Nationwide Building Society Builds Platform for Success

Mortgage lender and savings provider meets new time requirements, receives positive customer response with OpenText Process360

Nationwide Building Society is the world's largest building society. With assets of around £190 billion, Nationwide has more than half the market share for all UK building societies and is the country's third largest mortgage lender and second largest savings provider. With a history that can be traced back to 1846, Nationwide has grown through a series of mergers and acquisitions, yet has always been committed to remaining a mutual society.

Paper problems, complex processes

In early 2010, the entire UK savings industry was the subject of a super-complaint to the Office of Fair Trading (OFT) regarding Individual Savings Accounts (ISAs), a type of tax-exempt savings account available to UK residents. One of the three main concerns highlighted in the complaint was that the process of transferring customers' cash ISAs between providers was taking too long. In June 2010, the OFT secured an agreement from savings industry bodies that their members would reduce the maximum period for completing the ISA transfer process from 23 to 15 working days. This new 15 day limit would come into force on the 31st of December that year and be monitored by the Financial Services Authority, which has the power to fine banks and building societies for failure to comply.

In barely six months, every savings provider in the UK had to slash their ISA transfer times by a third, a problem much easier to solve on paper than in practice. And in practice, the main problem facing Nationwide was paper.

In 2009, the ISA application process at Nationwide was extremely paper-intensive for both customers and staff. Applications and account transfers required the completion of paper forms, huge volumes of which had to be physically transferred between Nationwide's more than 700 branches, its distribution centers, and the customer operations teams at its three main offices. Only when these forms reached the processing teams were they scanned into Nationwide's work management system.

Pushing paper between premises is naturally an incredibly time-consuming process; however, there were other serious shortcomings in its work management platform

INDUSTRY

Financial Services

CUSTOMER

Nationwide Building Society

CHALLENGES

- Lengthy processing times
- Complex paper trail
- Lack of transparency
- Temporary hiring

SOLUTION

- OpenText Process360

BENEFITS

- Reduced transfer time from 21 to 15 days, complying with regulations
- Eliminated three million pieces of paper per year
- Improved transaction transparency
- Drove time and cost savings
- Extended value of existing technologies

"The fast, smooth, and transparent processes that OpenText has enabled are absolutely critical to retaining our customers' respect and loyalty."

NEIL CROSSLEY, SENIOR OPERATIONS MANAGER FOR ISA PROCESSING, NATIONWIDE BUILDING SOCIETY

that threatened Nationwide's ability to comply with the new 15 day limit, as Neil Crossley, Senior Operations Manager for ISA Processing, explains.

"Our old work management platform was unable to meet the growing demands from our account administration team or the wider business," says Crossley. "It couldn't deploy new processes onto the platform quickly, nor could it give insight into how applications were progressing or where bottlenecks were occurring in the process. It also gave us very limited management information, causing us serious problems with monitoring employee and team productivity."

"This gave us particular problems with the application process for cash and fixed-rate ISAs," continues Crossley. "ISA applications are a multi-stage, multi-day, paper-driven process governed by complex business rules. Many of the applications are account transfers between different ISA providers, as customers move their accounts to take advantage of better interest rates. This requires cooperation with other financial institutions and adds another layer of complexity to the process."

"On top of this, ISAs are subject to enormous spikes in demand at the end of each financial year, and we needed to bring in a substantial number of extra staff every March to help process applications. Managing these temporary staff, giving them full training on the system, and monitoring team performance created a management issue, and one that would be exacerbated when the new deadline came into force. That summer, our most urgent priority was to implement a modern Business Process Management (BPM) solution, known internally as 'Quantum,'" Crossley explains.

'Quantum' mechanics

At first, Nationwide considered building a BPM system in-house, but quickly realized that such a complicated project would need specialist help. Given its strategic investment in Microsoft® platforms such as SharePoint®, Nationwide put out an RFP to six Microsoft specialists and BPM market leaders. Only one provider stood out.

