

SIMPLE IT BUSINESS CASE TEMPLATE

LOGO

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EXECUTIVE SUMMARY

The executive summary presents a concise summary of the business case. The reader should be able to clearly understand the grounds for the request just by reading the summary.

Chi monica bank is facing challenges due to a manual paper process for loan approval which has led to a prolong waiting time, Customer dissatisfaction and increased risk of compliance issues.

Therefore there is a need to transition to an automated loan approval system whereby potential vendors and customers get their loan approved on time and increase customer satisfaction.

CURRENT IMPLEMENTATION

Describe the As-Is process used in the existing implementation.

The loan department is utilizing a manual and paper intensive process. Which is time consuming and has led to delay, customer dissatisfaction, and risk of compliance issues.

REASON FOR CHANGE

Why is a new setup necessary? Make a clear case for the new solution, keeping in mind that your readers have competing appeals for resources. Detail why the existing implementation no longer works. Some reasons include product incompatibilities, equipment or software failures, maintenance difficulties, new processes that must be supported, increased staffing, new regulations, and compliance guidelines.

Chi Monica Bank's loan department is experiencing delays, increasing human errors, High risk of compliance issues and inefficiencies within its loan approval processes. Customers have expressed dissatisfaction with prolonged waiting time related to loan approvals. This poses a threat to our customer loyalty and company's competitiveness. Inefficiencies also have increased risk of compliance issues which could lead to the business downturn.

There is an urgent need to transition to an automated system that is cost effective, customer friendly, eliminates internal inefficiencies and enhances compliance.

FINDING A NEW IMPLEMENTATION

Explain the processes you used to find the new solution. Briefly describe any research sources. Detail any product demos you tried, vendor presentations or trade shows you attended, and other in-person research you conducted. It gives management confidence when they see that you have performed substantial due diligence.

Analysis of the financial market automated loan system i.e sourcing of vendors to build the loan system
Research was carried out on top performing banks who have transitioned to automated systems for loan processing to assess what systems are used.
Engaged system experts in the financial sector who recommended top IT systems that could be a best fit to meet our company's needs.
Researched and reached out to the recommended IT system companies to further discuss their products and the pros and cons associated with each product to narrow down our options. Simulations were conducted to help in understanding how the products work.
Estimated costs and financial implications for available options were also shared by the IT system companies. Options were selected based on a list of Key features and whether they met 80% of the company's needs and long-term objectives.

Key Features considered

- Automation
- Security
- Compliance
- User experience
- Scalability
- Cloud-based

Three types of Automated Loan Management products were identified.

1. **On-premise loan management software** is installed on your own servers. This type of software is typically more expensive than cloud-based software, but it gives you more control over your data and security.
2. **Cloud-based loan management software(Preferred)** is hosted by a third-party provider. This type of software is typically more affordable than on-premise software, and it's easier to use and maintain.
3. **Open-source loan management software** is free to download and use. This type of software is typically less feature-rich than commercial software, but it can be a good option for businesses with limited budgets.

REVIEW OF OPTIONS side comparison between the features of each product and these requirements. Ideally, this comparison should reveal your chosen option as the best possibility.

Review of Loan Management System (LMS) options

Type of LMS	Features	Requirements	Comment
On-premise loan management software	<p>Pros: Installed on the company's own servers, control over bank's data and security, Flexible and customizable.</p> <p>Cons: It is more expensive than other</p>	Will require entire company system change for implementation to enable workflow	Complexity and cost of the project make it less feasible.

	alternatives, Longer lead time for implementation.		
Cloud-based loan management software	<p>Pros: Cloud based, hosted by Third party vendor, easy to use and maintain, more affordable than on-premises LMS, Shorter time-to-market, automated workflow and compliance assurance.</p> <p>Cons: Less control over Bank's data security as data access will need to be partly shared with Third party(s)</p>	Requires third party vendor access to bank's data	<p>Poses some data protection and security risks but can be mitigated with the right security checks and controls in place.</p> <p>Preferred option</p>
Open-source loan management software	<p>Pros: Free to download, Cheaper alternative, Less feature-rich and easy to use</p> <p>Cons: Security Risks, compliance risks and rigid.</p>	Requires some / minimal systems and operational changes.	Not a safe option. Poses high data security risks

POSSIBLE VENDORS

Describe possible vendors for the new implementation. Discuss the company and the unique characteristics of its solutions. You can boost your case by researching at least a few vendors.

