



PROGRESS® CORTICON® AND AGILE BANKING

Progress Corticon is the catalyst for agile operational decision making in core banking business processes.

A typical banking organization has over 300 unique business processes, with up to 1,600 unique activities. With as many as 70% of those activities involving decisions, banking organizations are making thousands of these decisions a day. For example:

- ▶ “Should we approve this loan application?”
- ▶ “What product configuration should we offer?”
- ▶ “Can I verify the identity of this customer?”

These recurring decisions are made in almost every department within a banking institution across a number of core business processes. The following table includes examples of the various decision-intensive business processes required in a typical banking environment.

Decisions represent up to 70% of the tasks in core banking processes such as loan processing and account origination/administration.

Credit Decisions	Front Office	Core Operations	Risk Management
Establish Eligibility	Targeted Marketing	Design New Banking Products	Know your Customer
Assess Risk and Price	Product Identification and Selection	Simplify Core Processes	Anti-Money Laundering
Origination and Documentation	Account Origination	Enable Transpromotional Marketing	Fraud Detection
Managing Collections	Customer Retention	Enable Green Marketing	Basel II/III

Figure 1.
Examples of decision-intensive business processes in banking

BUSINESS DECISIONS ARE VALUABLE ASSETS, CRITICAL TO SUCCESS

Business decisions are one of the primary assets of the banking enterprise. Collectively, these business decisions represent a major factor in company success—executing corporate policies, providing agility to stay ahead of market changes, and, ultimately, driving your bottom-line results.

Today, a significant percentage of these operational decisions are made manually—by people trained to follow rules documented in policies and guidelines. This legacy approach offers the opportunity to exercise judgment. But when applied across a high volume of recurring decisions, it is costly, time consuming, and often delivers inconsistent results.

Other decisions are automated by programming business rules into your operational applications. While this lowers the cost per transaction, you sacrifice agility and transparency of the logic behind your decisions with this approach. Changes to the business rules require lengthy development cycles that put pressure on an organization expected to rapidly comply with changing policies and regulations.

The approach an organization uses to manage operational decisions can have a significant impact on performance metrics in areas such as:

- ▶ Speed of customer acquisition
- ▶ Time-to-market for new products & services
- ▶ Time-to-quote
- ▶ Loan processing times

PROGRESS® CORTICON®: MAKING THE RIGHT DECISION AT THE RIGHT TIME WITH BUSINESS AGILITY

Business Rules Management Systems (BRMS) offer a compelling solution to these challenges by automating recurring operational decisions in an environment optimized for managing business logic.

Progress Corticon offers an enterprise BRMS that can help you identify the decisions in your processes, automate the rules that drive the decisions, and deploy them as standards-based services to be consumed by applications across the enterprise. Companies leveraging Corticon are seeing significant gains in both business operations and IT agility by:

- ▶ Reducing costs by removing unnecessary manual steps in processes with recurring decisions.
- ▶ Improving response times for processes that require calculations, validations and data transformations.
- ▶ Increasing consistency of decisions across a high volume of transactions.
- ▶ Reducing IT overhead by maintaining decision logic outside of process and application code.

Progress Corticon's 'model-driven' BRMS delivers an accessible, spreadsheet-like environment for business users to manage decision logic through: business rules; a modern SOA architecture for IT to seamlessly deploy the decisions as corporate assets; enterprise data connectors for smart data integration; and a repository manager to control team access and versioning of rules assets and manage the rule project throughout its lifecycle.

Progress also offers a methodology and services designed to optimize decision automation in your company and set a framework for you to manage your decisions as corporate assets.

Customers using Progress Corticon have seen measurable business results, such as:

- ▶ 75% reduction in cost to acquire new customers
- ▶ 90% reduction in manual underwriting tasks
- ▶ 50% reduction in processing time per loan

What could your organization accomplish with performance gains like these?

CORTICON BRINGS VALUE ACROSS BANKING PROCESSES

The following examples detail how Progress Corticon can be used across the broad spectrum of decision-intensive banking business processes to deliver significant business benefits.

