



Smithware Technology Solutions Customer Case Study



Overview

Industry: Finance

Customer Profile

Tennessee-based and privately held Southeast Financial provides financing for horse trailers, RV's and motor homes, motorcycles, and other types of recreational assets

Business Situation

The company's web site was out of date and did little to attract customers to the company's services. Their business processes were practically 100% manual slowing down the process. Online applications arrived via e-mail. All paperwork was hand written, typed, or manually entered into online forms.

Solution

Smithware produced and implemented a Business Process Automation plan guided loan applications throughout the entire lifecycle of the loan. The company also gained a redesigned web site with up to date content and online services that allowed customers to apply online and monitor the loan as it went through the approval process.

Benefits

- Huge reduction in paperwork associated with loans
- Reduction in errors on loan applications
- Increased business without more staff
- Better coordination between loan administrators
- Customer access to the information they need when they need it
- Reduced customer phone calls due to improved customer communication

Finance Company Increases Customer Satisfaction and Reduces Complexity Through Business Process Automation and Web Site Redesign

“When Smithware presented the Business Process Automation plan to Southeast, we had no idea what a large effect it would have on our operations. Although the steps required for us to do our jobs did not fundamentally change, the resulting organization and simplification of the process have been amazing. Our phone calls are greatly reduced and our customers have never been more satisfied with our service ”

Heather Finch, General Manager, Southeast Financial

Headquartered in Kingston Springs, Tennessee, Southeast Financial is a privately held finance company that specializes in providing financing for customers looking to purchase horse trailers, RV's and motor homes, motorcycles, and other types of recreational assets. Historically, the company experienced consistent growth driven by their high quality customer service and attention to detail. Not unlike many similar companies, Southeast handled the majority of their business manually handwriting many forms and using electronic typewriters for others. Loan administrators performed a lot of re-entering of data which was prone to multiple data entry errors. Southeast had a web site with an online application for loans, but the site was outdated and did little to attract new business for the company. The company wanted to automate all of the work associated with the loan process and at the same time improve their ability to provide even better customer service and also to position themselves to be able to handle much higher transaction volumes without increasing staffing levels. They also hoped to redesign their web site in order to effectively attract more customers to the company.

The company made the process of financing recreational assets extremely easy and trouble free. They handled all of the communication with the financial institutions, they generated and processed all of the paperwork, and they walked their customers through the process from beginning to end.

Business Situation

Southeast Financial specializes in providing financing for customers looking to purchase horse trailers, RV's and motor homes, motorcycles, and other recreational assets. Southeast is a privately owned company headquartered in Kingston Springs, Tennessee just outside of Nashville and works with various nationwide funding institutions that specialize in financing recreational units for consumers.

The company made the process of financing recreational assets extremely easy and trouble free. They handled all of the communication with the financial institutions, they generated and processed all of the paperwork, and they walked their customers through the process from beginning to end. Over the past several years, the company has experienced consistent and strong growth which, based on customer feedback, predominantly has been driven by Southeast's consistent high quality customer service and attention to detail.

Over the years, one could only imagine the sheer volume of paperwork that this type of business would generate. Southeast handled the majority of their business manually, and they were not at all unique. Many of their major funding partners were still using electronic typewriters to generate the funding paperwork and lending agreements. Many forms were filled out and submitted in handwriting via manual fax. Even in the twenty first century, many companies had yet to automate many of the processes required to execute financing agreements like this.

For every loan application that came into Southeast, staffers indeed generated an immense amount of manual paperwork. The loan staff had to perform a lot of re-entering of data which was tedious and time consuming, and also was prone to multiple data entry errors. Southeast did have a web site with an automated application for loans, but the site was outdated and did little to attract new business for the company. Also, the online loan application was one very long form on the web site with only limited data validation and verification. When an application was submitted to Southeast by a customer online, the form data was e-mailed to Southeast where everything was subsequently processed manually. The company also had a big challenge handling all of the follow-up telephone calls, e-mails, and faxes that came in asking where the company was in the loan approval process.

The management team at Southeast knew that they needed to address the issue of automating all of the work associated with the loan process. With the effective application of technology to their manual operations, the company hoped to improve their ability to provide even better customer service and also to position themselves to be able to handle much higher transaction volumes without increasing staffing levels.

Solution

There were essentially two major issues facing Southeast with respect to their business.

First, the company needed to fully automate the processes that they were using to move a customer from prospect to an executed loan agreement. Fortunately, Southeast knew very well the business processes that were manually required to get the job done.

