



NUCLEUS
SOFTWARE

Driving Growth with Cloud and Digitization

A Shubham Housing Finance Case Study



88

BRANCHES

84

CITIES SERVED

30,000+

HOUSEHOLDS SERVED

ABOUT SHUBHAM HOUSING FINANCE

Shubham Housing Development Finance Company, an innovative Housing Finance Company in India, aims to provide affordable housing finance to families with informal incomes and those outside the purview of formal credit structures, to drive financial inclusion for a better future. The company believes that every person in India should be able to buy their own home, and that informal incomes should not be a barrier to providing the credit they need. Established in 2011, Shubham was one of the first lenders in India to incorporate an innovative customised credit program for each customer instead of the traditional document based underwriting. Shubham's unique approach in credit decision making incorporates comprehensive set of sources for income verification outside the traditional paper based forms to assess the affordability.

BUSINESS NEED

Shubham wanted to expand their business aggressively over a 5 year period (2015-20), targeting growth from about 10,000 to 50,000 customers and \$500 million in loan portfolio. To support this growth, the company was looking to completely digitize and automate their lending processes. Shubham's existing lending platform based on older technology, had several constraints, which included time consuming manual processes, long lead time in new product launch, system unavailability during end of day / month processing, high IT maintenance costs and limited scalability. Due to high manual intervention, data reconciliation was a key concern area. Shubham was looking for an advanced

50%



**REDUCTION IN TURNAROUND TIME
FOR LOAN APPROVAL**

72%



**REDUCTION IN LOAN APPLICATION
PROCESSING TIME**

\$160M



**WORTH LOANS DISBURSED
ON NEW SYSTEM**

100%



**TARGET INCREASE IN LOAN
DISBURSAL BY 2018**

and robust technology platform which could not only offer flexibility and scalability, but also automate their operations for higher efficiency. The company needed a solution that could shorten their time to market, provide agility to respond rapidly to the changing customer demand and optimise operational cost.

THE SOLUTION

After an extensive assessment of the various solutions available in the market, Shubham decided that Nucleus Software's FinnOne Neo Cloud was a perfect match to their requirements. The reasons for this choice included FinnOne Neo Cloud's advanced technology architecture, which offered an easily configurable workflow based design, the ability to shorten the time to market and business process automation capabilities. Shubham was keen to implement an advanced and streamlined loan lifecycle management capability, benefiting from Nucleus Software's 3 decades of domain expertise and the proven leadership of FinnOne, 10 time winner world's best-selling lending solution. Shubham wanted to leverage FinnOne Neo Cloud's capability to seamlessly integrate with external

sourcing platforms for creating new business opportunities. Shubham chose to deploy FinnOne Neo in the cloud with Nucleus' cloud partner, one of the leading cloud service provider for its flexibility, best in class infrastructure, reliability, advanced data security capabilities and ease of operational access.

RESULTS DELIVERED

FinnOne Neo Cloud provided Shubham with capabilities such as easy creation of complex credit policies and embedding them in configurable workflows to quickly launch new products and remain ahead of the competition. FinnOne Neo Cloud's interface with Shubham's existing document management system ensured that digitized application documents were instantly available at the head office for assessment, thereby eliminating the physical movement of documents. Shubham implemented an end to end workflow based digitized setup, which reduced the loan application processing time by 72%. With faster loan processing, Shubham established a new benchmark of honouring delivery promises ahead of time among its peer group. The project used Nucleus

Software's innovative implementation methodology, FinnEdge to deliver zero schedule variance and 100% process compliance. The project implementation at Shubham was completed in a much shorter period as compared to its peers and even large institutions. To provide enhanced delinquency management capabilities, the system was configured to allow up to 7 levels of asset classification. FinnOne Neo Cloud's Service Oriented Architecture ensured seamless interfacing with peripheral systems. Enhanced transparency and efficiency in servicing as a result of process improvements by Shubham not only helped improve customer satisfaction but also helped further Shubham's brand reputation. Cloud based implementation rationalized the technology spend - kept the upfront capital expenditure low and aligned the cost of operations with system usage, resulting in Shubham breaking-even in its first year of operations. Cloud adoption helped Shubham focus on its core business without having to worry about technology infrastructure. The modular capabilities of FinnOne Neo Cloud, will allow Shubham to easily scale up their operations in-line with the business plans in future.