CREDIT DECISIONS

Apply policies consistently and transparently for optimum business results

Progress Corticon streamlines every kind of credit decisions—from mortgages to secured loans, auto loans to credit cards. Corticon is a key enabler in managing requirements, assessing risk and even driving effective collections strategies.

▶ Establish Eligibility

For virtually every distinct product, there are different sets of rules for eligibility. With Progress Corticon, you can automate eligibility decisions, applying your business policies and ensuring that product eligibility is determined appropriately and instantly, even for the most complex products.

▶ Assess Risk and Price

Pricing credit products—determining risk, calculating rates, and determining fees—can be complicated. Automating these calculations with Progress Corticon ensures they are done right every time. Corticon brings product owners into the process so the rules can be managed directly by those who understand them, and rapidly updated without an IT bottleneck.

▶ Origination and Documentation

Many credit products have complex origination processes and need significant documentation. Federal, state and local regulations can all affect the documentation that must be gathered, stored and validated. Managing all these rules using Progress Corticon ensures that customers are only asked for the documentation that is truly required, while ensuring that nothing is missed.

▶ Managing Collections

Any customer portfolio contains customers who get in trouble and enter the collections process. But you need to ensure that the right approach is taken with each customer to maximize profitability, whether that means working with them on a long-term plan or trying to get the best payoff you can manage. Progress Corticon lets you put the expertise of your best collections agents to work across your whole portfolio.

▶ Account Servicing

Collecting payments, managing early payoffs, and closing out loans are all opportunities to build positive or negative customer relationships. Using Progress Corticon to manage all the decisions that occur during the life of an account helps ensure consistency and excellence through the life of an account.

FRONT OFFICE

Offer the right products to delight customers

Corticon can help your customer-facing staff target the right customers with the right products, manage the origination process effectively, deliver excellent account service, and maximize customer retention and long-term value.

▶ Targeted Marketing

Banks face increased competition from both traditional and non-traditional providers. With retailers and others offering everything from checking accounts to investment vehicles, effective marketing is a must. Progress Corticon enables precisely targeted offers to be delivered across all channels through cross-channel decisioning.

▶ **Product Identification and Selection**

Whenever employees interact with customers, whether in the call center or at the branch, correctly identifying the product that is right for the customer is critical. Growing product portfolios and increased product complexity make this harder than ever. Progress Corticon makes it easy to automatically assist staff or customers in finding the right product for each situation, quickly and accurately, improving service and increasing product acceptance.

▶ **Account Origination**

Account origination—opening a new account—is one of the most important steps in a banking relationship. Not only can it make or break a customer’s perception of the bank, but it can also consume time and money, increasing the time to profitability for a product. Progress Corticon makes it easy to automate approvals and manage the data and paperwork that must be collected for different products, reducing time and cost in account origination.

▶ **Customer Retention**

Preventing customers—especially profitable customers—from leaving is critical for long-term growth. But budgets for customer retention are not infinite. Progress Corticon helps business and product owners define who they want to retain and how they want to spend their retention budget, ensuring consistency and effectiveness no matter what channels are involved. And rules-driven processes can be used to reach out to at-risk customers proactively, further reducing attrition.

▶ **Account Servicing**

Banks need tellers and call center staff to resolve issues the first time someone calls, and this means front-line staff must be empowered to act. Automating authentication and approval decisions using Progress Corticon empowers staff to act—appropriately, legally and effectively—the first time they speak with a customer. And rules can also be used to improve cross- and up-sell activities by managing marketing decisions. The ease with which Corticon can be integrated into every system or process in use helps ensure that customers get a compelling service experience no matter what channel they use.

CORE OPERATIONS

Streamline. Accelerate. Increase customer value with transpromotional marketing.

Progress Corticon can simplify and “green” core banking processes to improve operational efficiency. And they can also enable transpromotional marketing to boost customer value and speed the time to market for new products.

