



**NUCLEUS
SOFTWARE**

Driving Efficiency for a Global Auto Finance Company

A Multi- country Strategic Transformation Case Study



ABOUT THE CUSTOMER

The customer is a leading captive auto finance company and global provider of automobile finance solutions with operations in the U.S., Canada, Europe and Latin America. Through its long-standing relationships with auto dealers, the company offers attractive retail loan and lease programs to meet the unique needs of each customer. The company also offers commercial lending products to dealers to help them finance and grow their businesses.

The company was founded in 1992 and by 2013, it had operations in more than 18 countries, providing auto finance solutions to over 13,000 dealers worldwide and earning assets of more than \$30 billion.

CUSTOMER'S BUSINESS NEED AND SOLUTION OVERVIEW

In today's challenging and dynamic global business environment, auto finance companies are trying to be more cautious while planning their business expansion and overall expenditure. As they are looking for ways to reduce the operational cost, some companies realize the need to replace their existing lending systems. It was this realization which led to the company's search for an alternate lending platform. Key points for which a solution was required-

- ▶ High customer acquisition cost
- ▶ Multiple systems across and within operations
- ▶ High Infrastructure and maintenance costs
- ▶ Replication of Legal/Regulatory change across operations
- ▶ Provide a Global data view for performance monitoring across regions
- ▶ Lengthy process for consolidation of Financial data/statements
- ▶ To provide High Availability and Seamless Integration with peripheral systems

As a part of the well thought out strategy, the company did a thorough analysis of the option to either adopt a single system or deploy multiple systems across various regional locations. While each of these options had its benefits and limitations, it was a fact that most of its auto finance rivals were using different sub systems for their regional locations. The company evaluated a variety of platforms which were deemed to fit the bill of its requirements and capability.

In 2004, the company's International division selected Nucleus Software's **FinnOne™** suite to replace 30 different systems with one single platform. Some of the points which worked in favour of Nucleus Software were



- Existing successful implementations in Asia Pacific for the entity
- Expertise in complex multi country project deployments for customers with very large number of transactions
- A specialist pure lending solutions provider
- Strong customer references across the globe

By choosing to implement a single platform globally, the company moved away from the conventional approach prevailing in auto finance at that time. Replacing legacy systems is a challenging task but the company decided to implement FinnOne after a thorough analysis covering the challenges as well as the short/long term benefits.

The first site to complete migration to FinnOne was Italy in 2006. This was followed by implementations for Belgium, Netherlands and Luxembourg in 2008. Next year in 2009, implementations were done for UK and China. France was brought under the umbrella in 2010 and implementation was completed for Brazil in 2011. Deployments were completed for Germany, Austria in 2012 followed by Switzerland in 2013. Next locations for the implementation are Chile and Colombia.

The FinnOne modules implemented were



IMPLEMENTATION CHALLENGES

- ✦ **Loan Management System:** Managing all phases of a loan life cycle
- ✦ **Collections Management System:** Managing delinquent portfolio
- ✦ **Customer Self Service Module:** Online Portal for providing information to end customers
- ✦ **Archival System:** Specialized module to retain the data from legacy systems
- ✦ **Dialer & IVR Integration:** Providing operational support to business
- ✦ **Production Environment Management (PEM) Services:** For all set of applications running around retail business
- ✦ Support for **Business Intelligence Reporting**
- ✦ **Lease Management**
- ✦ FinnOne **Archival Module** (Data Archival)
- ✦ Managing multiple existing vendors to provide data from legacy applications for migration to single platform
- ✦ Limited understanding of existing systems and processes (e.g. data exchanged as part of interfaces, parties involved, etc.)
- ✦ Huge variations in business processes from one location to another
- ✦ Global process compliance with country specific requirements
- ✦ Co-existence of multiple languages as the local SME's primarily conversant in their own language
- ✦ Ensuring business availability at all times

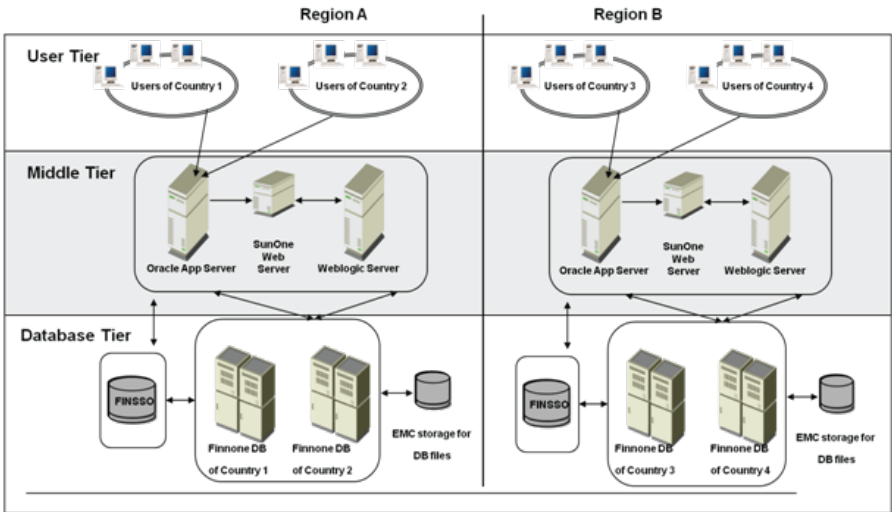
- › Multi-country implementation on a common codebase and common HW/SW operations environment
- › Version management, release management, regression testing and impact analysis for every change
- › Migration of contracts from different legacy systems with varied data structures and states
- › Stringent and aggressive implementation timelines
- › Ensuring data integrity across countries
- › Compliance to varying local regulations and requirements

