

Customer Case Study

Elcon Finans

Online Automotive Dealer Leasing System

Solution:

Service-Oriented Architecture

Product:

BEA WebLogic Server® 8.1

BEA WebLogic Workshop® 8.1

Industry:

Financial Services

Country:

Norway

Business challenge

Overcome fragmented and manual processes used to generate and process quotations for leasing capital purchases.

Solution

Deployed BEA WebLogic Server to create an integrated, browser-based application framework for financing capital purchases. Used by more than 1,000 dealers in Norway to manage their vehicle leasing options.

Results

Up to seventy percent of automotive leasing business managed via BEA WebLogic Server. Dealers welcome the flexibility and ease with which they can obtain instant approvals, offers, and calculations on car leasing on behalf of their corporate or retail customers. Enabled Elcon Finans to increase its share of the highly competitive market for automotive finance.

Customer brief

Elcon Finans is the largest and most successful finance leasing company in Norway. The company employs 230 staff, has offices in more than 15 locations around the country and is headquartered in Lysaker, near Oslo. It also operates affiliates in Denmark and Sweden. Elcon Finans offers a broad spectrum of finance solutions to the corporate as well as the consumer market.

Business process challenge

Looking to finance the purchase of a new car? Computer equipment? Or maybe even an oil rig? Then Elcon Finans has the answer. The company is Norway's market leader in financing the purchase of capital items, whether it is for domestic or business use. The company is best known for its automotive leasing schemes, but it is also active in many other segments,

such as the leasing of computer equipment and peripherals, agricultural equipment, caravans, or aircraft. With more than 50 percent of the company's business derived from the automotive sector, Elcon Finans is working hard to ensure that customers receive an efficient, satisfying service every time they choose Elcon Finans to manage the purchase of their vehicle. It is also generally recognized that a vehicle is the second most expensive purchase an individual will make in their lifetime, after property. It's not surprising therefore that so many people choose leasing as an option for managing the payment of such items.

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*Jon-Ola Hove, IT Architect,
Elcon Finans*

Previously, when a customer visited an automotive dealer in Norway and expressed interest in financing the vehicle over an extended period, they had several options including hire purchase, leasing, contract hire, and, other financial packages. Once they had chosen one of these options, it took the dealer a while to manually calculate the price, monthly repayments, loan insurance options, and other requirements. They needed to then complete other forms, including the customer's profile and their credit risk assessment, which then needed to be sent off to Elcon Finans.

Using this approach, the financial solution was slowly agreed between Elcon Finans, the dealer and the customer over an extended period, using a blend of telephone, fax, and emails.

According to Jon-Ola Hove, IT Architect at Elcon Finans, this process was ripe for change. “Dealers relied on the information residing on their PC, forms supplied by Elcon Finans, and other protracted business processes to reach a financial solution which satisfied all the parties involved. The end-to-end process was slow, inefficient, and unproductive. Often, for example, the customer and the dealer would devote a significant amount of time to form-filling and negotiating the lease, only for the customer to decide he didn't want to buy the vehicle after all.”

The advent of J2EE several years ago changed everything. Elcon Finans identified the opportunity to create a browser-based solution which dealers and customers alike could use to quickly and efficiently obtain instant approvals, offers, and calculations on vehicle leasing.

“One of the fundamental decisions was the choice of application infrastructure. We compared J2EE and Java to a comparative Microsoft .Net environment, and settled on the former for its flexibility, low total cost-of-ownership, and ease of use,” he says.

Solution

Elcon Finans then conducted a thorough investigation of application integration solutions, and shortlisted two solution providers: BEA and IBM. BEA was the runaway leader in almost every respect for this J2EE/Java environment. “BEA's open, standards-based infrastructure was more mature than the IBM environment,” says Hove. “The BEA

application server also offered a greater degree of functionality, ease-of-use, and flexibility than IBM WebSphere. It was also the recommended choice from our consulting partner, Accenture.”

