AXONIVY

FuturePay automates the underwriting process for its e-commerce merchants

FuturePay Holdings Inc. is a fintech startup which provides a digital revolving credit solution to e-commerce merchants and their customers. Before accepting merchants as partners, a rigorous screening process must be undertaken to make sure the company is not violating any compliance policies.

Axon Ivy was chosen as the platform to automate this manual business process, as well as all other compliance, credit screening, and merchant and customer onboarding processes.

Previous system: Excel spreadsheets and e-mail, with "swivel chair" integration of data from numerous third-party sources.

There are three major steps in the merchant underwriting process. The first step is the "business fit" step, during which an analyst reviews the online merchant application, conducts a basic online search, and scans the website. If this step passes, the next step is to score the merchant based on data collected from several sources (beneficial ownership check, company profile, OFAC screening, etc.).

Based on the resulting score the final step for the merchant underwriting process is to either accept, reject, or initiate a review flow for compliance or executive stakeholders.

"We are very excited to be implementing Axon Ivy as a platform for automating our critical compliance and underwriting processes."

Ron D'Vari, Executive Chairman of FuturePay Holdings Inc.

FuturePay's digital revolving credit platform not only creates greater convenience for consumers, but it also fosters customer loyalty and produces repeat shoppers.
By comparison, competitors which finance "one-off" purchases leave consumers to move on to their next merchant relationship. For mid-tier e-commerce retailers, revolving digital credit is a powerful way to build recurring revenue.

Previously, the gathering of data, scoring of merchants, and processing of applications which require further review and approval was handled by a completely manual process. Managing the merchant underwriting process with spreadsheets and e-mail is time-consuming and prone to error.

Signing up merchants who have not been properly screened for regulatory compliance can lead to devastating consequences. Penalties can reach millions of US dollars.

"Zero-defect processes with full audit trail"
The FuturePay team was looking for a software solution that would not only reduce the administrative burden of compliance-related tasks. The solution should also provide built-in monitoring to ensure that policies and procedures are being accurately and completely followed. Full audit trail and reporting was also a requirement should evidence be needed to prove compliance.

Axon Ivy selected as the optimal solution
Several digital process automation (DPA) platforms were evaluated, with Axon Ivy being chosen as the finalist. The primary factors which led to the Axon Ivy selection were:

– **Commercial flexibility** – Axon Ivy was able to propose "start-up-friendly" business terms, with a licensing model to economically scale up the system as FuturePay grows. In addition, the scalability of the solution to several thousand users leaves plenty of room for growth.
– **Open architecture** – Axon Ivy's open architecture makes it easy to integrate with FuturePay's ecosystem of risk management, credit underwriting, financial system, and data warehouse technology platforms.
– **UI/UX capabilities** – FuturePay's requirements for custom applications to manage underwriting, compliance, and onboarding processes are highly specialized. Custom applications can quickly be built from templates and robust open-source UI elements via Axon Ivy's "low-code" capabilities. And support for HTML5 means user interfaces can be built with almost unlimited flexibility.
– **Strong system integrator partner** – Axon Ivy has a strong network of system integrator partners, who impress with a great deal of expertise and project management skills.

Dashboards, alerts, and reporting capabilities
As a fintech company, FuturePay must comply with dozens of regulations. Numerous policies and procedures have been documented, but without a DPA platform like Axon Ivy in place, it is difficult if not impossible to ensure FuturePay is fully compliant.

With Axon Ivy, all process steps are tracked, with alerts and notifications provided when steps are delayed or blocked. Automatic delegation of tasks (based on the out of office status of workflow recipients for example) is provided as out-of-the-box functionality.

Axon Ivy's standard portal functionality shows FuturePay's users the status of workflow steps in the merchant underwriting process. Dashboards are also provided to provide visualization of the number of open, pending, and closed tasks and other macro level information. Furthermore, data can be integrated with FuturePay's Snowflake Single Source of Truth (SSOT) database for more detailed reports using Microsoft's Power BI.

PROJECT GOALS:
– Decrease manual effort required to underwrite and onboard merchants
– Reduce errors and resulting regulatory risk and penalties
– Accelerate "time to money" with new merchants
– Increase employee, merchant, and customer satisfaction

Merchant underwriting is just the beginning
Merchant underwriting is only the first DPA project planned for FuturePay. Additional applications will be built on the Axon Ivy platform to automate all types of compliance, underwriting and onboarding processes.