

Customer Success: **LOGS Financial Services**

BizFlow Serves as the Heart of Mortgage Default Operations

“By automating our critical processes with BizFlow we were able to increase our productivity by up to 70 percent.”

Jerry Alt, Chief Operating Officer, LOGS Financial Services

Summary...

- Automation of task level work based on priority of case
- Better tracking of a case's life cycle – where is it at any given moment in the process
- Reduction of processing time to remain competitive and be recognized as a leader within the industry
- Notification by e-mail or pager if a deadline is imminent
- Multiple staff members can simultaneously access the same case, improving efficiency

Estimated Results...

- Better risk management of the 10 percent of loans that have real problems, such as contested defenses and bad documentation
- 15-70 percent increase in productivity
- Cash value to the firm of about \$12 million a year with break-even coming after 15 months
- Reduce the number of errors by allowing case managers to cut and paste case information, eliminating the possibility of human error
- Increased data integrity

Challenge:

LOGS Financial Services, a Northbrook, Illinois-based national provider of proactive default management solutions for the legal industry, chose BizFlow to facilitate improvements in productivity, accuracy and speed. Before BizFlow, the firm's work was completed manually, and each of the 40 LOGS offices across the United States had its own unique processes. A significant reason that LOGS wanted to implement a workflow solution was to automate as many of these processes as they could and standardize them across the company.

Working with Prizm Technologies, a leading systems integrator for the legal industry, LOGS conducted an extensive search for the right process-management platform among leading BPM vendors. According to Jerry Alt, chief operating officer for LOGS, there were several critical decision-making factors behind their choice of vendor. These included:

- **System simplicity** — The company wanted its business users rather than its IT resources be able to manage the processes.

- **Ease of change** — A related factor was the ease of changing and modifying the system. “The mortgage market is extremely dynamic, introducing an enormous volume of changes,” Alt observes. “We needed a system that allowed business users to quickly change processes to align with new laws and improvements in ways of working.”
- **Rapid deployment** — Because LOGS needed to implement this solution quickly to speed time to market, they wanted a solution that could be deployed as rapidly as possible — in Alt’s words, “We needed a workflow solution yesterday.”

Other critical considerations were solution cost and the stability of the chosen vendor.

Solution:

At the conclusion of their search, “We selected BizFlow to be the heart of our mortgage default operations,” says Alt. “BizFlow delivers complete process management functionality and a process development environment that allow us to accelerate and extend our mortgage banking environment, processing more work without adding additional staff. With BizFlow, we are increasing productivity anywhere from 15 percent to as high as 70 percent for some workflow processes.”

Because default management cases are handled for a flat fee, the only way to increase profitability is to make business processes more efficient. In addition, the default management industry faces the challenges of increased competition and risk, rising costs, and growing numbers of default loans. For example, an attorney may take an average of

100 days to process a foreclosure. BizFlow will allow LOGS Financial Services to shorten that process by 10 percent, saving 10 days. Every non-performing loan costs its investor \$20 to \$25 a day.

“If you multiply that by the hundreds of thousands of non-performing loans an investor may have at any given time, you can see how much of a financial impact BizFlow can make,” Alt comments, estimating a cash value back to his firm of about \$12 million a year with break-even coming at month 15. “Yet the real advantage will come from better risk management of the 10 percent of the loans that have real problems, such as contested defenses and bad documentation. The workflow process allows you to better flag those cases that need more attention. When you triage the work effectively, servicers can save a significant amount.”

The mortgage foreclosure solution for LOGS Financial Services was a truly best-of-breed solution that leveraged BizFlow’s unique ability to integrate with multiple IT systems and orchestrate the work of hundreds of users. The solution included BEA’s WebLogic application server, ACCPAC software for financials, and HotDocs from NexisLexis for document automation. The prime contractor on this solution was **AP3**, a division of **Prizm Technologies** that provides software and services to the legal industry.

BizFlow’s award-winning, proven enterprise business process platform addresses these issues with a solution that has been tailored specifically toward default management processes. It brings strong interactive process integration between the back-office systems, where the critical loan information is housed, and it delivers a customizable user interface to audit and

File Wizards Status Reports Documents Management Help MasterView

Case File #: TestOKClosing Client: [WAS] - WASHINGTON MUTUAL Number of Actions: 3
 Loan #: Test1596458 Office: [OK] - OKLAHOMA - SHAPIRO, MARIANOS & CEJDA State: [OK] - Oklahoma
 Action #: EV01 Borrowers: AIELLO, MARK J. AND SPOUSE Action Type: Eviction Status: ACTIVE

General Information

Loan Type	Other	Outsourcer #	
File Received	02/04/2003	LOGS Attorney	
Occupancy		File Location	
Who Has		Special Notes	
Process	OK Forcible Eviction	First Legal Act	
Action Started	02/04/2003	Days on Hold	0
Action Age	0	Days on Delay	0

Property Address

Property Address	15987 Anywhere
City	Tulsa
State	Oklahoma
Zipcode	79302
County	Tulsa

Workitems | Tickers | All for Action Workitems

Case File #	Action #	Client	Borrowers	State	Loan Type	Activity	Deadline	Status
TestOKClosing	EV01	WAS	AIELLO, MARK J. AND SPOUSE	OK	Other	Issued Writ Received		ACTIVE

The LOGS user interface offers at a glance the pertinent data on a particular case. Other screens show where a foreclosure is in the process and its status.

monitor the information while directing foreclosure, bankruptcy, eviction, REO management, and loss mitigation processes. The initial deployment will be in LOGS' Northbrook, Ill., headquarters, with expansion throughout its entire national network.

BizFlow will govern each separate task in the entire default management process, from opening the file to the final disposition. BizFlow automatically assigns cases-or even completes the tasks-based on a predefined set of prioritization rules, and integrates information, such as case numbers and addresses, from multiple systems. If an exception occurs, BizFlow will dynamically manage the exception, correct it, or interface with the right user to make a human decision before completing the transaction. This entire process is seamless to the end user, who views it all in a single, easy-to-use, Web-based interface.

This new system will standardize processes at each of the 40 LOGS offices

across the United States. "The implementation of this system will touch more than 1,500 people in 35 states," Alt adds. "This system encompasses rules that vary by the laws and nuisances of foreclosure and bankruptcy handling by state, by county, and by court; it offers tremendous flexibility with an extensive reach to address our requirements."

Alt is confident that clients will get a dependable, accurate and compliant system. "They'll have more control because the entire process is completely visible to them," he says. "At any point we or our clients can call up one of our 20,000 cases and instantly find out where it is in the process, who has worked on it and what is the next step." Alt says that about half of an attorney's time is spent unproductively managing work or communicating with staff. "Studies show we can increase our productivity from 15 percent on the low end to up to 70 percent on the high end."

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