"Every vendor we contacted sent us generic marketing material in response—except OpenText," says Jason Stalker, Nationwide's IT Senior Project Manager. "OpenText was the only company that took the time to examine the specific problems and requirements identified in our RFP, and undertook to model the different levels of process automation that we could achieve against different scenarios."

OpenText started working with Nationwide to implement Project Quantum, based on the OpenText BPM platform with OpenText Process360 at its heart, to replace the legacy workflow management solution. With the OFT deadline fast approaching, the initial focus was to deliver a highly automated "ISA Transfers In" process.

Under the new system, customer information is captured in electronic forms in a branch or, in the event of a customer submitting one of the old paper forms, the document is scanned and the data captured using Optical Character Recognition (OCR). The data is routed into the "ISA Transfers In" process, where most of the activities are automated and people are only required to handle exceptions. Transferring ISAs from a third-party provider used to involve complex and multi-stage processes. Now, however, time-consuming and paper-intensive tasks such as generating letters to other providers, account opening, validation, and data entry are fully automated.

Another key capability is integration with Microsoft products already used by Nationwide, including SharePoint. This enables collaborative working by staff across Nationwide's network of branches and offices, and facilitates the allocation of work to the right staff at the right time. The OpenText BPM system also provides a rich source of Management Information (MI). This data enables staff to track the progress of applications, while management can now immediately spot bottlenecks in the process, monitor employee performance, and easily allocate staff to where they are most needed. Furthermore, this data makes it easy to provide credible information on service levels to the regulator.

Although the priority with Project Quantum was to automate the "ISA Transfers In" process, the system is also now employed to simplify another process: Fixed-Rate ISA (FRISA) maturity. "Using the new BPM platform, we are now able to roll over matured FRISAs automatically, on customer request," says Stalker. "The addition of the FRISA maturity process shows the flexibility of the OpenText BPM platform, and is an extremely encouraging sign as we look to employ the system elsewhere in the business."

Platform for success

"The 2011-2012 ISA season was the busiest and most successful in Nationwide's history," says Ian Thompson, then Head of Customer Operations, and the man tasked with overseeing improvements in ISA processing. "The surge in new applications has made us the largest provider of ISAs in the UK. But success isn't just measured by the number of ISAs that we processed and the amount

of new business we brought in—it was in the speed, accuracy, and timeliness that we were able to process applications and the exceptional experience that we were able to provide to our customers. The platform for this success was the OpenText BPM system; without it, we could never have achieved what we did."

"Nationwide is now fully compliant and completes its ISA transfers within the 15 day deadline. That would have been unthinkable only the previous year. Furthermore, OpenText has enabled us to affect a cultural change within Nationwide," continues Thompson. "At first, our employees were ambivalent about the new system; now they say that they could not do without it."

"OpenText has helped us remove an estimated three million pieces of paper per annum from the business and reduced our dependence on temporary staff during busy periods. The system swept away many of the labor-intensive processes around data capture and application processing; revolutionized the accuracy of our data and our responsiveness to customers; and gave management instant and actionable information on the performance of the whole process. With data now scanned into the system immediately and tracked throughout the process, we can now give customers exact updates on the progress of their applications," says Thompson.

He continues, "The response from customers themselves has been overwhelmingly positive, which is even more important than the financial return on investment. The fast, smooth, and transparent processes that OpenText has enabled are absolutely critical to retaining our customers' respect and loyalty."

"Quantum was a project of urgent necessity, but it is only the beginning. Now that the platform is in place, we will be moving towards the next stage of the project: Quantum Lite," explains Gerry Coppell, Nationwide Head of Group Programmes. "Under Quantum Lite, we will deliver increasing numbers of simple processes and will, crucially, enable employees to configure and deploy new processes. Over the next six months, we expect to deliver in excess of 40 of these processes; once they are deployed, we will be able to create automation services that these processes can be plugged into. Previously, the automation aspect was creating a bottleneck to deploying new processes; however, with Quantum Lite, we will be able to deploy new processes in a matter of hours and add the automation layer when it is ready. We are absolutely confident that Quantum Lite will deliver even greater improvements in operational efficiency and customer experience," concludes Coppell. ■

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