Cloud-based Loan Management System

Potential Vendors

1. **Turnkey Lender:** Offers a comprehensive suite of loan management tools for lenders of all sizes. Their cloud-based platform includes features such as credit scoring, risk assessment, underwriting automation, and borrower self-service portals. TurnKey Lender's advanced algorithms help optimize loan decisions and minimize risk.
2. **LoanPro :** A cloud-based loan servicing software that caters to various industries including consumer lending, auto finance, and online lending. Its flexible architecture allows lenders to customize workflows and

automate tasks such as payment processing, collections, and reporting.

3. **FIS Global:** Provides cloud-based loan origination and servicing solutions for banks and financial institutions worldwide. Their platform offers end-to-end functionality including application processing, decisioning, funding, and ongoing loan management. FIS Global's scalable architecture ensures seamless integration with existing systems.

BENEFITS OF AN UPDATE

Benefits describe not just features and how something works, but how the product can positively impact the organization beyond just making it more efficient.

The implementation of a cloud-based loan management software would provide seamless integration with existing systems, eliminate human errors, provide speed required for loan processing and improve our customer experience. This will also assist in providing real time data on loans being processed and serviced loans.

In addition to increased efficiency and compliance score, this upgrade will increase our competitive edge in the banking and loans sector and reduce compliance risks. This will promote service demand, profitability and business growth.

KEY PERFORMANCE INDICATORS

Key performance indicators (KPIs) provide a way to show whether a new product and its implementation are a success or not. Use the benefits described earlier to determine KPIs.

KPIs

Customer feedback/complaints :Records customer feedback/complaints on waiting time in relation to loan approvals

Average cycle time: Measures the sum of days between loan Application To Loan Disbursements For All Loans /Number of Loans Disbursed During Same Period

Error Rate: Monitor the decrease in errors on loan processing.

Loan approval rate: Measures the efficiency of a loan application workflow for the bank.

Customer Retention Rate: Measures the number of customers that are retained.

Loan default rate: Measures the number of loan defaulters or the borrowers that were not able to make proper payments for the loan in the given timeframe.

Loan portfolio yield : Evaluates the effectiveness of a customer lending solution by measuring the yield of the customer lending portfolios.

Net interest margin : Refers to the profitability ratio of the lending business

Compliance scores: Audits, regulatory and documentation compliance.

IMPLEMENTATION RISKS

List the possible risks of this change, both big and small.

Training Needs: Requirement for staff training to avoid slow adaptation into the change and system
Installation cost: High cost for the new system.
System Disruptions: System shutdown or downtime during the transition phase.
Data Migration issues: Moving customer portfolio from the old system to the new one, some customer information might be lost during the process.

SUGGESTED VENDOR

Explain why this vendor is the best choice. Also, list any other supporting characteristics that may not have appeared on your original list. If this implementation is above budget, detail your justification for the added costs.

FIS Global is recommended due to the solutions it has provided to various financial institutions worldwide, its advanced technology capabilities, compliance readiness, and intuitive user interface.FIS Global's scalable architecture gives better assurance of seamless integration with our existing systems.

OPTION COSTS

Provide an High-Level list of all costs for the recommended implementation so that you do not find yourself having to ask for more money as the setup progresses. Also, consider and note indirect costs, such as system downtime.

FIS Global Installation: \$500,000, which includes setup cost, installation, software, and hardware.
Training Expense: \$50,000 for comprehensive and detailed staff training.
Maintenance: \$30,000 annual cost for support and maintenance.

TECHNOLOGY MIGRATION

If applicable, explain the plan and high-level schedule for the backups and migration to the new system.

The Data migration will involve backing existing data on the company's servers, data transferring, configuration and user settings from the existing loan processing system to the new loan processing system. this process should take 3-4 weeks

IMPLEMENTATION PROGRAM

Describe in High level how the new system will be implemented and important dates and deadlines.

The implementation program will take 3 months;
Month 1: Data backup and installation.
Month 2: Configuration and Testing.
Month 3: Comprehensive training and Implementation.

CONCLUSION

Conclude your business case with a strong and clear request for the project/budget approval, and other resources you need to complete the new IT implementation.

Customers, are increasingly getting used to quicker processes, and turnaround time, therefore having a business model that supports such needs is indispensable for us to grow exponentially. Automation and cloud computing have brought in a whirlwind of change globally and to the financial services industry. As such adopting and implementing this disruptive technology will boost our efficiency and revenues.

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