CASE STUDY

WEAVING WORDS AND CUTTING COSTS; WITH BOTS

The effortless automation and transformation of correspondence management processes.

Abstract

Spencer Evans, Vice President of Operations at a leading US-based mortgage servicer, was looking for ways to streamline operations, especially to reduce costs and errors in his correspondence management process. Seeking to automate the process and have better quality control on the generated letters to customers, Spencer sought the help of long-time partner Infosys BPM. This case study details how Infosys BPM built a customised automation solution to tackle the challenge, thereby reducing manual efforts substantially and leading to annual cost savings of over $2 Mn.

Infosys®
Navigate your next

A rigorous, manual cycle

In the highly competitive mortgage industry, servicing firms are always seeking ways to better streamline operations to cut costs. Such was the case with Spencer Evans, Vice President of Operations at a leading US-based mortgage servicer – which had decided to tackle the challenge of complexity in its letter management process. With a high portfolio size and its primary customer base in the subprime category meant that the team was generating and sending out a large amount of correspondence each month. And because this required coordination amongst several teams across the organisation, streamlining the letter management process would be no easy task.

Additionally, even though most of the letters were standardised and generated automatically, there were risks of incorrect information being shared. This could happen for several possible reasons, such as changes needed to placeholder fields due to the time gap between the creation of the letter and its mailing and letters sent to incorrect recipients, raising data privacy concerns. Spencer attempted to overcomes these risks through performing manual quality checks on the letters. However, with over 530 letter codes to track and more than 800,000 letters to process monthly, the entire exercise was not only time-consuming but error prone as well. Any data integrity misses would have a severe impact on the quality of servicing, and delayed audits would put the brakes on an entire batch of communication. This would then necessitate a repeated audit on the following day to check for the possibility of fresh errors introduced due to the time gap.

The volume of loans to be processed varied throughout the month, exhibiting significant peaks and variations on certain days. Further, based on the increase in portfolio and delinquency rates, new modification plans resulted in even greater spike in correspondence volumes. All these layers of complexity potentially impacted timeliness and scalability, heightening the risks of not meeting regulatory requirements, and resultantly, avoidable ombudsman complaints and penalties. With the strict compliance requirements of the mortgage industry, Spencer had to address all these challenges while embarking on any plan to streamline its operations. Additionally, the imperative to provide borrowers with accurate and timely information made the management look for external support. And so, to deal with these challenges and bring about the change, Spencer reached out to the firm's successful partner for over 20 years, Infosys BPM and got in touch with Jacob Banner.

Harnessing the power of automation

Jacob's team was already engaged in providing robust operations for several of the mortgage firm's business processes including core servicing, loss mitigation, foreclosure, and bankruptcy support.

The fresh new brief was clear – reduce the manual dependencies in the letter management process and introduce more efficient quality checks. Jacob proposed Spencer a customised solution to automate the letter management process end-to-end. Having agreed, the two embarked on an enterprise level automation journey in 2022 to optimise its operations across the globe.

Approach summary

Jacob's team of automation experts kicked off the project by first analysing the existing letter templates. Across over 530 types of letters, they evaluated the commonality of over 700 fields and grouped them into 6 clusters. Then, they decided to implement data extraction for the clustered fields from the application once, and then reuse it across letters. Next, leveraging the ESSA (Eliminate, Simplify, Standardise, and Automate) framework, the team evaluated the entire process and simplified it to make it automatable. This involved collaborating closely with Spencer's operation teams who were managing the letters manually, to understand the way they went about the processes, the challenges involved, and their requirements. The team then proceeded to design automation that would integrate seamlessly with the existing systems and processes.

The team's automation solution involved using software bots to read and extract data from the letters and perform business validation checks against a database containing all the customers' loan information. After this, a subject matter expert would validate the data in the letter before approving it for final submission on the system. The team programmed the bots to manage several types of letters and follow all applicable rules and guidelines. They also designed the bots and the process in such a manner that exceptions and errors, such as missing data or incorrect information, could be effortlessly handled. Lastly, the team built a UI dashboard for enhanced reporting, with the ability to expand its reporting scope at a later stage to include additional letter types with minimal development effort.

Jacob also conducted multiple briefings and meetings with the stakeholders, to address any concerns, ensuring to move forward the automation implementation without any glitches. Finally, after they neared the end of the automation journey, the team worked to further reduce the operational costs of the bots by incorporating several open-source components into the automated process.

A bot-crafted story of success

Spencer and Jacob's strong collaboration in successfully building and deploying the automated correspondence management solution, delivered substantial benefits in no time.

Key benefits

The bots, working effortlessly and efficiently, helped to save the efforts of over 100 full-time staff, through reducing the need for manual intervention and improving the accuracy of the data. This amounted to over $2 Mn in savings for Spencer over the contract period of 1 year. Another benefit of the greatly increased efficiency in letter generation was that the stakeholders were able to communicate faster with their customers, and with significantly reduced errors. The bots also reduced the average audit time for loans from 4 minutes to 2 minutes, additionally helping to meet 100% quality control (QC) coverage across all the in-scope letters, and that with ~99% accuracy.

For the mortgage firm, the automation journey was more than a massive success. Not only were they able to streamline operations and reduce costs, but they also saw a sharp, upward trajectory across customer satisfaction metrics. Moreover, employees who were previously managing the letters manually were now able to focus on more value-adding tasks, such as customer service and relationship management. For Infosys BPM too, the project has been a milestone, further solidifying the 20-years partnership, and setting the stage to collaborate in the future, on even more ambitious journeys of digital transformation.

**Names have been altered to preserve the identities of the people involved.*

For more information, contact infosysbpm@infosys.com

Infosys®
Navigate your next