

WebSphere software

EBS Building Society gains competitive edge with new channel.

Overview

■ Challenge

Add a new distribution channel for selling mortgage loans by using information technology to deliver a more compelling offering to brokers

■ Why IBM?

Satisfaction with the performance of existing IBM software and desire to leverage the value of IBM mainframe and mortgage origination system

■ Solution

New online channel for reaching broker community that enables brokers to connect seamlessly with EBS from within their own companies' online business systems

■ Key Benefits

Mortgage application processed in just hours compared with 2-3 days taken by competitors; independent mortgage broker channel now accounts for substantial portion of EBS's business after only 6 months, far exceeding expectations; new channel added without significantly increasing staff levels



Using a flexible service oriented architecture built on IBM technology, EBS now sells through the top 180 independent mortgage brokers in Ireland.

Owning a home, a universal desire, usually hinges on obtaining a mortgage. For institutions such as Dublin-based EBS Building Society (EBS), providing mortgage loans is more than a lucrative business, it changes lives. A building society based on cooperative mutual principles, EBS has been offering home financing to its members since 1935 and today commands in excess of a 10 percent share of the 26 billion EUR (31 billion USD) Irish home loan market.

“With our service oriented architecture, we have the ability to build services as standardized components that can be reused and combined to address changing business goals. We realized we could better compete with anyone regardless of size because this ability enables us to bring new innovative services to market faster.”

*—David Yeates, Senior Manager,
IT architecture, EBS Building Society*

EBS has traditionally operated exclusively through its network of branches and franchised agents. But the market for home loans in Ireland has been transformed by a new breed of independent mortgage brokers who now account for 40 percent of the market. To respond to this marketplace change, EBS needed a channel to reach these brokers.

Many brokers had already developed strong relationships with lending institutions, so EBS needed a compelling offering to encourage new business with the broker community. Highly competitive variable lending rates were given to members, and to increase its appeal to the broker market, EBS sought to implement new services that would transform the loan approval process, save administrative costs for brokers and reduce the amount of time required to approve a loan.

Typically, mortgage lenders required brokers to fill out applications and fax or mail them in, then exchange further information by fax or phone. This approach involved rekeying information by the mortgage lender and could take two-to-three days to reach the approval stage. EBS wanted an online solution that would eliminate manual intervention, reducing the approval cycle to just hours. The solution would also minimize redundant data entry and other administrative overhead and streamline its own—as well as brokers'—business processes.

“SOA provides a flexible IT foundation that enables EBS to adapt quickly to changing business requirements.”

—David Yeates

Unleashing the power of innovation

EBS had prepared an infrastructure for this innovation, which would connect the company directly to brokers' in-house systems, by previously laying the groundwork for service orientation using IBM WebSphere® Application Server Network Deployment and IBM Rational® Application Developer for WebSphere. A service oriented architecture (SOA) provides significant business value by exposing existing systems as “services”—without having to write extensive code or scrap previous investments. These reusable services are then available across channels to help accelerate development time and systems to accommodate new business processes and workloads.

Its SOA enables EBS to be extremely flexible in building services to address changing business goals and priorities. “With our service oriented architecture, we have the ability to build services as standardized components that can be reused and combined to address changing business goals,” says David Yeates, senior manager, IT architecture. “We realized we could better compete with anyone regardless of size because this ability enables us to bring new innovative services to market faster.”

Fast track to mortgage issuance

The online mortgage processing system provides a comprehensive solution that includes check issuance, deeds, maintenance and other back-end functions needed to issue a mortgage. EBS and the brokers who use its system easily exchange XML-formatted information in simple transactions that replace time-consuming faxes, e-mails and phone calls.

Brokers fill out an online form and send this to EBS by accessing a Web service. EBS reviews the application automatically according to its own business rules and replies to the broker to clarify such issues as the applicants' wage earning capabilities and any other qualifications. Then the application is submitted and the mortgage issued.

"With WebSphere Business Integration Server Foundation and our SOA, we have been able to open a new channel through which we can reach brokers and their customers," says Yeates. "Compared to our competitors, who take two-to-three days to process mortgage applications, our applications take just hours to process. In the six months that our broker interface has been operational, our independent broker channel has grown to a substantial portion of our business, which far exceeds our expectations. We have been able to add this new channel without significantly increasing staff levels. And more than 180 of Ireland's top brokers have adopted the solution."

IT as strategic enabler

Pleased with the performance of its IBM software and wanting to leverage the value of its IBM System z 890 mainframe and its IBM CICS Transaction Server mortgage origination system, EBS chose IBM software components to connect its back-end mainframe systems with brokers' IT platforms.

The EBS IT team performed the work, leveraging IBM WebSphere Business Integration Server Foundation and IBM Rational Application Developer. The integration solution also uses Business Process Execution Language (BPEL), which translates the behaviors involved in business processes into standard language encapsulated in Web services. WebSphere Business Integration Server Foundation includes all the functionality of WebSphere Application Server Network Deployment in addition to supporting BPEL and providing an integration platform optimized for building and deploying composite applications in an SOA environment.

Key Components

Software

- IBM CICS® Transaction Server
- IBM Rational Application Developer for WebSphere Software
- IBM Rational Unified Process®
- IBM WebSphere Business Integration Server Foundation
- IBM WebSphere Process Server
- SUSE Linux® Enterprise Server

Server

- IBM System z™ 890
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To accomplish the project's ambitious goals, EBS used the IBM Rational toolkit. The bank also trained several of its IT team members in PRINCE2, a structured project management method that breaks a project into manageable pieces.

Thanks to its attention to best practices and the existing SOA foundation, the project came in on time and on budget. By eliminating rekeying of data, the solution minimizes the opportunity for error, reduces turnaround time and enhances customer service. The result is significant administrative savings to both EBS and brokers.

"The project successfully demonstrates the strategic value that innovation can bring to financial services organizations," says Yeates. "SOA provides a flexible IT foundation that enables EBS to adapt quickly to changing business requirements."

IBM lends leadership in SOA development

Having experienced the success of its online mortgage service for mortgage brokers, EBS is refining its solution by migrating the solution from Sun Solaris to SUSE Linux for enhanced security, stability and cost effectiveness. EBS is now working on a new project to accelerate the delivery of its SOA using IBM WebSphere Process Server. "We're rewriting some of the back-end aspects of our mortgage origination environment using WebSphere Process Server to improve the reuse and efficiency of our IT service components," says Yeates. "WebSphere Process Server provides simplified tooling to describe, create and manage business processes with minimal skills. The results we have obtained with WebSphere Business Integration Server Foundation and WebSphere Process Server have convinced us that IBM is the best pathway to follow to realize the tremendous promise of SOA."

For more information

Please contact your IBM sales representative or IBM Business Partner.

Visit us at: ibm.com/websphere

For more information on EBS Building Society, visit: www.ebs.ie



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02-07
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