



# Shorter Loan Cycle Time

## A Continuous Document Process Made the Difference



Our client is a successful finance company that purchases loan installment contracts from originators who finance consumers with inconsistent credit histories. The company has about 10,000 loan origination partners who apply for the funding of about 300 applications each day. To compete and win in this environment calls for making loan approval decisions rapidly and mailing monthly statements early in the cycle.

### THE CHALLENGE

The finance company was concerned that its document processes were impeding the growth of its loan portfolio. Customer service and document management were also serious issues. The related departments were not satisfied with the time it took to put monthly finance statements into the hands of customers.

Experience indicated that if the statements were sent later in the monthly cycle, more customers paid their bills late. This situation was driving up delinquent accounts and payment periods, incurring additional collection costs. What's more, the departments concerned with origination and underwriting were not comfortable with the loan approval cycle time. It took one day from the moment a new contract arrived in the mail until the underwriters could begin to work the loan. In a competitive market

where borrowers apply to multiple funders simultaneously, the finance company that approves the loan first usually gets the business. A significant amount of work is wasted when the prospective borrower withdraws the application because they received funding elsewhere.

### THE SOLUTION

Canon Business Process Services (Canon) implemented a wrap-around document process that logically connected front-end document intake with imaging, file management, printing and mail production functions. As loan applications arrive in the mail daily, they are logged, prepped and immediately imaged. The imaging process involves indexing, data capture and quality control. Barcode and document management technology was deployed to compress the cycle time and automate the record-keeping process. Each contract file is maintained in

## It had taken more than a day before work could begin on a new loan contract. Now—by 1p.m.—the contract file is available in electronic form.

both paper and electronic format, but the two are linked electronically.

In this way, files can be easily retrieved during the funding process, or later on when they are sold on the wholesale market. To solve the statement printing and distribution problems and help the customer pay on time, Canon integrated the Central Reprographics Department (CRD) with the mail center. This allows customer statements, correspondence, notices and disclosures to be printed, inserted, sorted, metered and placed in the mail stream in one process. Canon high-speed printers and Canon print management software were installed to automate the statement printing process.

### THE RESULT

The Canon unified document process helped turn around document management for the finance company. On the intake side, we implemented an imaging process that makes the contract file available electronically to funding by 1 p.m. each day. Additional data entry is performed in the afternoon. All paper files are barcoded and filed immediately, ensuring the integrity of records.

Before the unified process was instituted, servicing struggled to print and distribute customer statements within the available time. Canon is now easily able to meet deadlines, with additional capacity available at no increase in labor or facility space. That helps customers avoid late fees and it helps our client cut down on unnecessary collection work. In the final analysis, Canon was able to reduce hard-document process costs by more than \$100,000 in the first year alone.

The savings came from efficiencies in print, copy and mail processing. Additional soft savings are expected to permeate the company in the form of direct labor savings, resulting from electronic document management efficiencies.

### ABOUT CANON BUSINESS PROCESS SERVICES, INC.

Canon Business Process Services, a wholly owned subsidiary of Canon U.S.A., offers managed services and technology for information and document management, business process outsourcing and specialty workforce services. We help clients improve operational performance while reducing cost and risk. Canon Business Process Services has been named a Global Outsourcing 100 Leader by IAOP for the past eleven years and recognized in the Gartner Magic Quadrant for Managed Print and Content Services for five consecutive years. We have also been acknowledged by CIOReview magazine as a "20 Most Promising Legal Technology Solution Provider." Learn more at [cbps.canon.com](http://cbps.canon.com) and follow us on Twitter @CanonBPO.