Reinventing the Mortgage Process

PROBLEM

A major national bank needed to differentiate itself from competitors

SOLUTION

Alacer recommended creating a new mortgage process to dramatically improve the customer experience

RESULTS

5-second decisions for 45% of HELOC applications, decision time on real estate secured loans cut by over 50%, restored 30,000 hours of capacity to branches

OVERVIEW

How does a financial institution rise above its competition? For a Fortune 50 U.S. bank, it was an important question, given the fact that core banking products and services look alike. As with most banks, this organization had grown through a series of mergers and acquisitions, leaving its back-end systems complex, antiquated and not properly integrated...resulting in less-than-satisfactory customer interactions. When the Alacer team was asked to find a way to help the bank differentiate itself from others, the answer was easy: improve customer service. The solution was harder: reinvent the bank's processes to focus on the customer experience.

CHALLENGES

The Alacer team identified improvements in the bank's lucrative mortgage business as the best way to achieve its goal of elevating the bank's visibility with potential customers. Alacer's team of experienced process engineers worked with senior bank leaders to re-engineer the entire mortgage pipeline, focusing on the user experience. They documented existing processes, identified pain points and opportunities for improvement before embarking on a complete overhaul of the mortgage process, from request to funding. It was the largest project the organization had ever attempted, and was the first to launch with no major problems or change requests.

RESULTS

Where it had once taken weeks, the new Alacer-designed mortgage process helped the bank respond to 45% of its Home Equity Line of Credit (HELOC) requests in less than five seconds; the remaining requests were completed in less than three days. The time from request to decision for a real estate secured loan was reduced by over 50%. The new process also restored over 30,000 hours of capacity back to the bank branches, enabling them to significantly increase their customer support and sell products.

Historical client engagement. Results reflect the original case study; outcomes vary.