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COLONIAL
Banking | Home Loans | Insurance

Case Study

Zavanta Software Helps Colonial Savings Automate Policy Management

Executive Summary

Just like every financial institution, Colonial Savings faces ever-changing operational and regulatory compliance challenges. These challenges have grown exponentially since the company's inception in 1952. Early on, Colonial realized that they needed a more systematic approach for their policy and procedure communication other than word-of-mouth and email. After investing thousands of dollars on an MS Word + SharePoint system that didn't meet their needs, they began the search for a better way. After an extensive evaluation, Colonial felt that COMPROSE's Zavanta would be the best choice because it had all the features they needed in one solution. Their Zavanta implementation started in the Servicing group and is now expanding to all departments.

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Mahlon Meier, Senior Compliance Analyst at Colonial Savings

About Colonial Savings

Founded in 1952, Colonial is a national, multi-service financial institution headquartered in Fort Worth, Texas, and is one of the largest servicers of mortgage loans in the United States. Colonial services a $25 billion dollar portfolio, providing purchase loans and refinances in all 50 states.

Throughout its history, Colonial has built a solid foundation by resisting fads and sticking to their core: offering good banking, mortgage and insurance products to customers at fair prices and terms. Colonial offers customers all the financial services they need under one reliable roof.

Obviously, this approach has worked. Bauer Financial, the Nation's Premier Bank Rating Firm, has given Colonial a 5-Star Rating for 23 consecutive quarters. Colonial is recognized by Fannie Mae as one of the top mortgage servicers in the nation.

The Need

The Office of the Comptroller of the Currency (OCC) 2017-43 Bulletin was an important trigger point for Colonial.

According to Senior Compliance Analyst Mahlon Meier, "Change Management was already becoming a hot topic in the banking and finance area. Our Chief Compliance Officer was talking about it. We knew that we'd need to expand our compliance focus to meet the OCC requirements. The OCC wants to see proof that employees are trained and have access to policies and procedures. In addition, our investors require that our Servicing group have documented procedures in place to mitigate risk and loss."

Mr. Meier has an extensive background in process / configuration management and is certified as a CM2 professional by the Institute of Process Excellence, which was supported by Colonial. At the Bank, and other places he's worked, he's seen the business benefits of documenting processes.

"It's all about having controls and managing risk. The idea is to create procedure documentation before implementing a change. Document first. Do your due diligence and risk assessment before you implement the change or roll out a new product. With documented processes you can do so much; you can overlay performance measures."

Before Zavanta

Thousands of Dollars Invested in MS SharePoint wasn't working

Colonial had no easy way to document policies and procedures; often important policy was communicated via email or word-of-mouth. The Servicing area developed an MS Word + SharePoint system for policy and procedure documentation, which was determined to be the best-fit solution at the time.

According to Meier: "Our change management process was completely manual and very labor-intensive. We had a lot of procedures on SharePoint. SharePoint gave us no help in developing the policy and procedure documents. We wanted a more complete solution; one that would help us document our policies and procedures and provide better change management."

The Solution Search

Colonial began their search for a solution. As with any major change, they encountered some resistance especially since the SharePoint system was so well established.

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Zavanta Implementation

Zavanta was introduced to the organization in phases. Colonial started with a single pilot project in the Servicing area. The idea was to minimize risk and show success there, then move on to the next department.

Colonial now has a modern, online "Company Knowledge Base" that is auto-generated by Zavanta. Employees in Servicing can log into it and access policies and procedures that cover topics such as "Code of Conduct", "Property Inspections", and "Flood Insurance." Employees can use the built-in search engine or use different navigation paths or even perform keyword searches within categories. Unlike MS SharePoint, the setup and ongoing maintenance of the knowledge base requires no IT support. Updates go out in seconds, documents are automatically placed in the right category.

Colonial has now expanded their Zavanta implementation into the Production area. Management has issued a mandate that all the Bank's policies will be developed using Zavanta and published into the Company Knowledge base.
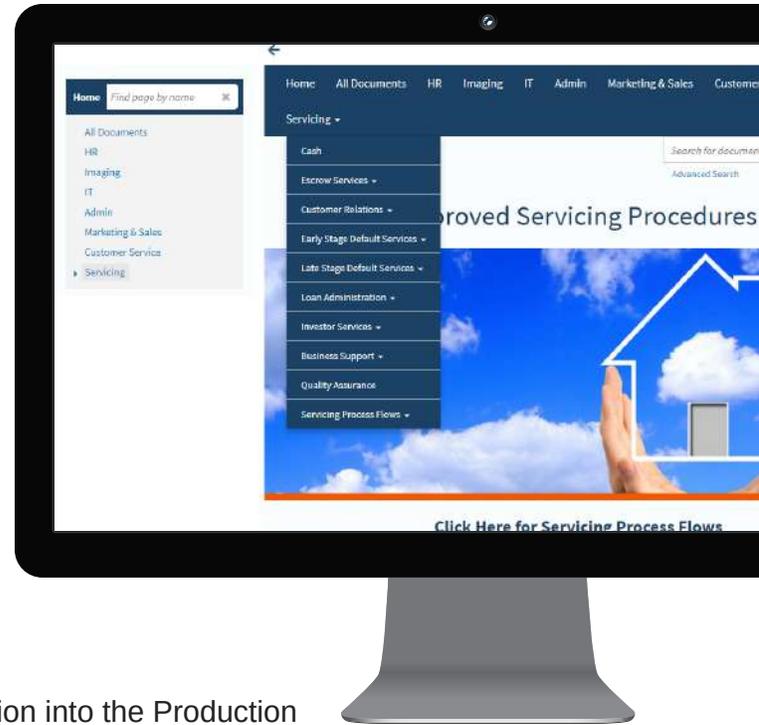
> **"**COMPROSE's staff is tremendously talented and knowledgeable. Because COMPROSE has worked with so many customers in the financial sector, all of their advice was been spot on and incredibly helpful. Our Coach designed our onboarding to address our specific needs. Everyone at COMPROSE has been excellent at pointing out what we could do, how we could approach something."
>
> *Mahlon Meier, Senior Compliance Analyst at Colonial Savings*

Future Plans & Expansion

Currently managers are trained on how to use Zavanta to conduct their Policy reviews and approvals. Colonial will eventually roll out Zavanta to all departments.

Colonial's Mahlon Meier sums it up this way: "Zavanta is a tool for 'managing the business'. We are looking at metrics and how we might better measure outcomes. Even by conservative estimates, we think we can save 5% of our expense budget -- $7M in savings -- by becoming a more process-oriented business and our Zavanta system is helping us get there."

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COMPROSE's Zavanta is a cloud-based software system for capturing and sharing operations knowledge. Zavanta enables any organization to communicate Processes and Policies in a way that empowers employees and helps them work smarter. Managers have a single system for operations, compliance, and training