Elcon Finans has deployed BEA WebLogic Server 8.1 to create an integrated, browser-based application framework. The result is a function-rich, online application for financing capital purchases, named ‘Elcon 24’. Now, when a business or a private customer visits a dealership and talks to the dealer about finance options for the vehicle, the dealer simply inputs the customer’s details onto the system, including their profile, details about the vehicle to be financed and credit history. This is then sent electronically to Elcon Finans’ call center for processing.

At this point, Elcon 24 automatically scores the customer’s request for finance, using the information supplied and various other integrated decision support systems. Alternatively, in more complex scenarios, the call center agent will review the proposal and submit a response. Either way, customers rarely wait more than 10 minutes for a response: whether it is approved, rejected, or pending further investigation. Upon approval of the finance request, all the paperwork is printed out by the dealer for the customer to sign.

More than 1,000 dealers in Norway now rely on Elcon 24 to manage their vehicle leasing options. These options are either branded towards the dealer, such as Volvo, Ford, and Toyota, or they remain vanilla. More than 200 staff at Elcon Finans also use the system every day to process applications, and as many as 1,000 applications are received every day (although not all result in completed financial transactions). The Elcon 24 application itself resides on HP Blade technology.

Customers don’t have to visit their local car showroom to take advantage of Elcon 24 though. Elcon Finans has also launched a new self-service application (www.elcon.no) aimed at customers interested in financing a capital purchase. It means customers can browse any combination of financial models surrounding their purchase and decide which is the right one for them. They can receive a decision from Elcon Finans in minutes, all without leaving their home. Seamless integration with the company’s call center also means that customers can speak to an agent at Elcon Finans at any point, certain that the agent will share the same, up-to-the-minute view of the customer’s situation.

Elcon Finans is also beginning to use BEA WebLogic Workshop 8.1 and the results so far have been impressive. “We can develop functionality much more quickly than we used to using BEA WebLogic Workshop. The visual framework is popular with developers, they can reuse application components again and again, and the general consent is that it is very easy to use,” according to Hove.

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Results

Up to 70 percent of Elcon Finans' entire automotive leasing business is now managed via the BEA WebLogic Server portal, and the remaining 30 percent is steadily migrating to the online environment.

"Elcon 24 is hugely popular with car dealers," Hove explains. "They welcome the flexibility and ease with which they can obtain instant approvals, offers, and calculations on car leasing on behalf of their corporate or retail customers. It also makes the dealers more productive, allowing them to devote more time to the customer and, hopefully, sell more cars. There is no doubt that Elcon 24 has enabled Elcon Finans to increase its share of the highly competitive market for automotive finance."

Besides helping to protect market share, the interactive, online BEA application has also made Elcon Finance more agile and efficient. The majority of offers are now managed using automated, straight through processing, with no manual intervention. For quotes requiring more detailed examination, all the information the agent needs upon which to base their decision is available in one unified environment. The opportunity for errors occurring has diminished. And the mountain of forms and other paperwork associated with application has been significantly reduced. Previously, each application was re-keyed as many as four times during its lifecycle; now it is only once (and most of that original input is conducted by either the dealer or the customer).

The BEA environment is also incredibly easy to maintain and upgrade. "It allows us to keep pace with the Java development world, such as Java Messaging Services and security," says Hove.

Elcon 24 is being enhanced all the time. Hove and his team are now creating a publishing system so that each dealer can present a personalized homepage to the customer. They will be able to create their own, branded incentive campaigns, targeted at groups of customers. These may include reduced rate leasing campaigns for a pre-determined period, or special finance deals on particular vehicle models. "The dealers can't imagine life now without Elcon 24," he concludes.

About BEA

BEA Systems, Inc. (NASDAQ: BEAS) is a world leader in enterprise infrastructure software, providing standards-based platforms to accelerate the secure flow of information and services. BEA product lines—WebLogic®, Tuxedo®, JRockit®, and the new AquaLogic™ family of Service Infrastructure—help customers reduce IT complexity and successfully deploy Service-Oriented Architectures to improve business agility and efficiency. For more information please visit bea.com.

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