

fastCollect Collection Solution



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BUSINESS OVERVIEW

Banks are awakening to the enormous potential for driving operational efficiency in their businesses through data automation. They are increasingly cognizant of the special needs driven by growth that entail:

- Management of human resource productivity
- Control and early fraud detection systems
- Easy replication of processes and best practices
- Timely and relevant information flow for decision support system
- Consistent delivery of Experience to various stakeholders
- Need for business intelligence to reduce cost through operational efficiency

Addressing these demands, while leveraging the opportunity profitably, is a challenge most banks are yet to overcome.

An innovative multi-channel solution, driven by flexibility, control & choice, yet affordable technology, is a clear imperative for banks seeking to manage their growth.

fastCollect Collection Solution

fastCollect is a unique automated field collection solution designed to provide flexibility, choice and control to banks and NBFCs and help them improve collection efficiency, reduce risk and enhance customer experience in their liability businesses. It can serve the needs for either regular collections or recovery management of asset backed lending businesses, personal loans and credit card businesses.

fastCollect provides a flexible middleware platform for defining the different businesses, respective organization structure & hierarchies and managing different users in the organization. Given the need for quick, real time communication, this has been designed with ability to provide information and MIS to various levels in the organization help reduce risk and improve efficiency.

The multi-channel nature of fastCollect provides choice to institutions for consumers to be approached through various means, with different infrastructure and using different systems, as follows:

- Online Field Collection
- Offline Field Collection
- Collections at branches
- Mobile Interface

Innoviti fastCollect is developed on its base product uniPAY technology platform, that has patents filed (No. 1724/CHE/2007, No. 280/CHE/2009 and No. 484/CHE/2010) under the Indian Patents Act to provide intellectual property protection to customers.

Functional Architecture

The overall architecture for deploying fastCollect in an existing core banking system of a financial institution is shown in Figure 1 & Figure 2 below. fastCollect comprises of a client component that is used at the front-end devices, such as POS or mobile and a middleware component that comprises of a switch and server. The server software comprises of the user and hierarchy with various applications for managing the system configuration and management of collection transactions processing.