Secondly, Southeast's web site desperately needed updating to improve their ability to communicate with customers. Also, the loan application process needed to be simplified and shortened on the site and the loan application should not go to Southeast via e-mail but post the form data directly into a loan processing database. Also, customers needed insight into the status of their loan by logging into the site.

In late 2005, Smithware presented Southeast with a high level plan for Business Process Automation. Business Process Automation is simply taking effective existing processes to conduct business and using technology to make the performance of those processes more efficient and more controlled.

Tier 1: Business Process Automation

The steps to walk a loan through the approval process are relatively basic, especially for a company like Southeast who has the process very well defined. The steps are:

1. An application for a loan comes in either from the web site or via fax.
2. The credit report is pulled from the partner credit reporting bureau.
3. The application is approved or denied internally based on the credit report, credit score, application data, and potential funding institution guidelines.
4. If denied communicate with customer, end of process.
5. If approved, assign to a funding institution and generate that company's credit application. Fax application to funding institution.
6. If denied by funding institution, communicate with customer, end of process.
7. If approved by funding institution, communicate with customer. Does the customer wish to continue with the loan?
8. If the customer does not wish to continue, communicate with customer, end of process.
9. If the customer wishes to continue, generate funding forms. Funding forms vary by funding institution.
10. Generate the loan contact.
11. Ship funding forms to customer for execution. Communicate shipment tracking number with customer.
12. Receive executed funding forms from customer, review.
13. Ship funding forms to financial institution.
14. Receive funding notice from financial institution. Communicate with customer.
15. Fund customer.
16. Communicate with customer about funding.
17. Receive customer lien filing.
18. Communicate with customer. End of process.

Based on the analysis of these steps required to execute a loan, Smithware first designed the underlying database that would contain all of the elements required for the loan and everything needed to track each loan through the process.

Next, Smithware created a Workflow Engine that allowed loan staffers to monitor each loan throughout the process. Here is an example of the Workflow Engine Interface:

One feature of the workflow engine that was important to Southeast was the use of a consistent and clear user interface so that training on the application would be minimal. All processes throughout the workflow engine use the same set of consistent icons.

The workflow engine for Southeast is a web application that ties into the same backend database that the new web site would populate. When a credit report is submitted online, the record immediately becomes available in the first line that says “Pull Credit Reports, Accept/Decline, Assign to Financial Institution” which are steps 1 through 5 of the overall business process.

Loan administrators are able to expand each section by pressing the down arrow to the right of the menu line. Here, there is only one application needing action on line 1. When expanded, the menu shows detail for the application:

Name	Loan ID	Home Phone & State	Time Since Approval	Asset Type	Loan Amount	Actions
SMITH, SAM	Z42301	512-555-4457 TX	2 days	Recreational Vehicle	\$19,200.00	  

One feature of the workflow engine that was important to Southeast was the use of a consistent and clear user interface so that training on the

In the past, Southeast had to manually fill out forms for each loan and be sure that the appropriate forms were being used for the assigned financial institution. With the work flow engine in place, Smithware crated a forms processing system that automate it all

application would be minimal. All processes throughout the workflow engine use the same set of consistent icons:



Go This button performs the next step in the workflow process.



Edit This button allows the user to edit any fields within the loan application record.










Files This button opens the folder that contains all of the forms and files (e-mails, faxes, application forms, etc.) associated with the loan.

With a consistent and clear user interface, training on the system is extremely short.

In the past, Southeast had to manually fill out forms for each loan and be sure that the appropriate forms were being used for the assigned financial institution. With the work flow engine in place, Smithware crated a forms processing system that automate it all. Each financial institution has a library of **application forms** that are submitted to approve the loan and **funding forms** that are generated for approved loans.

Here is a folder containing the funding forms required by one financial institution:

Name	Size	Type
 FundingForms_IMPORTANT leinholder information.pdf	217 KB	Adobe Acrobat 7.0 Document
 FundingForms_Joint Credit Form.pdf	229 KB	Adobe Acrobat 7.0 Document
 FundingForms_Agreement to provide Title.pdf	241 KB	Adobe Acrobat 7.0 Document
 FundingForms_ACH Deposit Pre-Authorization.pdf	304 KB	Adobe Acrobat 7.0 Document
 FundingForms_Agreement to provide Insrance.pdf	424 KB	Adobe Acrobat 7.0 Document
 FundingForms_Loan Application.pdf	375 KB	Adobe Acrobat 7.0 Document
 FinancialInstitutionLoanContract.pdf	796 KB	Adobe Acrobat 7.0 Document

The names of the forms are important for the workflow engine. The engine much know which forms are general 8.5x11 laser printed forms and which form is the contract that much be printed on a preprinted multipart carbonless form. Yes, in the twenty-first century, some banks still use old carbonless forms. Go figure.

