



# The Single Origination Platform: Worth the Effort?

*By Dan Scheuble*

Utilizing a single origination platform across all channels would create tremendous financial and risk-avoidance benefits for financial institutions. For example, if the average organization has one system for each of its four channels, that means it must implement and keep four sets of training programs updated, initiate and manage four sets of development projects to implement new products or regulatory changes, and inevitably, maintain four sets of technology systems and the associated costs for IBM gear, mainframe capacity, Microsoft and PCs, database administrators for DB2 and Oracle and all the other possible databases associated with these systems — and that’s just the tip of the iceberg.

So the question is why hasn't the industry been more successful in driving toward a single-platform solution.

Frankly, there are many reasons.



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The No. 1 reason is probably the rapid consolidation in the industry. As companies — and systems — were acquired, few had time to think about big technology projects. Most institutions were either busy making the next acquisition (or being acquired), or trying to move customers through the origination pipeline as quickly as possible.

Politics is another reason. Various divisions — often organized by

channels — can be at odds with each other as they compete internally for resources and budget dollars, and externally for share of wallet. One of the most powerful forces in the mortgage industry on the production side of the house is channel conflict, and getting the channels to all agree on the features and functionality of a single platform can seem like an insurmountable challenge.

Technology has also been an issue. There just haven't been platforms that were scaleable and flexible enough, and a few high-profile technology consolidation failures probably made some institutions gun shy. Since systems have tended to grow up and specialize around channel niches, it’s been hard to envision a single platform solution that could effectively meet the needs and demands of all origination channels simultaneously.

However, today’s technology has now evolved to the point where we

can not only conceptualize a single platform scenario — but it makes good sense on every level. Here's how it would lay out:

Start by deciding to have a single data structure and a single data store for all channels. There might be different physical files for each channel, but there is one core relational database that all channels draw from for all data needs. Secondary marketing also runs off the same database along with management reporting, reporting for compensation, customer satisfaction and so on.

The next layer up is called the business objects layer. These are functions that are the same or very closely the same, regardless of channel. For example, the algorithms for the APR calculation are the same whether it's being done on the Internet or in a retail banking location. Any repetitive function that is utilized across channels should be developed as one business object that is located and maintained from one place. This is not only easier and cheaper to maintain and update, but it insures regulatory consistency across all channels.

The next layer up is the navigation layer. This is the layer where the process itself — not only the steps, but the sequence of those steps — resides. These processes can vary dramatically from channel to channel, so

how can they each operate independently and yet be on a single platform? Through the utilization of workflow technology. Each channel's processes and sequence of processes, including exception management, can be accommodated using workflow technology, allowing each channel to operate on a single platform, with a single set of technologies, using and reusing the same business objects and drawing information from a single database. Workflow allows a customized channel approach to occur, even within the context of a single platform infrastructure.

Finally, there is the presentation layer, which the users see. Tools now exist that can allow each channel to determine how all the screens will look as users move through any interaction with that channel.

So what have we designed here? Each channel has its own customized screens and navigation through processes and functions. However, when you get down to the actual business objects, they're the same objects — in the form of re-useable code. This is exactly the kind of control and regulatory bite financial institutions need as they manage their organizations. Not only that, but changes to these business objects only have to be done one time — not the resource-draining approach

required with multiple systems. And the whole system utilizes one central data repository.

From a technologist's perspective, a single platform solution is definitely worth the effort. It has the advantages of dramatically lowering costs, improving time to market for new products, and insuring consistency and accuracy across all channels for calculations and other regulatory requirements.

From the business perspective, the system looks like each channel wants it to look, and flows the way each channel wants it to flow. An individual channel can make changes without impacting the other channels, and without having to compete for resources. There is no reason for channel conflict to get in the way of a single platform design.

The single origination platform is not only doable, but the benefits multiply exponentially for every system eliminated in the transition. Many of the big players in the industry are already making good headway in this direction. What about you?

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