▶ **Design New Banking Products**

Every new banking product has many business rules—rules about eligibility, pricing and more. Using the Progress Corticon business rules management system to define new products speeds development and reduces the time to market for new offerings. Increased flexibility allows for more innovative products, while business-friendly maintenance puts product managers in charge. And Corticon makes it easy to build the interactive forms and guided dialogs your website, call center and tellers need to sell these products.

▶ **Simplify Core Processes**

Automating decisions about eligibility, approval, escalation, and routing can dramatically simplify processes. Driving down the cost of core bank processes by automating more steps and by simplifying those processes has a direct bottom-line impact. Progress Corticon is integrated with many leading business process management (BPM) tools, making it easy to simplify and streamline business processes throughout the bank. And the increased flexibility this brings to core processes builds resilience and agility directly into your operations.

▶ **Enable Transpromotional Marketing**

As consumers have become less willing to allow default opt-in, and more prone to opt-out, it is getting harder for banks to get their marketing messages in front of customers. Yet share-of-wallet is critical to long-term growth and profitability. Transpromotional marketing—using statements and other transactional interactions with customers as opportunities for marketing—is an effective tool in this new environment. Using Progress Corticon to manage marketing rules (cross-sell, up-sell) makes it easy to do transpromotional marketing tailored to customers, and the marketing rules can easily and effectively be shared with transactional systems.

▶ **Enable Green Banking**

Reducing the need for paper, travel and even phone calls all help banks reduce their carbon footprint and their waste. Using Progress Corticon to manage approvals and build effective forms-based applications can be a valuable part of a bank's Green initiatives.

RISK MANAGEMENT

Squash fraud, and nimbly navigate a complex sea of regulations

Progress Corticon can help you manage the increasingly complex regulatory environment while detecting and eliminating fraud.

▶ **Know your Customer**

Know-your-customer legislation requires banks to identify and track customers accurately across channels and over time. With Progress Corticon, centralized policies can be managed to ensure that every system and every process applies the correct logic to check, match and identify customers throughout the customer lifecycle.

▶ **Anti-Money Laundering**

Anti-Money Laundering regulations require systematic and well defined checks on customers, transactions and even on sets of transactions. Managing the rules is not enough. Banks must be able to demonstrate that they applied the rules consistently to every customer and every transaction. Centralized rules management using Progress Corticon ensures demonstrable compliance without sacrificing business agility.

▶ **Fraud Detection**

Credit card fraud, check fraud, and identity fraud are all business challenges with a direct impact on your bottom line. Progress Corticon can perform detailed checks on every transaction in real time, ensuring that your best experts' know-how is always applied, maximizing the amount of fraud discovered in time to do something about it. And rules can also ensure that cases move through the system as, and when, they meet defined criteria, speeding the process of investigation and resolution.

▶ **Basel II/III**

The Basel II/III regulations are increasingly driving the behavior of banks around the world. Using Progress Corticon to manage the calculations in Basel II/III ensures they will be consistent across channels and across systems without hard-coding them. So when the regulators change the rules, you will be ready to respond quickly.

FOR MORE INFORMATION

For additional information about Progress Corticon, visit www.progress.com/products/corticon or call 1-800-477-6473.

ABOUT PROGRESS CORTICON

Progress Corticon is the Business Rules Management System (BRMS) that delivers high-quality, high-fidelity, high-performance automated business decisions. It helps increase agility of decision change processes, and enables new insights into the connections between individual recurring decisions and business performance. Corticon separates decisions from processes, helping both business and IT users to quickly create or reuse business rules as well as create, improve, collaborate on, and maintain decision logic.

Progress Corticon is the market-leading platform for automating and executing business changes used by over 500 customers worldwide. Customers such as eBay, AEGON, LexisNexis, US Bank and the State of Texas have realized significant bottom- and top-line results using Corticon to improve decision automation, decision change processes and decision-related insights.

PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that simplifies the development, deployment and management of business applications on-premise or in the cloud, on any platform or device, to any data source, with enhanced performance, minimal IT complexity and low total cost of ownership.

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