

# AUTOMATED PROCESS INCREASES PROFIT MARGINS

The client is a leading provider of auto financing solutions, specializing in the acquisition and servicing of retail installment contracts. The company credits their growth and success to their excellent relationships with a vast network of franchise and independent automobile dealers and their customers, as well as their 20+ years of auto lending experience.

## The Challenge

The client wanted to create a new software program that would automate the entire process of evaluating loan applications from data collection through final recommendation, including the application of their proprietary risk assessment algorithm.

Automating the risk assessment algorithm was particularly challenging because the logic was not linear. The decision tree structure was complex and included iterative steps. In addition, the process required over fifty pieces of data for each loan application, including information about the vehicle, the applicant, and the loan structure. Most of this data had to be extracted from systems owned by independent third parties, such as credit bureaus or software used by auto dealers. Complicating matters, the client's team made improvements to their algorithm and changes to overall requirements after the project was launched.

The importance of this project to business success cannot be overstated. The subprime auto loan market is fraught with risk, but the client's proprietary risk assessment process had proved highly effective in minimizing this risk. Mistakes in automating this process could result in costly defaults or missed opportunities for profitable loans. On the other hand, the company's current process involved a great deal of manual labor in both collecting the necessary data and in applying the complex algorithm, so the automation software could substantially improve the client's operating profits.

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# The Technossus Solution



Although Veros Credit had already launched this project with an internal IT team, they brought in Technossus in order to accelerate the project timeline while simultaneously freeing up internal staff to tackle other projects. Technossus put together a team of developers that included some of the Veros Credit IT staff, which facilitated a smooth transition when the project was completed.

Using the Veros Credit scrum teams' backlog and user stories, the Technossus created a new service bus that provides the foundation for all the applications that drive Veros Credit's core business now and in the future. It manages all the integrations needed with external vendors and other companies, and allows the internal Veros IT team to work together more efficiently with their external partners. It also makes it possible to more easily integrate additional services with the existing system in the future.

## The Result

The Technossus team delivered a solution that successfully automated a highly complex process, reducing both the labor involved and the time required by orders of magnitude. While Veros Credit executives appreciated the improved profit margins, the technical team was particularly proud of a number of additional accomplishments, such as staying on schedule despite the changing requirements, forging a close working relationship with the Veros Credit IT team, and finding an elegant solution that allowed the new software program to run over 50 times faster than the original solution.

\$125B

Subprime auto loan market size

10%

Subprime auto loan delinquency rate

81%

Unsecured subprime auto loans