At any rate, a method was needed to allow the workflow engine to populate the forms with the appropriate data from the application database. Take a look at part of a sample PDF form in Adobe Acrobat:

LOAN APPLICATION

DEALER NAME	
DATE	PHONE
CONTACT	FAX

APPLICANT *This Application is for* Individual Joint Credit

FULL NAME			DATE OF BIRTH		SOC. SEC. #		
CURRENT ADDRESS			CITY	STATE	ZIP	YEARS	HOME PHONE
<input type="checkbox"/> RENT	\$	PMT	LANDLORD		NAME/ADDRESS NEAREST RELATIVE		
<input type="checkbox"/> OWN	\$	PMT	BANK				
PREVIOUS ADDRESS			STATE	ZIP	YEARS	<input type="checkbox"/> RENT	
							<input type="checkbox"/> OWN
EMPLOYER		CITY / STATE		POSITION		YEARS	BUS. PHONE
GROSS INCOME		<input type="checkbox"/> MONTH	<input type="checkbox"/> ANNUAL	OTHER INCOME		<input type="checkbox"/> MONTH	<input type="checkbox"/> ANNUAL <input type="checkbox"/> WEEK
						SOURCE	
PREVIOUS EMPLOYER		CITY / STATE		POSITION		YEARS	<i>Reporting Child Support Income is Optional</i>

This is part of the loan application form. There are many fields in the PDF file that must be populated from the database. Smithware devised a method of embedding fields within the PDF document that the workflow engine could use to populate the form:

When completed, the Smithware Business Process Automation implementation proved a success for Southeast in that they greatly reduced the amount of physical paperwork required for each loan and they were able to easily share information with all loan staffers about the status of each loan.

LOAN APPLICATION

DEALER NAME	AssetPurchaseSourceName
DATE	PHONE AssetPurchaseSourceName
CONTACT	FAX

APPLICANT *This Application is for* Individual Joint Credit

FULL NAME			DATE OF BIRTH		SOC. SEC. #		
CURRENT ADDRESS			CITY	STATE	ZIP	YEARS	HOME PHONE
<input type="checkbox"/> Rent/Hor	\$	%ShortMo	LANDLORD Residence/Mortgage/Or/Leas		NAME/ADDRESS NEAREST RELATIVE		
<input type="checkbox"/> Own/Hor	\$	PMT	BANK		%NearestRelative		
PREVIOUS ADDRESS			STATE	ZIP	YEARS	<input type="checkbox"/> RENT	
							<input type="checkbox"/> OWN
EMPLOYER		CITY / STATE		POSITION		YEARS	BUS. PHONE
						YearsEmpl	WorkPhoneNumber
GROSS INCOME		<input type="checkbox"/> %X1	<input type="checkbox"/> ANNUAL	OTHER INCOME		<input type="checkbox"/> MONTH	<input type="checkbox"/> ANNUAL <input type="checkbox"/> WEEK
						SOURCE	
PREVIOUS EMPLOYER		CITY / STATE		POSITION		YEARS	<i>Reporting Child Support Income is Optional</i>
						PreviousYe	

Each field in the document corresponds to a field from the database or a combination of fields that are required on the form.

When funding forms are generated (step 9 in the business process), the workflow engine opens each PDF document in the funding forms folder that begins with "FundingForms_" and process each field in the form with data from the database, and save the resulting form in the funding form folder for the loan. Once the forms are generated, a loan administrator can simply print the forms on a laser printer and they are ready to go.

The loan contracts presented another challenge in that they are generally 8.5" wide and up to 20 inches long and they are carbonless forms. This required an impact printer capable of printing large format documents and some small changes to the workflow engine forms processing.

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Tier 2: Improved Web Site Implementation

The first issue that needed addressing on the www.Southeastfinance.com web site was that it needed an upgrade to make it much more usable and it needed to be designed from the bottom up with Search Engine Optimization in mind. Smithware teamed up with Tom Ranseen from www.NoSpinMarketing.com and Tom put together a comprehensive plan for building a new, marketing driven web site. Once the plan was in place, the web design firm or www.iDesign.net joined the project to implement the new look and feel for the site. It was very important to the management of Southeast Financial that the site be a place where their typical customers would feel comfortable and at home. They were very pleased with the redesign.