IMPLEMENTATION HIGHLIGHTS

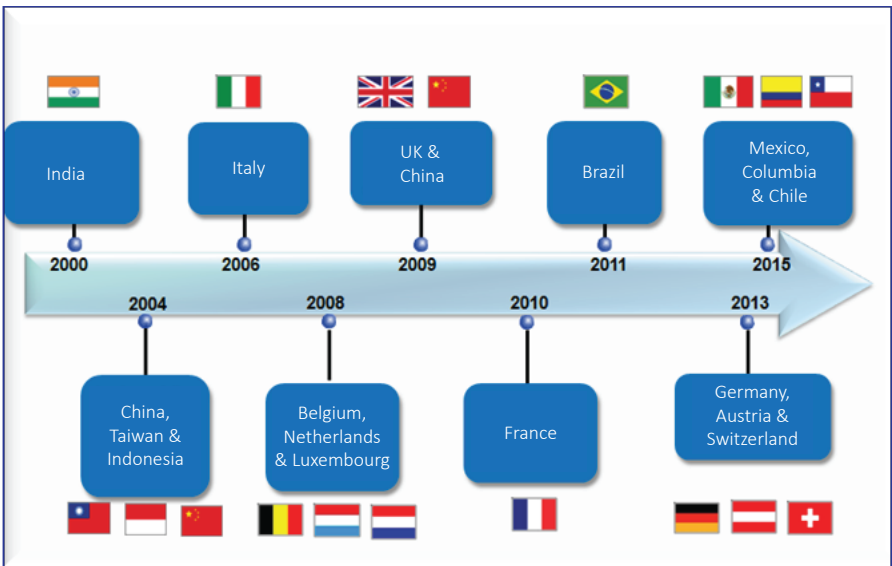
Replaced 30 different systems with one single platform

- › Single version of application code-base
- › Generic UI for all countries
- › Clustered Application Instances for Regions
- › Separate Database Instances for Each Country/Operational Unit
- › Customizations for each Country on Core version
- › Prioritization of changes requested by country specific business teams
- › Migration of contracts from different legacy systems with varied data structures and states

LOGICAL ARCHITECTURE SETUP



OVERVIEW OF THE IMPLEMENTATIONS ACROSS GLOBAL LOCATIONS



BENEFITS DELIVERED



Single core base across multiple countries with customizations for regional adaptability

- Transformation of IT into a business enabler focused on meeting the requirements of key business growth areas with implementation of a single system approach
- Simplification of business operations and making it more responsive to any desired changes
- Agility and cost optimization while introducing business centric changes in just one system, which can then easily be replicated across multiple markets
- Reduction in TCO by moving to a common central platform; Replacement of number of local applications
- Increased efficiency due to standardised business processes across the International units
- Seamless integration with peripheral applications and business processes such as Credit Bureaus, Central Bank Reporting, different product mix across complex geographies, Coupon printing with different vendors, Securitization interfaces etc
- Eliminating the cost and time involved in extracting data out of multiple systems and aggregating it using data warehouse/other tools
- Highly flexible setup for Commission and Subsidy calculations
- Support for multiple payment methods
- Online Payment History and Early Termination Quotes
- Enhanced Collections, Salvage and Customer service operations
- Compliance to Global Regulations and Local Regulations
- Capability to handle different security requirements through a common security module

The Nucleus Software Advantage

Translating domain expertise into value

- Trusted by the top global automotive finance companies for supporting their international operations
- Track record of successful implementations for auto finance solutions in more than 18 countries across the globe
- Expertise in complex multi country project deployments for customers with very large number of transactions
- 27 years of domain and technology expertise defining the future of lending and transaction banking industry
- Success stories spread across more than 150 customers in 50 countries and growing
- Nucleus Software's flagship product FinnOne has been ranked the No.1 Best Selling Lending Banking System for 6 consecutive years (by IBS Publishing, UK)
- Nucleus Software has been globally recognized for its corporate governance practices over the years and awarded by World CSR Congress and World Finance amongst others



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