

Bits to Bytes

DS News turns to two renowned experts for their thoughts on implementation to relieve the inundation.

With Jane Mason and Seán Ryan

« C O N T R I B U T O R S »



Jane Mason founded eMASON, Inc. to execute her vision of next-generation business process technology. Its banner product, Clarifire®, is a Web-based process automation application, and it has quickly become the software solution of choice for some of the top servicers, banks, and financial institutions. Under Mason's leadership, eMASON has achieved more than 2,700 percent growth in revenue in three years, expanded its client base to Fortune 500 companies, and quadrupled the number of employees within five years. Mason's passion for technology has been her driving force. She previously served as COO of a law firm with practices in intellectual property and real estate. There, she applied Web-based technology to reduce operating costs and improve client service. Her decision to build her own technology company was the logical extension of her business architecting skills.



Seán Ryan, CEO of Aspen Grove Inc., has been working on Internet-based business-service solutions since 1995 and has successfully put the Internet to work as a service medium for many industries. Ryan has garnered a wealth of experience in enterprise solution implementation and integration. His earlier work with Dun and Bradstreet and the Financial Times Group focused on implementation of international financial applications. Now, he is focused on Aspen Grove, an international company that supplies the default industry with flexible business process management solutions and general property solutions. Aspen Grove's suite of applications offers agents, asset managers, valuation providers, and outsourcers in the REO space a means to track and report on the details tied to listing and selling bank-owned properties. Ryan is founder, investor, and non-executive director of a number of other similar companies.

POINT—COUNTERPOINT

The stresses of default servicing's day-to-day operations leave us grasping for answers and any type of support or reinforcement for dealing with the unprecedented challenges of the hour. In our experience, technology has always provided the baseline for a solution, so we're looking to two tech-savvy entrepreneurs who have built their businesses around innovations for the default servicing sector. We've got one simple question: In the world of high-tech, what technological developments could potentially change the face of default servicing?

According to Jane Mason:

With the sheer workload companies in the default servicing industry are facing, compounded by new rules and regulations, automated workflow is fast becoming pivotal to any one entity's success—whether a servicer, an agent working on a short sale deal, or an inspector out in the field.

Automated workflow simplifies and streamlines how you get your job done. It can complete action items and move any process forward, allowing you to increase capacity while decreasing essential full-time employees. It's all about leveraging automation to reduce your cost of doing business.

With automated workflow, a Web service can actually initiate a call and order a broker price opinion (BPO), triggered by an action item that says "order BPO." A second item, "get BPO order," ensures the technology takes the completed BPO and uploads it into your system, collecting the data and images, and then launching another action for a review or the next step to move workflow forward.

I think we're going to see a lot more adoption of this type of technology, automating tasks that don't require thinking. Beyond that, one advancement that could truly modernize the default servicing industry is the marrying of automated workflow to the social aspect of doing business.

Think of interactive gateways ... electronic portals that allow borrowers and their single point of contact at the mortgage servicer to log on and get status updates, upload documents, and communicate with each other. Counselors, selling agents, attorneys, anyone who needs to be involved in the conversation or transaction, can be given access to the portal.

By incorporating an app into the portal concept, even people in the field—could be a broker, an inspector, or someone doing repairs on a house—can upload documents or images from the field immediately upon completing their work or task. Extending technology to the mobile app arena brings everyone closer to their desired end result, and it's going to reduce everybody's cost of managing the information, the data, and images, and it can all be done in real-time. Configurable workflow enables us to outpace the pace of change.

In our industry, everyone's trying to synchronize their work activities for a common

end result, whether a loan mod, short sale, or another workable resolution. This technology does exactly that. It puts everyone on the same page. All parties are seeing the same documents with access to the same information and an open line of communication already established.

The game-changers are those technologies that not only automate workflow, but incorporate the social aspect of bringing the consumer in and enabling them to get the status of every different service or product they're going to a bank for—I think that's really where our industry is heading. There's a whole new field in front of us that will be built on this concept of consumer characteristics that we're not leveraging right now.

It's something that we can do right now. The technology is there, and the results are pretty compelling. I've seen firsthand how a collaborative environment accessible by all parties can access electronically increases the number of actual contacts made with distressed borrowers by 67 percent—and that was within just the first 30 days of implementation.

One of the most telling findings is that consumers want to interact and do their business online. They don't want to talk to anybody when they're in a desperate situation. They want to go online, explore the what-ifs, and communicate with their servicer online. And, they want to do it on their own time—typically after work.

It's this type of information that can modernize our procedures, processes, and even our approach to better align with the times and with the lives of our customers. Technology becomes the heart of the solution and workflow the change agent for transforming the way we all do business.

According to Seán Ryan:

One of the biggest issues at the moment related to technology in the default servicing space is flexibility. Because of the fluidity in the marketplace, technology has to be able to cope with changing business processes. And because most of the applications these days are Web-based and use the Internet as a medium to exchange data between different applications, the ability to change your business process and alter the data sets that are flying back and forth is critical for the industry.

From a technology standpoint, that might not be necessarily groundbreaking, but it is still somewhat groundbreaking in our industry. A lot of the technologies that exist in the industry today are very static. The legacy technology systems currently in use by a surprisingly large number of lenders and servicers and other default servicing-related businesses are difficult to change and take a long time to alter or adapt should they require new configuration to meet today's challenges, whether it's increased demand or new rules and regulations. It's these limitations that have made it apparent that flexibility is really key in keeping pace with the changes that we are currently dealing with, and will be dealing with for years to come.

Taking Web-based service even a step further into the abstract is cloud-based technology, which for all practical purposes is quite simply the ability to host your application in a nebulous, conceptual space, be it a private cloud or a public cloud. Most in the industry are demanding extensive robustness in terms of security and privacy, so that part of the equation has to be in place from the onset when the cloud comes into play, and providers have to be able to demonstrate the strength of the security and privacy systems they are utilizing. Cloud-based solutions are allowing companies to use technology at a lower cost of entry initially, without the need for a large upfront investment. However the age-old issue of technology keeping pace with business still applies when it comes to business process management and change.

In today's world, the integration side of any technology is key, be it cloud or non-cloud, as business demands the ability to integrate quickly and efficiently to provide better value through partnerships, service provisions, or simply data exchange. Service-oriented architectures go a long way to ensuring it is easy to integrate.

While automation of workflow is undoubtedly the path to improving efficiencies and cutting operating costs in the default servicing world, all of these critical factors have to be considered when putting any technology into practice: flexibility, security, privacy, and integration. When you hit on the right approach, it strikes a cord—operations are simplified, business efficiencies increase, communication flows more fluidly, transparency keeps all parties in the know, and you regain control of your day, your processes, and your business. When you connect business through technology, then it's music to my ears and the Internet is the perfect medium to join the dots. ■