

A NON-BANKING FINANCE COMPANY INNOVATED TO AN OPEN-SOURCE CORE BANKING PLATFORM FOR A RELIABLE, ROBUST, AND AFFORDABLE LENDING SOLUTION.

CASE STUDY

A CORE BANKING SYSTEM DEVELOPMENT CASE STUDY



A leading Non-Banking Finance Company, bringing a unique perspective to finance, wanted a digital core banking system to offer India's under-banked individuals and businesses financial services.

The main objective was to replace the existing core banking solution with a reliable, robust, and affordable lending solution that can support front-end interfaces on or offline, mobile or PC to help finance any product, service, or lending methodology.

PROBLEM STATEMENT

Our client has financed more than \$8 billion to date by operating as a bridge between capital market investors and emerging sectors by offering different credit opportunities. However, despite a steady growth rate, the client's existing third-party core banking solution had multiple challenges.

One of the main challenges was that for every additional feature requested, big or small, our client had to wait for a very long period.

The feature was only updated in the core banking system when the third-party software vendor was ready to roll out those features as an overall version update. This became a bottleneck for the customer to implement any immediate policy or business changes across the ecosystem.

Also, the client faced difficulty in implementing cross-functional data integration of all banking applications, banking operations performed by various departments at different branch offices and other partnered microfinance lenders.

To overcome these challenges and to bring a centralized solution, our client compared multiple vendors and technology options and decided to choose Zuci Systems as their technology partner for end-to-end development and support for a new core banking system.

BUSINESS GOALS



Rapid scalability for future regulatory and functional requirements



Centralized solution, meeting process flow, and workflow provisions



Seamless integration with existing IT ecosystem and other external third-party lending systems



Reliable, robust, and affordable lending solution



Highly secure and non-breachable solution

SOLUTION

Zuci Systems started this project by understanding the existing core banking application workflow. Recognized various business challenges in the loan cycle for different lending products to define the success metric beforehand. This research helped our project team comprehend several functional and business requirements.

Considering this information and NBFCs compliance requirements, we decided to choose Apache Fineract, open-source software to provide a centralized and robust solution across the ecosystem.

After finalizing, Apache Fineract, our project team started developing the end-to-end infrastructure and customized the open-source platform as per the client's business requirements. This includes five mandates:

- Real-time informed decision making and risk management
- A centralized system across functions and third-party lenders
- Unmatched scalability for speed and ease of change
- Tightly integrated analytics
- Non-breachability security

Finally, to expedite the deployment, we used an agile approach to design, develop, and test the application parallelly and successfully delivered it within five months.

HOW ZUCI SYSTEMS HELPED?



Our team initiated the project with a discovery phase by conducting a 4-day workshop with the stakeholders



Understood overall requirement, end-to-end loan life cycle, challenges, and business use cases



Post-discovery phase, our team evaluated different third-party tools and decided to choose Apache Fineract, an open-source core banking platform



After finalizing the technology, our project team took a build route and deployed the open-source platform in our ecosystems, and developed the additional business use-cases



Parallely tested the developed product for bugs and rectified them

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HOW ZUCI SYSTEMS HELPED?



Presented a demo to all stakeholders and addressed those feedbacks into the product



After final approval from our client, our team deployed the application to the production environment



Post-deployment, our digital engineers, integrated the developed solution with the client's UI solution and provided a centralized system highlighting internal functional and third-party lender data



Provided solution documentation (including a system administration guide), onsite support, oversight for production rollout, and post-production support to ensure successful business adoption



BUSINESS OUTCOMES

No paperwork

150%

data security & operational
risk reduction

51%

decrease in effort
(equivalent to 550 FTEs)

22%

increase in revenue

Real-time information access for
**Effective decision
making**

Tight integration
with sub-vendors

ROI realized in
9 months

TECH STACK



Apache
Fineract





WANT TO LEARN MORE ABOUT OUR BANKING DEVELOPMENT EXPERTISE?
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