

Large, FFLEP Private, Consolidation Student Loan Lender

Edgewater Technology positions student lending subsidiary of a leading global financial firm to achieve aggressive growth objectives and promote operational efficiencies

Edgewater Technology's approach:

- Presented System and Code documentation;
- Provided a frame of reference for the overall scalability of the current infrastructure and the ability to support future business initiatives;
- Identified probable risk areas that could jeopardize the success of the proposed project enhancements; and
- Presented origination enhancement/best practice suggestions to capitalize on possible improvement opportunities.

The Aggressive Business Initiatives:

A leading global financial services firm offering investment banking, financial, and asset and wealth management services recently acquired a leading education finance organization to create a comprehensive education finance business. The student lending organization offered loan origination, loan servicing and campus-based scholarship and affinity marketing tools for Federal Family Education Loan Program (FFELP) and private loans to the Higher Education community. Their marketing, origination and servicing capabilities complemented the global financial services firm's sales and marketing expertise, and positioned the organization to be a major provider of every type of student loans.

With the merger complete, the organization defined aggressive business growth objectives for the next three years and strove to increase operational efficiencies during that same period. In order to achieve these growth objectives and promote operational efficiencies, the organization planned a number of enhancement releases to the Loan Origination System (LOS) and supporting architecture within the next two years. The organization was unsure if the future objectives would result in capacity issues and whether project planning for the current initiatives was well defined.

The organization selected Edgewater Technology to assist in an architecture review and assessment of the LOS. The analysis included an:

- Evaluation of the existing LOS architecture;
- Assessment of the proposed LOS architecture, including planned application and infrastructure enhancements; and
- Analysis of the defined project plan to determine potential risks and likelihood to complete the project within time and on budget.

The Assessment Focus:

The organization had initially built their private LOS in a short timeframe, leveraging their existing FFELP loan origination infrastructure as technology enablers and supporting processes. The private LOS was developed to support Direct to Consumer (DTC) functionality (including credit decisioning, approval, disbursement, and exception processing) as well as certified DTC products (adding E-sign and certification requirements).

Edgewater identified the need to evaluate three views of the organization in order to capture a comprehensive view of the organization's LOS project objectives. These areas included:

- Business and Business Process;
- Technology and the LOS; and
- Information Technology (IT) Processes.

In reviewing these areas, Edgewater utilized our industry expertise to review the organization's current business processes and to evaluate existing operations against industry leading loan origination and servicing practices. Edgewater also reviewed the existing application and supporting infrastructure to evaluate whether the system would scale to anticipated volumes denoted by the proposed enhancements. Overall project planning and preliminary analysis efforts were assessed to identify the business and technology drivers of the enhancements and the prioritization process utilized.

Technology and LOS Positioning:

In reviewing the existing LOS components, a number of subjects were evaluated:

- IT Environment: The existing LOS was built using a combination of .NET 1.1 and .NET 2.0 technologies, utilizing a Microsoft SOA enterprise blueprint.
- Agent Desktop: The current agent desktop is ASP.NET. The drawback of maintaining two user interfaces was mitigated by externalizing the business rules so they could be shared across different channels.
- Business Services: Business Services were implemented as Web services that can be leveraged by multiple channels. Most of these services are document based services (XML) developed completely using C#.
- Data and Aggregation Services: Data and Aggregation services include the SQLServer 2000 infrastructure, Informatica ETL engine and the Business Objects reporting infrastructure. The IT staff planned to migrate to SQLServer 2005 prior to handling application enhancements for the April 2007 timeframe.
- Line of Business Applications: LOB applications integrate via the BizTalk server environment.

Business and Technology Alignment:

The results of the analysis identified that the existing technology environment and proposed enhancements conformed to best practices, and the infrastructure was identified as sufficient to support the volume increase expected through the business initiatives. In addition, Edgewater identified areas where the organization was competitively positioned along business and technology initiatives, and identified potential opportunities for increased operational efficiencies. Edgewater's evaluation provided an independent perspective on the organization's proposed initiatives, and a sound perspective of the scalability of the supporting technology utilized to sustain the business and technology enhancements.