Here is the home page from the old site:

The screenshot shows the old website for Southeast Financial. At the top left is the logo, a compass rose with the text "Southeast FINANCIAL". To the right of the logo is the tagline "Hassle Free, Competitive Financing Solutions". Below the logo is a navigation menu with links: Home, Contact, Rates, Loan Calculator, Dealers, Loan Information, Apply Online, Refinance, RV Financing, Horse Trailer Financing, Boat Financing, Auto Financing, Motorcycle Financing, Warranties, and Customer Survey. The main content area features a "WELCOME" header, a "Specializing In Financing For Trucks, Trailers, Boats & RV's" graphic, and three columns of text. The first column states: "At Southeast Financial, we specialize in truck, trailer, RV and boat financing." The second column says: "We offer a broad range of financing options whether you are buying from a dealer, a private party, or looking to refinance your current trailer." The third column says: "We work with the most competitive banks in the industry which allows us to offer you the best interest rates and terms in the country." Below this, it says: "Our goal is to provide you with a hassle free finance service and the best customer service available anywhere. We will strive to meet all of your financing needs whether you are an individual looking to make the purchase of your dreams, or a dealer that would like for us to handle all of your financing." To the right of this text is a list of benefits: "Competitive Rates", "Outstanding Service", and "No Hassle". At the bottom of the main content area, it says "We also offer a variety of refinancing options for your current truck, trailer, boat or RV!" and "APPLY ONLINE!". The footer contains contact information: "Southeast Financial, 155 Petro Road, Kingston Springs, TN 37082, Toll Free 866-352-9059, 615-952-9059, Fax: 615-952-9190, Email: Southeast.Financial".

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The screenshot shows the Southeast Financial website interface. At the top left is the logo with a compass rose and the text "Southeast FINANCIAL". To the right is a search bar with "Go!" and the slogan "Hassle Free, Competitive Financing — 3-Hour Credit Approvals!". Below the search bar is a navigation menu: "Login ♦ Home ♦ Contact Us ♦ Our Customers Say ♦ FAQ's ♦ About Us ♦ Site Map".

The main content area is divided into several sections:

- LOAN CENTER:** Features "APPLY NOW" and "LOGIN" buttons. Text: "Specializing in Financing for Horse Trailers, RV's, Recreational Trailers, Motorcycles and Boats NATIONWIDE". An image of a horse trailer is shown to the right.
- Loan Types >>>** A list of financing options: Horse Trailer Financing, RV, Motor Home, Camper Financing, Recreational Trailer Financing, Motorcycle Financing, Boat Financing.
- Loan Info >>>** A list of informational links: Loan Calculator, Loan Rates & Terms, Loan Steps, Loan Tips, Refinancing, Warranties.
- Dealer Info >>>** A link for "For Dealers".
- Customer Survey:** A link to "Complete Our Online Customer Satisfaction Survey!".

Three main promotional banners are present:

- Nationwide Financing - for 12 years:** "At Southeast Financial, we specialize in financing for horse trailers, RV's, motor homes, campers, recreational trailers, motorcycles, and boats - personal (versus commercial), recreational vehicles and trailers for individuals and dealers, nationwide."
- Check Your Loan Status Online 24/7:** "We strive to get you a credit decision in less than 3 hours, during business hours M-F and Saturday. The rest is paperwork that takes only a few days. And you can check the status of your loan online any hour of the day."
- Competitive Rates & Easy Terms:** "Southeast can provide competitive, low rates and flexible terms because we work with numerous banks that understand the financing of horse trailers, RV's, recreational trailers, motorcycles and boats. That means you get a better rate and terms than your own bank or most dealers can offer. We just get the best deal for you—and avoid the hype you'll hear elsewhere. Financing up to 240 months."
- Professional, Friendly, No-Hassle Service:** "With 12 years of experience financing horse trailers, RV's, recreational trailers/haulers, motorcycles and boats, we've learned that service counts. Read what our customers have to say."

At the bottom, three images illustrate the services: a person on a motorcycle (captioned "Easy Terms"), a pickup truck with a horse trailer (captioned "Competitive Rates"), and a person with a horse (captioned "No Hassle").

Key to the success of the new site was to enhance the online application process so that data would be validated by customers on the spot and so that the resulting application would be automatically populated within Southeast's Workflow Engine.

While the team from NoSpin and iDesign worked on implementing the site plan, Smithware focused on building the online application for credit and the Loan Center. The Loan Center would be one way that Southeast could improve customer service while reducing the number of phone calls, e-mails, and faxes that the company received about loans in process.

Here is the original online loan application. It was one very long form and many loans came through with incomplete or inaccurate information:



Credit Application

Select Your Purchase Option
Purchase from a dealer

Select Your Credit Type
Excellent Credit

Applicant
(BOLD FIELDS REQUIRED. Incomplete applications will delay processing.)

