14. Slow KYC/AML Verification**

### **Pain Point:**

KYC (Know Your Customer) and AML (Anti-Money Laundering) checks are slow, adding more time to the loan process.

### **Cause:**

These checks are performed manually and separately using third-party tools. There is no integration with the loan application system, leading to delays and duplication.

### **Business Need:**

Integrate KYC and AML verification into the loan system using trusted third-party APIs (e.g., VerifyMe, Smile Identity). This will speed up initial checks and reduce repetitive data handling. The compliance team can then do the final review without delay.

## **15. Repeated Document Reviews Across Departments**

### **Pain Point:**

The same documents are reviewed by multiple departments: Relationship Officer, Risk & Compliance, and HQ.

### **Cause:**

There's no shared system that tracks verified documents and allows teams to trust prior validations.

### **Business Need:**

Develop a centralized document verification system so once documents are reviewed and approved by one team, others can see the verified status without repeating the process.

## **16. Too Many Approvals Layers**

### **Pain Point:**

Loan applications go through multiple handoffs — from RO to Compliance to HQ and back, causing delays and confusion.

### **Cause:**

The workflow has no clear approval thresholds and relies heavily on hierarchical decision-making even for simple loans.

### **Business Need:**

Redesign the approval process to:

- Introduce automation rules for low-risk or small-value loans, allowing them to skip unnecessary steps and move faster.
- Implement a centralized workflow system where all involved teams can view loan progress in real time.
- Enable system-assisted verifications (e.g., credit score, income checks, document completeness), reducing delays caused by manual reviews and repeated approvals.

## **17. HQ Approval Delays**

### **Pain Point:**

Final loan decisions at HQ take long, especially when there are document errors or clarifications needed.

**Cause:**

HQ approvals are handled manually, with limited visibility into the loan history or branch-level checks.

**Business Need:**

Introduce a digital HQ review system with pre-validation at earlier stages and clear approval SLAs (e.g., 24–48 hours). Allow HQ staff to see all previous decisions and documents to avoid rework.

**18. No Escalation System for Delayed Applications****Pain Point:**

When a loan application is delayed or stuck at any stage, there is no system in place to flag it or escalate it. As a result, many applications are ignored or abandoned, and the customer is left waiting without feedback.

**Cause:**

There is no internal notification system or workflow to detect when an application has been inactive for too long. Staff don't get reminders or escalation alerts for pending cases.

**Business Need:**

The loan system should include automatic alerts and escalation rules. If a loan stays in one stage beyond a set time (e.g., 48 hours), the system should notify the responsible officer or escalate it to a supervisor. This ensures applications keep moving and customers don't get stuck.

**19. Long Turnaround Time****Pain Point:**

The entire loan process takes 1–2 weeks, making customers lose interest or abandon the process.

**Cause:**

Manual processing, excessive steps, lack of automation, and approval delays at multiple stages.

**Business Need:**

Digitize the end-to-end loan workflow. Automate document verification, KYC, and internal handoffs to reduce turnaround time by at least 40%.

## **20. Disconnected Communication Channels**

### **Pain Point:**

Departments work in isolation, and there's no central place for tracking or discussing application progress.

### **Cause:**

Loan processing relies on email, physical files, or one-on-one communication rather than a shared platform.

### **Business Need:**

Create a shared internal dashboard or workflow tool where all departments involved in the loan process can view, comment, and track progress in real-time.

## **21. Physical File Handling Slows Down Response**

### **Pain Point:**

Documents are passed manually or via email, causing delays and increasing chances of loss or miscommunication.

### **Cause:**

The process still depends on paper or scanned files rather than a fully digital document pipeline.

### **Business Need:**

Enable 100% digital document processing from submission to approval so staff can upload, review, and approve files within the same system