



CASE STUDY

VKB Bank responded to an inundation of 100x more credit deferral requests than usual in 2020 with process automation to make it 90% more efficient

VKB | BANK

Company name :

Volkskreditbank AG

Industry:

Financial Services

Location:

Austria

VKB Bank were temporarily faced with over 100 times the number of credit instalment deferrals following the economic impact of the COVID-19 pandemic, jumping 100x from around 150 requests a year to more than 100 in the peak every day. The spike in processes was draining the bank's resources, as each request took 40 to 60 minutes to complete.

In just three weeks, they were able to design and implement a new process using Bizagi, leveraging Bizagi's UiPath integration capabilities to automate key steps in the process. This increased efficiency by 90%, so processing time was reduced to just 4 to 6 minutes. This meant they could process the huge increase in credit instalment deferrals without having to hire more staff, saving them significant time and money.

90% increased efficiency

10x faster credit deferral process

5 minutes to complete deferral request

This is a perfect example of a very successful process implementation; we are very proud of it.

Thomas Haugeneder
Expert of Loan Management

Objectives

- Effectively manage 100X increase of credit deferral cases
- Streamline process to only include necessary steps for increased efficiency
- Orchestrate systems with one central platform
- Automate manual steps in process
- Reduce programming cycle time

Achievements

- 90% increased efficiency of credit deferral process
- Process 10x faster, taking an average of 5 minutes, rather than 50
- All data passed through Bizagi rather than 7 separate systems
- Better quality data through system tests and validation
- More efficient and thorough reporting system
- Automated acquisition in core bank systems using UiPath RPA

Overview

VKB Bank is an Austrian cooperative bank which serves private individuals and mid-sized businesses with a focus on credit and deposits. The bank prides itself on a personal approach, so was looking into digitization to support personal contact with customers.

As an independent bank, they are able to dictate their own business decisions and have spent the past 2 years discussing how to best implement their core business processes before settling on Bizagi to support their digital transformation and connect their legacy systems.

Challenge

The bank was faced with what they described 'a jungle of systems'. The aim was to implement a single platform that could handle all business processes which meant that employees only had to interact with a one system. Business processes needed to be streamlined to reduce cycle time and improve both employee and customer experience.

The credit instalment process was in particular need of improvement. It was a manual process, with several arduous steps, totalling 40 – 60 minutes to complete, depending on the complexity of the individual case. This wasn't ideal, but the bank only received an average of 150 credit deferral requests per year, so it was manageable.

However, the COVID pandemic caused a short-term boom in the number of requests, which sometimes totalled in peak more than 100 per day, an increase of over 100x. This significantly tied up their resources in the back office and prevented them from serving customers quickly.

Solution

The process was simplified using Bizagi so the approval process is now simple and fast. Once the team receive a credit deferral request, they can review the customer data and evaluate the duration of the referral using an automated calculation. The user can then approve or reject the request and a document of approval is created and automatically stored in the system.

Steps within the process have been automated using Bizagi, including creation of contracts and emailing these to the customer, automatic documentation within the credit program. Additional automation was provided by UiPath bots to connect with VKB's core bank system for automatic acquisition. The UiPath bots also assisted with the bank's 'four eyes' principle that ensures all documents are looked over by four people before being approved.

Bizagi was used to automate several other processes, including application for consumer credit, housing finance, and estate settlement.

Results

The credit deferral process in particular was a great success in the face of disruption brought about by the economic impact of COVID-19. The entire process now takes just four to six minutes, rather than 40 – 60 minutes. Overall process efficiency has increased by 90% and is conducted over the single Bizagi platform, rather than seven different IT systems.

Mapping the process and uniting IT systems has helped introduce uniformity through system tests and validation, helping VKB to obtain a higher quality of data and a better reporting system based on public requirements. Additionally, the system is easier to use, which not only benefits current users, but also means that new employees can use the system with ease, so very little training is needed.

They are now working to automate further processes including, corporate loan application, general processes for credit businesses, the handover process for bad debt account deletion, and expense claims.

