# CASE STUDY:
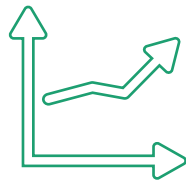# PREMIUM DIGITAL SOLUTION ACCELERATES LOAN APPLICATIONS

Premium Credit is a wholly owned subsidiary of Bank of America and the UK's leading insurance premium finance company with almost 2 million customers and a loan book in excess of £3.5bn. Arrk Group helped increase Premium Credit's competitiveness by designing, building and deploying a large-scale, secure digital customer acquisition platform.

The highly scalable digital platform reduced the time taken to process a loan from weeks to just minutes, which in turn has resulted in an increase in conversions of over 25 per cent. Furthermore, the new platform has improved productivity and customer satisfaction, whilst improving the compliance audit trail.

Key Benefits
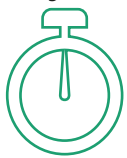
- Reduction of loan application process from weeks to minutes
- Over a 25 per cent increase in application-to-loan conversions
- Scalable, maintainable and highly flexible digital platform
- Joint development team hit all major release dates
- Collaborative and efficient working procedures introduced
- Full audit trail for all loan and payment transactions

Customer

- UK's leading insurance premium finance lender
- Provides other periodic lending products
- A Bank of America company

Premium Credit Limited is the leading insurance premium finance lender in the UK. In addition to allowing its customers to spread the cost of their annual premiums into monthly instalments, the same monthly payment model is applied to other lending, such as sports club memberships and school fees.

Situation

- Antiquated and expensive legacy system needed replacing
- In-house project team failed to yield expected results
- Offline loan application process

For over 25 years Premium Credit Limited had used the same loan administration system, which had become increasingly difficult to maintain and expensive to support. Supplied by an American corporation with little or no presence in the UK, it required US-based staff to be engaged locally to provide support.

With significant changes occurring within the market place, including changes in technology and legislation, Premium Credit decided to replace its legacy system with a modern alternative.

Following initial strategic advice from Arrk Group, Premium Credit commenced in-house development of a new platform using an Oracle/.Net architecture. However, after two and half years senior management were frustrated and asked Arrk Group to conduct a consultative investigation.

As a result of this work, Arrk Group was invited to become Premium Credit's technology partner.

Enabling the Digital Enterprise

Challenge

- Business critical project
- Immoveable deadline
- Legislative and competitor pressure

Premium Credit was losing market share to more nimble competitors and needed to replace its core application quickly. A new digital platform was required to address both strategic and tactical requirements, in the case of the former the business needed to improve efficiency and switch to automated processes, while the latter involved incorporating new reference and account number functionality. However, replacing the entire legacy system in a single move would be high risk and involve years of work.

The strategy that Premium Credit and Arrk Group adopted was to first transition Premium Credit's School Fees business from the legacy system to the new application. The school fees business mirrors the main insurance lending business very closely, and in some cases is more complex.

Furthermore, Premium Credit had made a commitment to improve its customer experience to schools in time for the start of the next academic year, only six months after Arrk Group became the development partner.

Solution

- Rapid knowledge acquisition phase
- Joint software delivery team
- Collaborative approach

Working closely with Premium Credit's senior management team, Arrk Group established a new programme and project management structure and implemented disciplined, focused design, development, testing and deployment methodologies. The result was the creation of a joint Premium Credit/Arrk software delivery team with Arrk Group people taking up key leadership roles.

Discovery workshops involving a diverse range of users and stakeholders were used to rapidly build consensus within Premium Credit, with Arrk Group's business analysts complementing the existing in-house team of business analysts and testers.

A number of test cases and scenarios were generated from these sessions which in turn shaped the solution's requirements, determined by business priority.

The main development activities were carried out at Arrk Group's office in India, including build and testing. User acceptance testing and deployment was carried out by a joint, UK-based team. Once an application release was ready, in-house system support staff carried out deployment and on-going support.

Outcomes

- Target release dates hit
- Next generation digital platform
- Launch of new applications
- Introduction of new working practices

Despite tight timescales, the initial target to deliver the first release of the application before the start of the academic year was met, as were several subsequent releases and deployment target dates. All in all Arrk Group developed a range of new applications and services using the same platform and architecture all delivered efficiently and on budget. This new functionality included several multi-platform customer self-serve loan application systems that use the latest in e-signature technology and mobile customer engagement tools.

Premium Credit can now rely on a highly efficient and robust digital loans processing platform which has allowed the company to become extremely competitive. Arrk Group has also introduced to Premium Credit a new approach to software development, one which encompasses the latest practices and technology and allows for the rapid, flexible, cost effective development and deployment of new applications.

Arrk Group delivers award-winning digital systems through collaborative partnering and high performing software engineering.

Enabling the Digital Enterprise

Want to find out more? Contact the team today on:

📞 +44 (0) 161 227 9900 ✉ talktous@arrkgroup.com

🏠 www.arrkgroup.com