PHASE-1

Project: LoanLine – Microfinance CRM

Problem statement

Microfinance institutions (MFIs) serve as a financial lifeline for low-income individuals and small businesses, but they often struggle with inefficient and manual operations. Loan application processing is slow and error-prone, repayment tracking is inconsistent, and there is limited ability to assess the creditworthiness of borrowers. Field agents rely on paper-based records, leading to data gaps, delayed updates, and difficulties in monitoring loan performance. As a result, repayment defaults increase, communication with borrowers suffers, and decision-making becomes reactive instead of data-driven.

To overcome these challenges, there is a need for a centralized, automated system that can streamline the entire microfinance workflow. **LoanLine**, a Salesforce-based CRM platform, aims to manage loan applications, automate approvals, track EMIs, calculate credit scores, and send timely reminders. This will help MFIs improve operational efficiency, reduce defaults, and provide better financial services to underserved communities through accurate data, real-time tracking, and enhanced transparency.

1. Requirement Gathering

Goal: Understand what the system must do and what features it needs.

Functional Requirements

- Register new loan applicants

- Capture applicant personal and financial details

- Record loan applications (amount, type, interest, tenure)

- Automate loan approval workflow

- Disburse approved loans

- Track repayments (EMIs)

- Calculate overdue penalties

- Generate credit scores from payment history

- Create reports on loans disbursed, active loans, defaults

- Send reminders for EMI due dates

Non-Functional Requirements

- Secure and role-based access control

- Mobile access for field agents

- Real-time status updates

- Easy-to-use UI for non-technical users

- Data integrity and backup

2. Stakeholder Analysis

Identify people who will use or be impacted by the system.

Stakeholder	Role in the System	Needs
Loan Officer	Processes loan applications	Easy data entry, approval workflow, applicant history
Field Agent	Collects documents and EMI payments	Mobile access, offline entry, quick updates
Finance Manager	Oversees disbursement and repayment	Reports, dashboards, risk analysis
Credit Analyst	Evaluates creditworthiness	Access to credit scoring data, repayment history
System Admin	Maintains Salesforce CRM	User management, permissions, customization
Customer (Borrower)	Applies for loan and repays	Loan status updates, reminders, communication

3. Business Process Mapping

Main Processes:

A. Loan Application & Approval

1. Field agent collects borrower data → creates **Applicant** record.

2. Loan officer creates **Loan Application** record.

3. System runs **Credit Score calculation**.

4. Loan officer approves/rejects → status updated to **Approved** or **Rejected**.

B. Loan Disbursement

1. On approval, **Loan record** is created with disbursal date, amount, and repayment schedule.

2. Funds are disbursed.

C. EMI Collection

1. System creates **Repayment Schedule** (monthly EMIs).

2. Field agent collects EMI → logs **Payment record**.

3. System updates balance, recalculates overdue if any.

D. Credit Scoring

1. Based on timely repayments, system updates borrower's **Credit Score field** automatically.

E. Reporting & Monitoring

- Dashboards show active loans, overdue payments, total collected, default rate.

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4. Industry-specific Use Case Analysis (Microfinance)

Industry Challenges

- Many borrowers are unbanked or semi-literate

- Manual tracking of repayments leads to errors

- High operational cost due to field-based operations

- Difficulty in risk assessment due to lack of credit history

How LoanLine Solves This

- Digital loan tracking via Salesforce Custom Objects

- Automated credit scoring to estimate repayment risk

- Mobile-friendly UI for field agents

- Reports and dashboards to monitor overall performance

- SMS/email reminders reduce missed EMIs

5. AppExchange Exploration

Useful Salesforce AppExchange tools to enhance the system:

App	Purpose
Conga Composer	Generate loan sanction letters and receipts
DocuSign for Salesforce	Digital signing of loan agreements
SMS Magic	Send automated EMI reminders to customers
Field Service Lightning	Assign and track field agents' tasks
Einstein Analytics	Predictive analytics on repayment behavior