Loan Operations' Review



Abelian Partners worked with one of the large agricultural banks that is part of the Farm Credit System. This bank provides loans and financial services to cooperatives, agribusinesses, rural public utilities, and other farm credit associations. Given significant loan growth, a high number of multi-bank facilities, and recent digitization initiatives, the bank was very focused on operational efficiency. Abelian experts reviewed the existing loan operations processes with:

- Observations on *gaps to market observed best practices* and
- Recommendations for *efficiency improvements* in a future state.

Engagement Scope: Abelian Partners reviewed the bank's existing loan operations function and brainstormed for efficiency solutions with the loan operations team. The process took approximately twelve weeks to complete, concluding with a final written deliverable. This deliverable summarized the current state and presented 50+ recommendations for improvement opportunities.

Approach: For this project, Abelian provided practitioner-based expertise from 2 Senior Executive Consultants with a combined 50 years of experience. The consulting team also included:

- a Senior Manager with 30+ years of project management and systems experience at financial institutions, and
- a Senior Manager with 15 years of banking experience and an array of experiences conducting loan operations process reviews,
- a Senior Analyst with experience on multiple prior projects for the client, as well as past Abelian loan operations process reviews.

The project was divided into 3 phases:

- A short 2-week planning period used to onboard the team, obtain key data/documents, and finalize scheduling for phase two.
- A 4-week review phase focused on deep dives into the current processes at the bank. Abelian reviewed existing policies & procedures, conducted interviews, and identified gaps to market best practices based on market experience. Gaps were characterized as pain points along a "people, process & technology" framework.
- A 6-week solutioning block dedicated to synthesizing improvement opportunities, hosting solutioning workshops, and defining the future state of loan operations for the bank. Recommendations across the framework included:

- People – rebranding and training
- Process – pre-boarding functionality and other streamlining initiatives
- Technology – integrations, automations, and system enhancements

The project concluded with a presentation and deliverable detailing written recommendations and descriptions of a proposed future state.

Results: Abelian proposed 50+ recommendations which served as the source for an operations transformation roadmap and an implementation plan. Recommendations included changes to structure and processes, as well as ideas on optimal staffing levels, efficiency opportunities and adjustments. The client expects to save 48,000 hours annually from recommended improvements.