

Accelerate SME lending through digital offering

Leverage Pega platform to build a
robust, scalable, and efficient solution



The client is one of the largest banks in Europe. The growth strategy that the bank follows is simply to grow small and medium enterprises lending business by building a differentiated customer experience. The client had the vision to provide the customer with the solutions that would prove most effective to manage their financial prosperity and growth.

The Challenge

Inefficiencies in business processes

The client faced peculiar challenges in their loan application process. The end-to-end SME loan origination process of the bank was fragmented between multiple business divisions. One of the critical aspects of the loan origination process is loan processing and approval. There were several deficiencies in the loan application process. The procedure for loan application was manual and the use of technology was limited. This inevitably leads to excessive paperwork in the loan process. Additionally, due to the process being fragmented between multiple business divisions, there were multiple handoffs that lead to delays in acquiring loan approval. There was also a lack of automation in the credit decisioning stage.

The Objective

Moving away from legacy processes toward digitalization

A transformation of the traditional loan procedure was needed to stave challenges from the competition and succeed in the digitalization race. The objective was to increase the use of technology to streamline the loan application process leading to an enhanced customer experience. It would facilitate the increase in automation opportunities and standardize existing customer data to reduce the processing period. They needed to accelerate data-driven decision-making by utilizing the existing data. An efficient digitally driven application process was needed to reduce operational risk. This would go on to provide strong workflow management and improve STP, transparency, and accountability. The bank relied on HCLTech to bring in their expertise in the end-to-end execution of the program keeping the needs of the client in mind.



The Solution

Empowering business with efficiency and speed

HCLTech understood the client's needs and got to work. Our solution comprised enhancing the Business Process Mapping (BPM) tool leveraging the Pega platform. Pega BPM integration helped design and build a customer lending platform with strong business process management with the help of Pega services. The end-to-end implementation of an instant lending platform for SME customers integrated into Pega workflow via ESB layers helped in loan origination development and integration. Built and exposed Pega-driven BPM modules to integrate with the credit bureau. helped retrieve instant credit assessments for new customers/leads and top-up loan eligibility for existing customers.

To mitigate the problems of excessive paperwork smart contracts were introduced to move away from paper-based contracts using the out-of-the-box Pega digital and smart contracts. All SME banking support functions were included in the solution such as product changes, loan repricing, and portfolio servicing. The collections modules were handled by Pega problem loan management.



The Impact:

Smart personalization to enhance customer satisfaction

HCLTech's solutions for the client helped in improving customer satisfaction by making business processes easy, smart, and personalized. The loan origination processing decisions were made based on external commercial borrowings (ECB). With the help of 80% automation that our solutions introduced in the loan origination process, the operation risk was significantly reduced along with optimizing the cost of the procedures. Loan procession was now done in real-time through the instant lending feature implemented.

HCLTech contributed to supercharging the efficiency of the business process by lending its expertise in a number of areas, including automation and API-led architecture and satisfying the needs and objectives of the client.



For any queries, please reach out to us at digitaltransformation@hcl.com