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Page 1

TML Financial Solutions reaps cost and efficiency savings by re-inventing consumer mortgages with Dunstan Thomas Consulting

Founded in 2001, TML Financial Solutions is a direct consumer mortgage business that employs 350 people across the UK. Specialising in mortgages for those considered non-conforming (for example, divorcees and the self-employed), TML Financial Solutions is a wholly-owned subsidiary of the Kensington Group Plc. The so-called “sub-prime” market actually contains roughly one quarter of all Britons, and accounts for 30 per cent of the £20 billion in mortgage loans arranged every month in the UK. TML Financial Solutions alone lends in excess of £60 million each month.

TML Financial Solutions handled 100 per cent of its sales through its Southampton-based call centre. This 50-strong sales unit handles approximately 15,000 calls a month, all of which are generated by a juggernaut advertising campaign worth one million pounds per month and that includes national newspapers, television and radio.

With the expectation of new mortgage legislation to come into place under the auspices of the Financial Services Authority (FSA), TML Financial Solutions was looking to explore new methods of increasing revenue generation, cost efficiency and levels of customer service.

Most importantly, it was also looking to prepare itself for the flexibility and agility that will be required to deal with these new regulations. Resulting from this exploration was the goal to have the best consumer mortgage website in the UK by Christmas 2004. But TML Financial Solutions simply did not have the technology building blocks, functionality or expertise to attain this ambitious goal without first investing in serious professional advice. As a result, a consulting contract was sent out to tender in the summer of 2004.

Of those that responded, three companies made it to the hotly-contested final stages of the tender process. But it was Dunstan Thomas Consulting that won the contract due to its unrivalled level of expertise in .NET (on which system needed to be built in order to keep up with changing technologies).

“What impressed me most about the Dunstan Thomas Consulting team was how quickly they understood the issues at hand,” explained Robert Kelly, IT director at TML Financial Solutions. “This made me confident that they knew not just how to do their jobs but that they really understood the consumer mortgage business, which I was sure would lead to a successful working relationship.”

Kelly continued: “Because of this experience, the team was able to present a summary of the preferred options of other lenders in the market, tell us what had already proved popular with applicants, and how to avoid the various pitfalls of others. This enabled us to “mix and match” from historical solutions to find what fitted us best and then use Dunstan Thomas Consulting to ensure that our solution was truly bespoke.”

That solution was *QuickSource*, a comprehensive, full-featured sourcing application software programme that is ideal for automating, streamlining, and providing visibility into sourcing projects. Additionally, QuickSource provided a number of other benefits, including the potential to fully automate all corporate updates in individual mortgage policies or selection criteria as well as various other administrative and sourcing tools.

The result was a powerful mortgage search engine that would allow applicants to locate the perfect mortgage for themselves. On paper, this solution looked to be more powerful and more intuitive than that of any other competitor. In practice, it was found to be truly revolutionary.

A proof of concept project was set up, and this passed with flying colours, enabling work on the main project to begin in August 2004. Everything went very smoothly, with the dedicated Dunstan Thomas Consulting team working tirelessly to mould the original QuickSource solution to TML Financial Solutions' specific requirements.

“The project has been very successful so far,” remarked Kelly. “It’s on time, on budget and has exceeded all expectations. So much so, in fact, that we’ve found ourselves striving to adopt the same best-practice habits as the Dunstan Thomas Consulting team to improve our own time management and quality of service skills.

We've also found the team's attitude to training very refreshing: rather than lock our IT department into a PowerPoint training session for half a day, Dunstan Thomas Consulting just rolled up their sleeves and took us straight into the thick of it with practical applications. The result is that our IT department is rapidly becoming very fluent in .NET."

Following a standard RUP development plan, the implementation is now coming towards the end of the internal testing stages and transition to the new system is continuing apace. Feedback has shown enormous support for the project, with staff in the contact centre requesting the new system for themselves and the Board of Directors giving the presentation of the solution a standing ovation.

Business benefits

Though the system will not be officially rolled-out via the company website until after the mortgage industry is regulated (1st November 2004, internal tests show that the solution recommended, implemented and tailored by Dunstan Thomas Consulting is twice as fast as the sourcing software previously used internally and remarkably intuitive. Operating cost reductions in the region of 30 per cent are confidently expected following the internal roll-out, which is now planned in addition to the roll-out to the general public, and this will lead to huge time savings. And, because the system is so user-friendly still more time and cost savings will result from the ability to decrease the necessary staff training time and budget. And finally, QuickSource allows for cost changes (as a result, for example of interest rate changes) to be automatically updated. This was previously a manual task that was both tedious and time-consuming and, again, the time and resultant soft cost savings are

considerable. This is good news for TML Financial Solutions' customers too, as Kelly estimates these cost savings can be passed on to the customer, possibly even to the order of £500 per applicant.

Of course, the first and foremost job of the new sourcing software was to aid TML Financial Solutions in preparing to adhere to the new regulations, and the Dunstan Thomas Consulting solution allows the company to do this too. The software has a number of mandatory questions built-in and, without these details, salespeople simply cannot process applications. This reduces the risk of human error leading to contravention of the new regulations and therefore also eliminates the need for TML Financial Solutions to conduct 'spot checks' to ensure policy is being respected.

Looking forwards

As already mentioned, TML Financial Solutions now plans to roll out Dunstan Thomas Consulting's recommended solution internally – to the overwhelming approval of its call centre staff. There are further plans to introduce an applicant service tentatively called "Your Mortgage Diary." This service would allow online applicants to select when, how and with what information they would like TML Financial Solutions to contact them with, then just sit back and wait for their updates. According to Kelly, no other lender can offer anything as remotely comprehensive, and he believes this will lead to a huge service level improvement, an associated rise in customer satisfaction and, ultimately, a raft of new applications.

But the most impressive feature of the new system is that the solution is not only capable of instantly sorting through all of the Kensington Group's mortgage products – as well as the associated criteria for candidate suitability – to locate the most appropriate mortgage, it actually also lists all products that were rejected and the reasons for that rejection. The business potential of such a system are enormous: in this manner, the solution recommended, implemented and tailored by Dunstan Thomas Consulting acts as a free and automated data mining tool. By studying the results of what TML Financial Solutions refers to as this "inverse sourcing," it is possible to help redefine products and selection criterion to be able to win more business.

"It's pure gold dust," commented Kelly. "We've had several competitors already approach us to ask how it's done and we're seriously considering packaging the product and reselling it ourselves: because it's web-based, absolutely any company could reap the same benefits with minimal implementation concerns."

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About Dunstan Thomas Consulting

Dunstan Thomas Consulting helps companies build better software. Its consulting expertise is based on three main disciplines - the way software is designed (software design), the way it is structured (software architecture) and how it is developed (software development processes). Since 1986, we have partnered with companies of all sizes and across a wide

Page 7

range of industries to deliver technical and business architectural analysis, creative architectural and software design, project management, development process consulting, and technical and professional expertise.