


# National Bank of Canada: Cutting Mortgage Adjudication Time with SAP® CRM

The National Bank of Canada is demonstrating its passion for customer service by using the SAP® Customer Relationship Management application to **greatly simplify mortgage processes**. It is easier, faster, and smoother for customers to get loan approvals, while the bank's advisors are more productive and more successful at cross-selling and up-selling additional products.

# Executive overview

**Company**
National Bank of Canada

**Headquarters**
Montreal, Quebec

**Industry**
Banking

**Products and Services**
Commercial and retail banking and financial services

**Employees**
20,000

**Revenue**
CAD 5.3 billion
(USD 5.1 billion)

**Web Site**
www.nbc.ca

**Partners**
Accenture, SAP® Services organization

## BUSINESS TRANSFORMATION

**The company's top objectives**
- Create the ultimate customer experience in terms of simplicity and value delivered
- Improve advisor efficiency by standardizing, simplifying, and automating mortgage process activities
- Fulfill initial customer needs and then cross-sell and up-sell additional products

**The resolution**
- Built a customer experience matrix covering 20 business scenarios for evaluating applications
- Selected and implemented the SAP Customer Relationship Management (SAP CRM) application
- Changed processes to match best practices supported by SAP software

**The key benefits**
- Freed advisors to spend more time understanding customer needs
- Enhanced customer satisfaction
- Increased customer retention and revenue by improving cross-sell rates

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## TOP BENEFITS ACHIEVED

**7 points**
Increase in customer satisfaction after 6 months

**50%**
Reduction in mortgage origination costs

**65%**
Improvement in cross-sell rate for credit cards (from 23% to 38%)

See more metrics

"With SAP CRM we demystified our siloed areas and integrated our processes through all our channels and lines of business. It gave us a foundation for growing the business."

Paolo Pizzuto, Senior Vice President of Business Process Reengineering, National Bank of Canada

# "One client, one bank" means one CRM solution

The National Bank of Canada (NBC) is the sixth largest bank in Canada and the leading bank in its home province of Quebec, where it holds a 40% market share and has become part of the fabric of life over 150 years in business. NBC is named among the strongest banks on a regular basis. It provides a full range of banking services to individuals and institutions, including mortgages and other forms of loans.

Providing the best in customer service is paramount for NBC, but the legacy software in place until recently to support mortgage origination made it a challenge to provide quality service. The six sales channels that the bank offers for mortgages often delivered six different loan offers. Siloed applications and manual processes caused delays and errors that were especially unwelcome when customers most needed a smooth, simple experience – when they were making the biggest investment of their lives.

Under a program called "One client, one bank," NBC resolved to deliver the ultimate experience to its customers. A key goal was to redefine the customer value proposition through process enhancement and integration along with technology to break down the silos. The bank wanted to meet customers' needs and expectations consistently regardless of their point of entry into the bank.

"Our vision was to deliver the ultimate experience to customers in terms of simplicity and value delivered," says Paolo Pizzuto, senior vice president of business process reengineering at NBC. "To do that, we knew we had to replace the silos with a single, powerful, integrated customer relationship management solution."

# Revising business processes to conform with SAP CRM

NBC began its search for the right solution by building a customer experience matrix that covered 20 of the most common and complex scenarios that arise in the mortgage initiation process. Then the bank examined several potential applications to determine how each of them would perform in those scenarios. "It was a rigorous 10-month process that in the end made it clear that SAP CRM would bring the best value for all our stakeholders – our investors, our employees, and surely our customers," reports Pizzuto.

Before beginning the deployment, the bank made another key decision: rather than customize SAP CRM to fit its existing processes, it would instead revamp the way it did business to conform with the application's best practices. "Our approach was to start modifying the way we think, see what the solution is capable of, and leverage it as much as possible," Pizzuto explains. "This approach made it easier to standardize and integrate processes bankwide, simplify them for customers and advisors alike, and introduce automation to speed processes and improve efficiency."

To achieve its cross-selling and up-selling objectives, NBC set up SAP CRM to investigate customers' applicability for other products at the same time their mortgage application review is conducted. As a result, customers typically now leave after a single meeting with not only their mortgage in hand but four or five additional bank products such as credit cards, lines of credit, and insurance. In fact, the cross-sell rate has gone up from 11% to 30% for lines of credit and from 23% to 38% for credit cards.

"Our research showed that SAP CRM represented the best fit for our vision of optimizing the value proposition for our customers."

Paolo Pizzuto, Senior Vice President of Business Process Reengineering, National Bank of Canada

# A win-win-win for customers, employees, and investors

SAP CRM is now rolled out to all 335 of NBC's branch offices in Quebec, and both customers and advisors have embraced it heartily. It used to take about 2 hours and 55 minutes to adjudicate a customer loan application – evaluating the customer's specific situation and deciding whether to grant the mortgage – but with the new solution the average is down to just 95 minutes. "Customers are extremely satisfied with our process. They are amazed that they can walk out of a single meeting that takes less than an hour with an approved mortgage in their hands," says Pizzuto. "Our advisors appreciate that by simplifying, standardizing, and automating their processes, the solution has dropped their administrative time dramatically. They look more professional to customers and can spend more time understanding their needs and selling them additional products. We're increasing revenue and retaining the customer, so it's a win for all involved."

**KEY BENEFITS**

**50%**
Reduction in mortgage origination costs

**7 points**
Increase in customer satisfaction after 6 months

**173%**
Improvement in cross-sell rate for lines of credit (from 11% to 30%)

**50%**
Improvement in automating the credit decision process (from 50% to 75%

**30%**
Lower lending process costs

**65%**
Improvement in cross-sell rate for credit cards (from 23% to 38%)

# Leveraging investments to gain value in many ways

With over 2 million customer records already entered, NBC has made a significant investment in its new solution. Now that all branch offices are live with it, the bank is positioned to achieve a fast return by leveraging that investment in many other ways as well. Even after mortgages in all forms and channels are covered, NBC has many opportunities to expand the reach and value of its new solution into other forms of personal lending.

"Another area of expansion is geographical," Pizzuto concludes. "I believe that within five years we will be very efficient as a result of our new solution, and I am convinced this will open up new opportunities for National Bank."

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