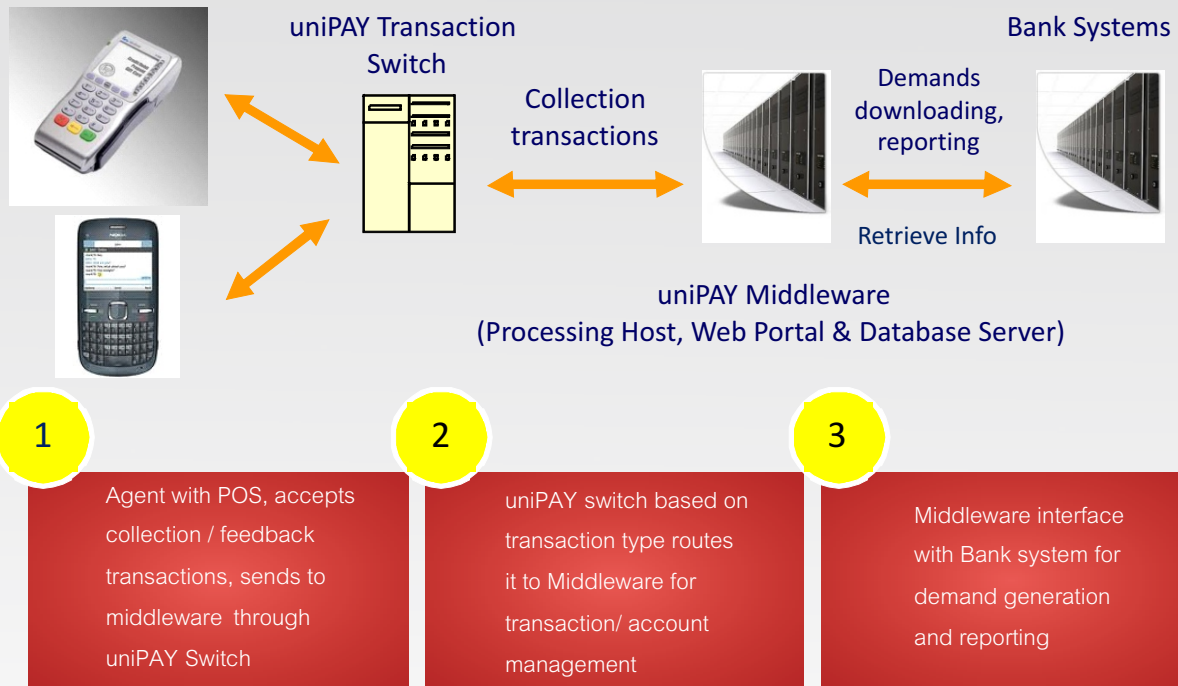


Figure 1: fastCollect architecture

Comprehensive Collection Solution

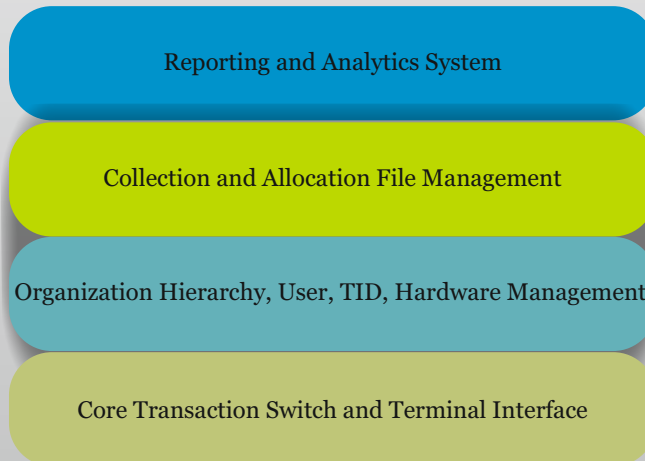


Figure 2: Software architecture

MIDDLEWARE

Key Modules

Create New Application: This capability allows for creation of independent instances of a collection system on the same server for different businesses. Example, if a bank has asset-backed, personal loans and credit card lending businesses for which they wish to use the fastCollect, then all the three purposes can be configured as separate applications through the same system. This provides great flexibility to the bank in terms of configuring the system for different businesses while maintaining the control over the entire system and database.

Organization Level: Organization levels refer to logical hierarchy levels in the organization for managing information flow and control. As an example, a bank may have a central, regional and branch operation. These would then be configured as organization levels. The levels are managed through a flexible interface which allows for splitting and merging of levels thereby allowing for flexible management of organizational changes without affecting the database. Trace is kept of all such changes done to allow for audit as needed.

User Role & Module Access: This module allows for creation of different types of user roles and then allocating them privileges. By default there are four user roles are defined i.e. Application Admin, Allocation Admin, User and Support. These roles have predefined privileges to access the other modules. However new roles can be defined and privileges modified for these to allow for greater flexibility in usage.

Transaction Type: Transaction type refers to the purpose for which the collection is being carried out. In a typical collection scenario there are multiple components to the collection, EMI, advance EMI, penalty, late fees, foreclosure etc. Transaction type refers to these. fastCollect allows for multiple transaction types and also allows for these to be modified as per the requirements of the business. Any changes done here are automatically reflected in the front-end system.

Feedback Code: A unique feature of the fastCollect system is its capability to take feedback data along with transactional information. This data is very critical to understanding the action points that are being faced in the customer to agent/branch interaction. These can be used for additional sales opportunities, helping reduce risk through proactive alerts, recording promises made by customers and others. fastCollect also allows for backend reporting on these feedback codes to understand agent and customer related issues.

Collection File Configuration: Collection file configuration is a one-time activity to map the columns of the file generated by the core banking system to the fastCollect database. Typically through this the customer account number, collection value, date and other details are mapped. Once this mapping is done then for all subsequent collection file uploads the data will automatically update the relevant database entries of the system.

Add/Modify Organization Hierarchy: This module deals with creation of the business units against the organization hierarchy levels defined. To add business unit at any level the user can select its parent level of its choice.

Create / Edit User: This module allows for creation of end users and then allocating a user role to them. fastCollect allows for management of user level information and also for LDAP registration of users against existing bank user systems to prevent duplication of information and maintenance of single identity. Further, the users are mapped to business units.

