



# Case Study: Newcastle Building Society



## Customer Overview:

Newcastle Building Society (the Newcastle) is currently the 13th largest building society in the UK and the biggest in the Northeast, holding £2.75 billion in assets (€ 4.16 billion).

With 51 branches across the North and the Midlands, as well as in Gibraltar, the society employs around 650 people and provides a total of 450,000 investors and 59,000 borrowers in the UK and beyond with savings accounts and mortgages.

## Challenges

In 1998-99, the Newcastle began experiencing problems with processing applications and administration of existing accounts for both investments and mortgages. Alternating peaks and valleys of work to be processed across the group meant that the organization was experiencing periods when the processing center either had spare capacity or was overwhelmed.

Colin Greaves, General Manager of the Newcastle, explained, "The fluctuations in workload at the central processing facility were beginning to create delays in delivering products to customers. With competition in the retail financial services industry coupled to customers' demands for fast responses and online services, it was clear that the Newcastle needed a new imaging and workflow solution that automated processing and eliminated paper-based records."

At the same time, the Newcastle wished to initiate a program of 'multi-skilling' to enable the majority of its workforce to handle any type of application and query. Under the program, the peaks and valleys in the processing workload were leveled out using a new solution that both shortened average process times, and facilitated the distribution of applications and existing account processing to employees both across that Newcastle's branches and at home.

## Solution

Newcastle chose Global 360 BPM Suite in early 2000 to be implemented in conjunction with BT Syntegra. In March 2000, an initial pilot project was launched to handle inquiries from the Internet and the administration of investment accounts. This was an essential stress test to determine whether a full roll-out of the technology would be able to manage the peaks and valleys in the administrative workload the Newcastle was experiencing, and also whether staff could have the flexibility and creativity to adapt to new, multi-skilled roles.

After the trial was successfully completed, a generic base model of the new solution was rolled out to all staff with a customer-facing or servicing role within its principal offices: to ten branches and ten home workers. Tailored versions of the platform were then created for the specific needs of different departments. By June 2001, customized workflow platforms for Investment and Mortgage Administration, Credit Control and Deed Administration, and the lending processes had all gone live.

Throughout this time, staff from the Newcastle and BT Syntegra followed a skills transfer program that has enabled building society staff to work directly with Global 360 and further develop and grow the platform. The "multi-skilling" aspect to the workflow program has given staff the opportunity to move from one discipline to another (for example, from investment to mortgage administration), increasing levels of job satisfaction, and staff retention within the building society. A further innovation is that people who want to work from home can be sent work for processing. With a secure access system utilizing Citrix, managers can allocate tasks in the job queues to

## Challenges

Experiencing delays in delivering products to customers from its central processing facility, Newcastle needed a process and document management solution to help it improve its costs efficiency and customer service, and better compete in the mortgage and investment industry.

## Solution

Newcastle deployed Execute360 to automate their processes and eliminate their paper-based records. Customized workflow platforms now distribute applications and existing account processing to multi-skilled employees across Newcastle's branch offices.

## Results

Since deploying Execute360, Newcastle's cost efficiencies have risen by 68% and processing costs per hour have fallen by 17%. The capacity freed by the Execute360 deployment has allowed Newcastle to develop a new outsourced processing revenue stream for other organizations.



## Case Study: Newcastle Building Society

---

home-workers – a process that represents an efficient use of time and resources. By the summer of 2002, the benefits of the workflow system were becoming evident.

### Results

Substantial efficiency increases have been created, with a 68% improvement in cost efficiency across the organization and an average reduction in the cost per hour of processing by 17%.

Detailed recording of the paths taken around the society by applications for products and the amount of time spent on each one has enhanced the society's ability to actively control its internal processes. The full audit trail of every piece of incoming and outgoing mail, along with every telephone call and Internet query, enables any issues that have arisen to be quickly addressed, a process that was considerably more arduous under the previous system.

Commenting on the implementation, Colin Greaves says, "The innovation of the system is the transformation of the Newcastle Building Society into a 'virtual processing hub,' giving the entire organization the ability to flex its resources to support its central processing center. This virtual hub structure has also created a new revenue stream by enabling the Newcastle to act as an outsourced processing facility for third-party organizations.

By using the document management and workflow system as a common platform for shared processing between similar companies, the Newcastle has derived extra value from the investment made in the system, and has also become a key provider of outsourced processing facilities in the UK's mortgage sector."

With the Global 360 system being used in the majority of principal office departments, there are currently 350 employees trained to use the system. The workflow system has revolutionized the way work is allocated across the building society, with managers now able to make decisions based on a holistic view of the society's principal office

processing capability. The retention of staff has improved since the implementation of remote and home-working, with 20 employees currently benefiting from the society's ability to accommodate their specific requirements. Staff retention has also resulted in both a reduction in the associated recruitment and training costs, as well as retention of experienced and highly competent staff.

The Global 360 system gives the Newcastle the flexibility and adaptability to maintain competitive advantage even as its business grows and develops. By adding branches to the "virtual office" created by the cross-branch communication that the workflow technology has facilitated, the Global 360 solution can be expanded to cover all 51 branches.

In 2003, the Newcastle will process in excess of £400 million worth of mortgages for third parties, generating additional income. Looking further into the future, there is the possibility of allowing other building societies to outsource some or all of their processing to the Newcastle, and vice versa, as the Newcastle can provide its solution to other organizations to establish a common processing platform.

The virtual processing hub will also provide the Newcastle with increased opportunities for developing existing revenue streams: the manufacture and distribution of investment products carrying third party branding, which it then processes itself.

"As the Newcastle is a very change-orientated and flexible organization, everyone was eager to embrace the new opportunities that the workflow system created.

Training obviously needed careful planning, as did the actual implementation timetable, but both were achieved with complete success and to deadline," concludes Colin Greaves.