



Business to Business e-Solutions



CASE STUDY:

HOUSING NZ

INDUSTRY:

Government

COUNTRY:

New Zealand

B2BE SOLUTIONS:



Custom Development

AT A GLANCE

BUSINESS OBJECTIVE

As its Low Deposit Rural Loan scheme did not have a well structured system of management, Housing New Zealand suffered from considerable variation in the way it was delivering its service. Correspondingly, the lack of a structured system also meant there was very little performance information available to the organisation for analysis – thus hindering its efforts to improve.

BUSINESS BENEFITS

Accurate information, accurate reporting and huge time savings for Housing New Zealand staff, enabled the organisation to significantly improve the standard of service it delivered to its applicants, across the board.

Case Study



Housing New Zealand Got Real-Time Lending Visibility with BPM

A Housing New Zealand rural loan scheme process that had the potential to be a “complete nightmare” has resulted in success thanks largely to a custom developed business process management (BPM) from B2BE. BPM has enabled: BPM has enabled:

- Housing New Zealand management with real time visibility into their lending activity
- Housing New Zealand to extend control of the LDRL processes beyond their organisational boundaries
- Provision of an operational system to outsourced service providers to enforce adherence to Housing New Zealand’s best practice lending procedures
- Enhanced customer service levels through the provision of timely and accurate informationcustomer service levels.

About Housing New Zealand’s Low Deposit Rural Lending (LDRL) Programme

This scheme involves the provision of home ownership education and around \$20 million of government funding annually for low income rural dwellers. Initiated in 1995, it was available through 12 rural providers. At any one time there was around 9,000 clients registered on various stages of the programme.

Since it’s introduction in 1995, the Low Deposit Rural Loan (LDRL) scheme’s processes had been well defined. Rural people earning less than \$50,000 per annum could enter a home-ownership education programme and then apply for a low deposit mortgage from Housing New Zealand (HNZC).

The programme depended on twelve geographically dispersed Service Providers, and without a structured system of management, there was a considerable variation in the way service was delivered, and therefore the quality of the service to the client. Lack of a

structured system also meant there was very little performance information available for HNZC to be able to improve the delivery of services to applicants. This posed a serious risk to the individual Service Providers and the program as a whole.

Housing New Zealand’s IS manager at the time noticed the staff frustration and realised the need for a web based process management system to map the stages each applicant needed to go through, in a consistent manner, whether the service was delivered in Southland or the East Cape. In addition, HNZC managers needed to be able to track nationwide progress consistently, rather than wait for monthly updates.

“The IS manager suggested an externally provided Business Process Management (BPM) product provided by B2BE (then called The ECN Group in New Zealand),” explains Iain Duncan, LDRL programme administrator for Housing New Zealand. “He had read about and observed it in operation, so we called B2BE in and they told us what they could deliver and how it would work.”



HOUSING NZ

It was agreed to implement it across all programme suppliers. "Historically, pretty much everything had been developed in-house and run across internal systems – this was a first for us," explains Duncan. The BPM system is an online business-processing tool hosted by B2BE that captures and automates selected business activity.

The product won a Computer-world Excellence Award. "In short, BPM takes a picture of how you would ideally like your business or key process to run and creates a template to ensure that this picture is repeated day after day by everyone involved," says Evan Blackman, solutions manager for B2BE.

User Acceptance Key to Process Mapping

Duncan says Housing New Zealand's main concerns were that its providers would feel part of the new process and that information contained in individual Access databases would not have to be re-entered into the BPM system – which it didn't. "When Access came in, there was a feeling that the providers hadn't been adequately consulted with and we didn't want to repeat that – we wanted their buy in," he says.

In conjunction with B2BE, Housing New Zealand conducted a series of roadshows and sought feedback from the 12 providers of the LDRL scheme with a prototype of the BPM. That input was then fed back to B2BE developers. "There were some requests that were unrealistic," says Duncan, "but we tried to do as much as possible. Certainly, where there was a theme of request shared by several providers we concentrated on those first."

B2BE took three months to develop a customised version of BPM for Housing New Zealand, a time frame Duncan was happy with because it included assimilation of the roadshow feedback. He says the BPM has been a success, helped in part to its similar look and feel to Microsoft's Outlook, yet working in a similar, but more focused way. "There is a hierarchical tree at the side and it is easy to navigate. I have access to online information provided by all 12 providers and can run reports on that data using it."

Reporting Cut From Days to Hours

Duncan says the agency requires a monthly report on LDRL scheme activity for its board. But before the implementation of new business planning, Housing New Zealand relied on receiving monthly emails of individual Access database export files from each of 12 regional LDRL programme providers. "It was a complete nightmare," he says.

"What should have happened was during the first week of each month we would have 12 emails with Access exports from 12 providers and I would import those to my Access database and produce reports with accurate information. In reality, the provider emails arrived at different times and because there were no checks or validations in Access, inaccurate information like wrong birth dates was recorded."

Duncan says it became a monthly battle to reconcile the figures and data and took him and a colleague sometimes up to two days. "This is the only government mortgage lending programme – outside of this people are left with the alternative of approaching banks – and

so it's a very important programme. Clients are continually supported through the process by the Service Providers and they can always be approached for advice. We are interested in long term, sustainable housing so accurate information is important to us."

He says a key benefit has been the time LDRL programme providers and Housing New Zealand administrators have saved. "With Access, providers had to move client data through the programme one stage at a time. But with BPM, we can move onto the next stage in bulk numbers. If you have 20 people on a waiting list, then you move 20 people onto the workshops instead of entering the information 20 times individually."

The only challenge Housing New Zealand faces is that a few providers do not have fast Internet connections. Despite the roadshow and input process, however, some providers have also found it challenging to adapt to a new system. "I am their first point of contact," says Duncan, "so if extra training or education is needed I try to visit the provider, to give them that element of comfort and say: 'this is not complicated, it is not difficult; it is just different to what you have done before.'"

He says this strategy, along with a growing awareness of the benefits of fast Internet, is making a difference. "There's not the same level of discomfort as a year ago." From an administrative perspective, Duncan says Housing New Zealand is pleased with its move into external and online application sourcing. He says the benefits have included accurate information and accurate reporting.