Edit / Register New Hardware: Collections are supported through a variety of front-end devices, including desktop and portable terminals, mobile phones and other devices. This module allows for management of the inventory for the business. The inventory management allows for mapping the configuration of the hardware to a serial number and also for mapping associated information such as its location, SIM card (in case of wireless devices) and others.

Terminal Registration: Terminal registration module allows for enabling, disabling terminals in the field and mapping them to specific hardware setups. It allocates a logical number, called Terminal ID (TID) to the application that then can trace the transaction origin for audit purposes. A unique capability of fastCollect is to allow for one hardware to be used for multiple businesses of the same bank. In this case the purpose (business) transacting can be identified through configuring independent TIDs on the system.

Browse & Upload Collection File: This module allows for the daily upload of collection file for the purpose of allocating the same to different agents or branches.

Access Different Reports: Reports module will have access to different categories of reports given in the types of reports section following in the document.

Allocation Module: fastCollect comprises of a sophisticated allocation module that dynamically builds up the database of agent/branch allocation to a customer based on manual and automated (geography, value, buckets) parameters. This technology allows for quick, error-free Agent allotment of the customer collection to the relevant agent/branch thereby eliminating human errors.

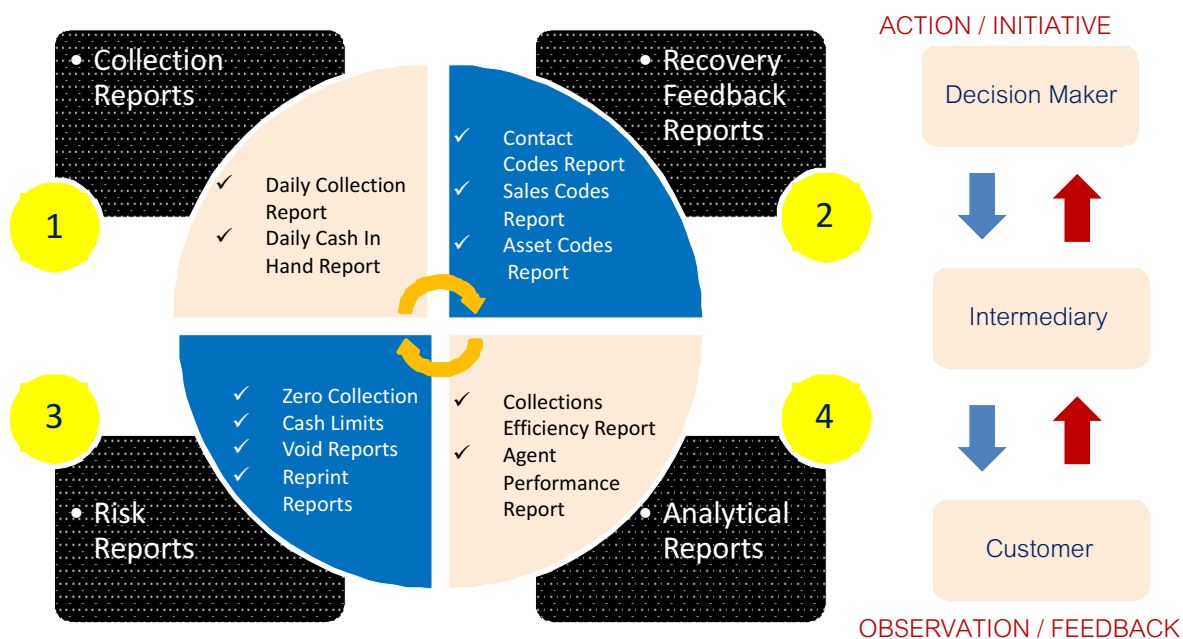
Deposit Module: This module allows for the agent/branch to submit the deposits done against the collections, by specifying the mode and location of deposit. This information is then tracked along with the collection information to provide comprehensive data about the collection status reports, bifurcated into Collections, Deposit & Cash in Hand as shown in below window. In case of deep integration of fastCollect with the core banking system, this information can be updated in real-time with the core.

