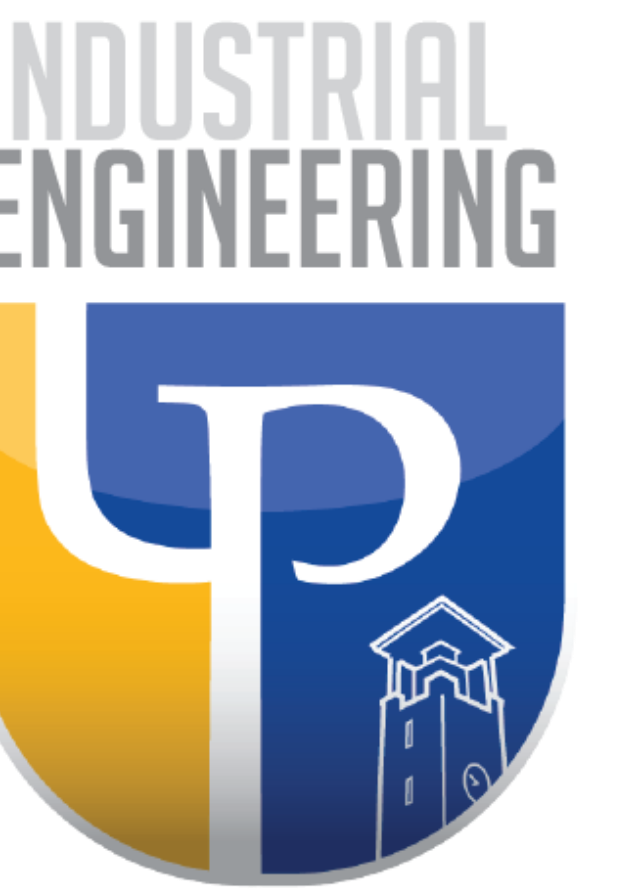




# Rightsizing Loans Operations

Kristal R. Sánchez | Camila Pacheco | Juris Pérez

IE 4995 Capstone Design Course Extension | Carlos González Miranda, Ph.D.



## Define

## Measure

## Analyze

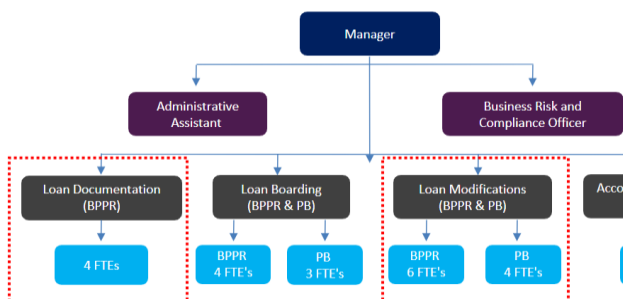
## Improve

## Control

### Problem Statement

During this project, we will measure the capacity, production, and demand of three units within the Commercial Loans division to enhance visibility into their processes. We aim to implement improvements tailored to the specific needs of each unit.

LOAN OPERATIONS ORGANIZATIONAL CHART



The three units within the scope of our project are:

**Loan Documentation**  
Analysis and completion of the operational documents for PB & M Commercial Transactions (New C/2000 C/L, Term, Lines of credit, C/LB new account and Commercial credit cards).

**Loan Modification BPPR**  
Processing of Modifications for the PB & M Commercial Loans, Visa, Fica & Smart.

**Loan Modification PB**  
Account maintenance to all credit facilities, commercial, consumer and RELOCs. Payments Posting, Renegotiation, Service Period Loan Transfer, Account Management, Loan Modifications, Loan Defaults, Payments review, Letters of credit, Issuance, Billing, U/L reconciliations, Customer's Credit Dispute - Close, Consumer Financial Protection Complaints (CFPC).

### VOC



### Units Baseline

Summary of units baseline including FTEs, 2023 Volumes, Target/FTE, 2023 Productivity, and Current Constraints for Loan Documentation, BPPR Modifications, and PB Modifications.

### Loan Documentation

Loan Documentation analysis including Demand (Cases in Loan Documentation), Data Collection and Time Study Results (Assign Points per Case, Capacity Analysis, Histograms), and Allowances (Allowances to Process/Review/Approve).

### Loan Documentation

Detailed Loan Documentation analysis including Assign Points per Case, Capacity Analysis, Histograms, and Queuing Theory Analysis.

### BPPR Modifications

BPPR Modifications analysis including Assign Points per Case, Capacity Analysis, Histograms, and Queuing Theory Analysis.

### PB Modifications

PB Modifications analysis including Assign Points per Case, Capacity Analysis, Histograms, and Queuing Theory Analysis.

### Improvements

Improvements section including a central diagram and text describing the goal of 8 points per case and the implementation of a new point system.

### Improvement Cost

Table showing improvement costs for Loan Documentation VAC, Loan Op's JIRA Enhancements, and Capstone Project ROI (199%).

### Hard Money Savings

Year 1: \$49,795 savings in not hiring the Loan Documentation Vacancy.

### Soft Money Cost Avoidance

Year 1: \$20,100 Loan Op's Jira Enhancements to create internal request to register volumes.

### Capstone Project ROI

199%

### Recommendations

- New Points, Dashboarding, Unit Composition, Rightsizing, Goal.

### Productivity

Productivity analysis for Loan Documentation, BPPR Modifications, and PB Modifications, showing metrics like FTEs, points, and capacity.

### Implementation Plan

Implementation plan including Goals, Metrics, Demand, and Productivity, with a timeline for implementation.

### Conclusion

Conclusion section highlighting the project's success in establishing a point system and improving productivity.

### Acknowledgment

During this project we had the opportunity to work as industrial engineers in the service industry. Seeking to maximize resources and time available, respecting the complexity and variation of the process.



Flowchart showing the process flow for Loan Documentation, BPPR Modifications, and PB Modifications.

CTQ (Critical To Quality) section listing requirements/drivers and CTQs for each unit.

SIPOC (Supplier-Input-Process-Output-Customer) diagram for the Loan Operations process.