Full Name:

Email Address:

Social Security Number:

Date of Birth:

Street Address:

City:

State:

Zip:

Home Phone Number:

Work Phone Number:

Employer:

Duration of Employment: months/ years

Occupation:

The new credit application was a multi part process that changes according to options selected during the process. For example, if the loan was for joint credit, then co-application information is asked for. Depending on the type of asset being financed, the application only asks for certain data that applies to that particular asset. Here is the new loan application start page:



Loan Application: Registration

Welcome!

Our credit application takes only a few minutes to complete online, and we can usually get you a decision in less than three hours (during business hours 8:30-5:00PM Central Time M-F and 8:30-3:00PM on Saturdays).

If you plan to have a co-applicant, make sure that you have their contact information handy before you start: home address, home and work phone numbers, birth date, Social Security Number, etc. Also, you'll need basic information about the asset that you plan to purchase or refinance: manufacturer, model, year, sales price, taxes, seller's name, seller's phone number, etc.

If you need assistance, please call us at 866-952-9059 or e-mail loans@southefinancial.com.

Please note that our minimum loan value is \$7,500.

Application Type:

Individual or Joint Application?

Asset to be Financed:

How did you find us?

Note: You will need your e-mail address and password to log in and view the status of your loan online.

E-mail Address:

The new application also provides as much instruction and feedback in order to answer many potential customer questions to further reduce phone calls.

Perhaps the most innovative part of the new www.southefinancial.com web site was the ability for customers to login at any time and look at the status of their loan at any time. In the past, the only way to see where a loan was in the approval process was to contact Southeast. Now with an e-mail, a secure password, and a loan id, users can get the Workflow Engine to tell them exactly where they are. Here is the what a typical user might see when they login:

Current Loan Status as of 7/27/2006 5:08:15 PM

Here is detailed information about your loan application process. If you have any questions, please call us toll-free at 866-952-9059 or e-mail loans@southefinancial.com for assistance.

Loan ID:	Z57782
Name:	ROBERT SMITH
Co-applicant Name:	JANICE SMITH
Loan Amount:	\$11,878.00

5/15/2006 2:50:03 PM: The loan application was received from <https://loancenter.southefinancial.com>.

5/15/2006 3:01:05 PM: The credit report was pulled, reviewed, and the loan application was approved by Southeast Financial for submittal to a financial institution.

5/15/2006 3:01:14 PM: The financial institution credit application documents were generated.

5/15/2006 3:03:24 PM: The credit application documents were transmitted to the financial institution.

5/20/2006 2:54:08 PM: The loan application was approved by the financial institution.

5/22/2006 2:41:56 PM: The customer indicated that they wish to continue with the loan application.

5/22/2006 2:42:21 PM: The financial institution forms were generated that will be shipped to the customer for review and execution.

5/22/2006 2:42:21 PM: The internal review of the financial institution forms was completed by Southeast Financial.

5/22/2006 4:48:38 PM: The shipment of the financial institution forms was submitted to FedEx for overnight delivery. The tracking number is .

7/27/2006 5:08:16 PM: **The loan application is pending Southeast Financial's receiving of the customer's executed paperwork.**

Close Window

Perhaps the most innovative part of the new web site was the ability for customers to login at any time and look at the status of their loan at any time. In the past, the only way to see where a loan was in the approval process was to contact Southeast. Now with an e-mail, a secure password, and a loan id, users can get the Workflow Engine to tell them exactly where they are.

The results of Business Process Automation at Southeast Financial were impressive. The staff is able to handle the increased volume of traffic that has been generated by the increase in Search Engine Marketing for the site and the number of customer calls has drastically decreased.

Benefits

Huge reduction in paperwork associated with loans

The Workflow Engine creates and maintains all paperwork electronically significantly reducing the amount of physical paperwork required for each loan. Even scanned paperwork such as driver's licenses and title registrations are scanned and filed electronically. All communication whether e-mail or fax is also maintained by the Workflow Engine.

Reduction in errors on loan applications

The online credit application has built in data validation and verification that greatly reduces the number of errors that an application might make on an online application. Once the customer submits their loan application, it is immediately under control of the Workflow Engine. No data re-entry is required.

Increased business without more staff

The automatic generation of loan documents greatly reduces the amount of human time required for each loan. Customer request for information via phone take a fraction of the time.

Better coordination between loan administrators

All loans are available to all loan administrators. When special circumstances arise they can be noted within the Workflow Engine for follow-up and resolution.

Customer access to the information they need when they need it

The online Loan Center allows customers to login and see exactly where their loan is in the approval process. This one step has greatly reduced the number of incoming phone calls to Southeast and enhanced overall efficiency of the staff.

For more information about Smithware Business Process Automation solutions, contact Smithware at ask@smithware.com.