Types Of Reports

The user can access the desired reports and download the same in different report formats. Different types of reports at the middleware portal would be:

- i) Collection Reports
- ii) Recovery Feedback Reports
- iii) Risk Reports
- iv) Analytical Reports

TYPES OF REPORTS



The rationale for insights based on the solution is explained as below:

- Traditional decision making models were reactionary and typically based on intuition
 - Reaction to events (macro) not transactions (micro)
 - Resulting 'time lags' negatively impact efficiency & customer experience
- Insights through automation offers the opportunity to build a dynamic decision support system that builds on transactions and empowers the decision maker
- A tighter control on the process influences all the stakeholder:
 - Institution: Risk mitigation, Process Control
 - Customer: Responsive interactions

Employees: Fair performance assessment, informed decision making

The system is having different data points of capturing business information that can be organised further in an interesting way of insights & intelligence for the management. Keeping in the mind the basic objective of the solution of reducing risk & improving efficiency, the product road map is supported by an addition layer of business analytics as shown in figure 3 below, which can be delivered as an ongoing activity of consultancy, development & management to the financial institutions.

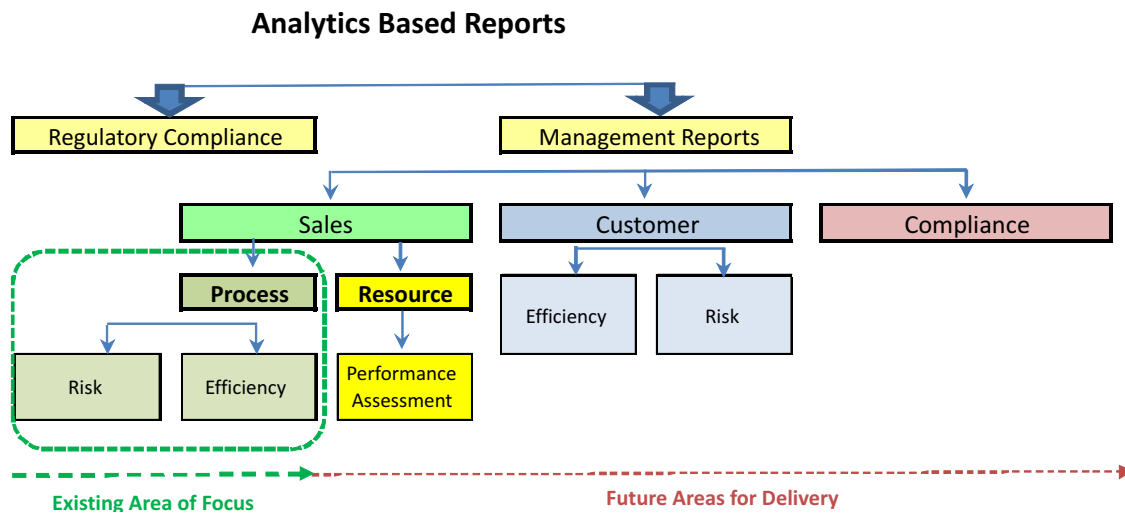


Figure 3: Analytics Based Reports

Approach of Building on Analytics:

After countless discussions with the industry, project experiences & the inputs from analytics expertise partners, Innoviti has identified the below proposed model of its long term approach of building on business analytics as is shown in figure 4 below:

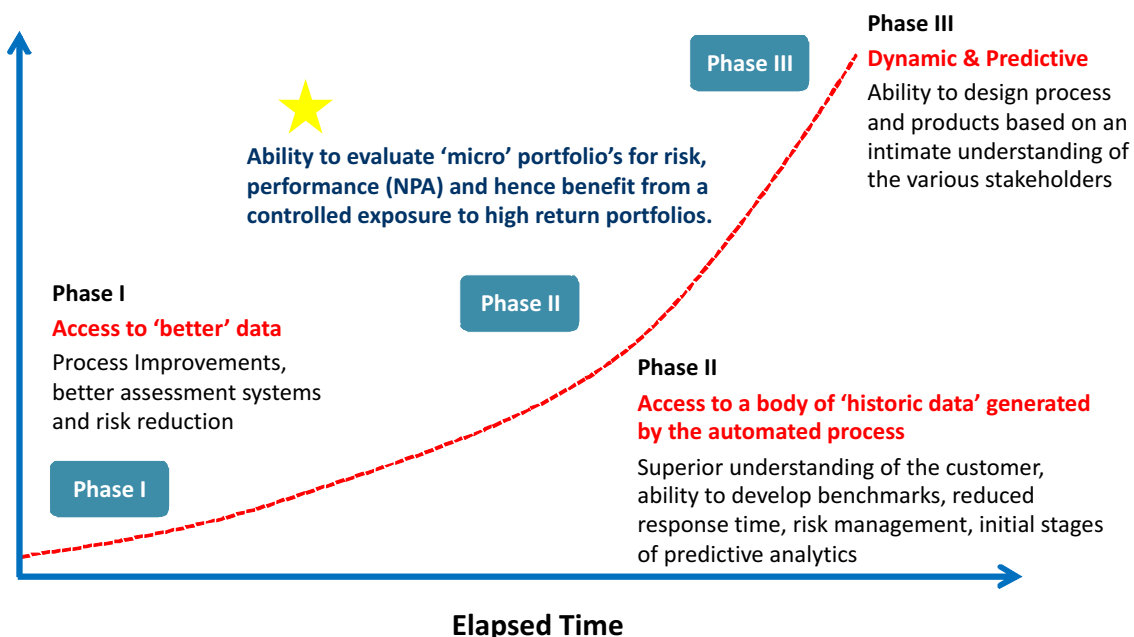


Figure 4: Approach of Building on Analytics

fastCollect

Business Benefits

The key benefits of fastCollect collection processing system are as follows:

1. Improved productivity through elimination of human management of data in allocation, collection and deposits.

2. Reduced cost & efforts for expansion of operations by easy replication of best practices.

3. Provide accurate, quantitative and qualitative data as measurement tools to management for tracking productivity and risk.

4. Real time effective communication through alerts to negotiate within predefined parameters

5. Helps in execution of proactive strategy

6. A good control and understanding of human resources management by tracking various agent productivity metrics.

7. Faster transaction processing due to an end-to-end automated framework, providing for reduced updating time and improving consumer payment experience.

8. Removal of manual receipt books related expenses and control issues.

9. Extensive collection reporting to help segment customer payment patterns and agent collection efficiency.

- ✓ Real-time data and exception alerts can help take quick decisions to control collection slippage and potential NPA.
- ✓ Automation can eliminate manual process steps, reducing time and therefore cost-to-collect per account.



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Key Features

CLIENT APPLICATION

- ✓ Online and offline transaction posting
- ✓ Support Multiple Business Applications
- ✓ Support Multiple Customer Accounts
- ✓ Support Multiple Devices (Terminals / Mobiles)
- ✓ Encrypted data storage, PA-DSS certified
- ✓ Operates on all networks

Types of transactions:

- ✓ Download demands
- ✓ Collections
- ✓ Feedback capture
- ✓ Retrieve information from Bank Core
- ✓ Current PTP details
- ✓ Summary report
- ✓ Bank Deposit
- ✓ Synchronization with back end

SWITCH

- ✓ Capability to handle 1,00,000 EDC base
- ✓ ~50 transactions per sec(TPS)
- ✓ Concurrency: 200 concurrent tranxns.
- ✓ Full audit trail

MIDDLEWARE

- ✓ Create New Application
- ✓ Define Organization Levels
- ✓ Define User Roles & Module Access
- ✓ Define Transaction Types
- ✓ Define Feedback Codes
- ✓ Collection File configuration
- ✓ Organization Hierarchy
- ✓ User Management
- ✓ Inventory & TID Management
- ✓ Collection File Upload
- ✓ Reporting system
- ✓ Allocation Module



YOUR POINT OF TRANSACTION PARTNER

Vinay Madan
Associate Vice President
Business Development
Tel: + (91)(80) 4070 1421
Fax: + (91)(80) 4070 1450
Mob: +(91) 96864 53330
Email: vinay@innoviti.com

Innoviti Embedded Solutions Pvt. Ltd.
NGR the EDGE, No.41, 3rd Main, 5th Cross,
Saibaba Mandir Road, Cambridge Layout,
Halasuru, Bangalore - 560 008, India.
www.innoviti.com