



Flexible and centralized rule-engine for credit decisions

Bajaj Finance uses ACTICO Decision Management Platform as central decisioning and pricing engine

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Case Study

Targets

- Replacement of inbuilt rule engine and decouple the maintenance of business rules from the loan origination system
- Empower business users to take ownership of business logic

Business Need

Originally, all business rules and credit decisioning parameters were embedded in Bajaj Finance's loan origination system. However, the maintenance of business rules and decisioning strategies in the in-built rule engine were inconvenient as most of the business rules were hard-coded. Further, every change in any of the rules required to be part of the change management process. In consequence, rule changes were rather inflexible and time consuming.

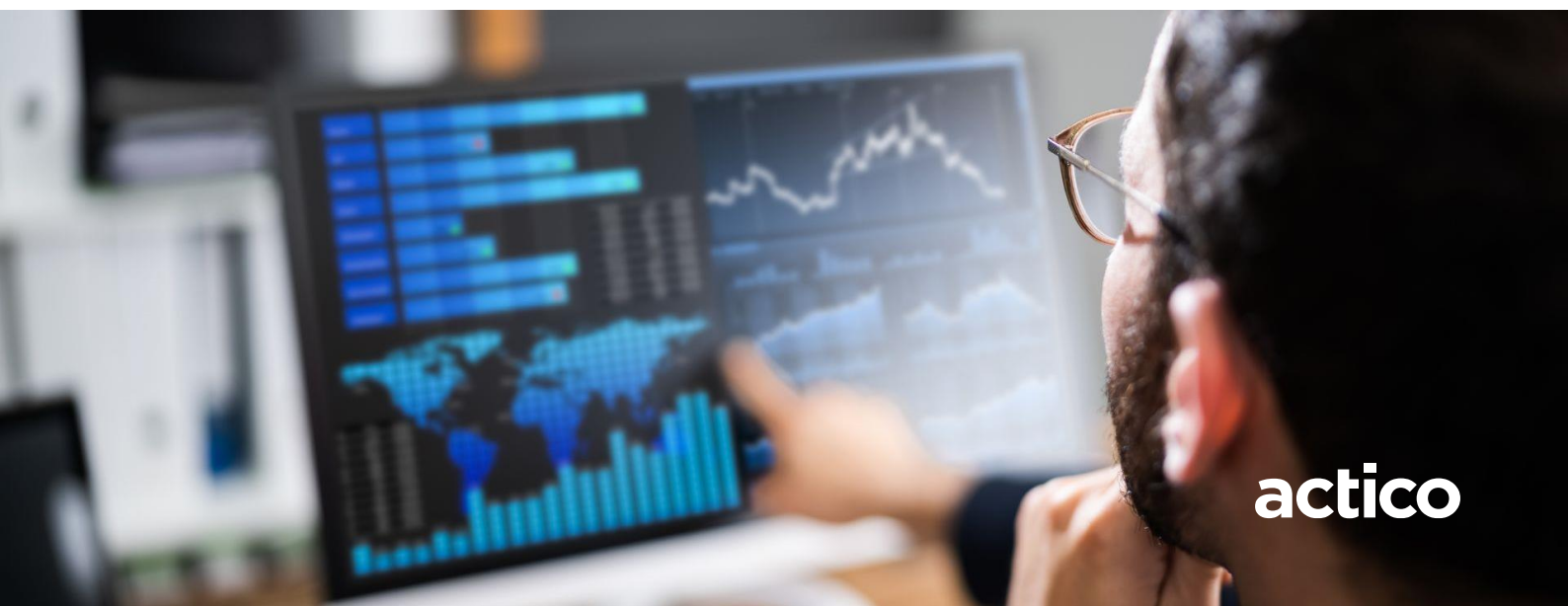
In order to decouple the maintenance of business rules from the loan origination system and, further, to empower business users to take ownership of the business logic and adapt the rule models whenever required, Bajaj Finance decided to opt for a rule engine outside its loan origination system.

ACTICO Solution

ACTICO Decision Management Platform was implemented as a centralized decisioning and rule engine that allows quick time-to-market and is easily maintainable, thereby replacing rule engine embedded inside the loan origination system. The solution was seamlessly integrated with the company's loan origination system and data warehouse.

Various rating models, ranging from loan eligibility (check the eligibility of loan amount of the customer), deviations checks and approval matrices, to the premium calculation for credit or health insurance, were realized.

Business users can now easily create and configure business rules without doing any coding and not having to adhere to the change management cycle. In consequence, the iteration cycles between business users and the IT department decreased, while the time-to-market increased significantly.



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Business Impact

The management is extremely satisfied with the product, as stated by Anurag Chottani, CIO, Bajaj Finance Ltd, “[The] ACTICO Rules Engine helped BFL in having a flexible and centralized credit decisioning capability integrated with our loan origination system. ACTICO Decision Management Platform allows us to quickly deploy the decisioning workflows on the platform without having to extensively develop programs or software coding”. The company plans to expand the usage of ACTICO Decision Management Platform in other business areas.



The Result

Bajaj is now able to roll out business decisions much faster, as the company’s business users are now in control of the business logic. Furthermore, less regression testing is required since business rules are modelled in ACTICO Decision Management Platform, and business teams can perform simulations within rule engine itself before going live.

“ACTICO Decision Management Platform allows us to quickly deploy the decisioning workflows on the platform without having to extensively develop programs or software coding.”

Anurag Chottani,
CIO, Bajaj Finance Ltd

Benefits at a glance

- Quick time-to-market of new business rules
- Easier creation, configuration and maintenance of business rules
- Fewer iteration cycles between business users and IT
- Effective validation and calibration of rating models
- Seamless integration into existing systems
- Flexible, graphical rating models that can be adapted and modified by business users



Bajaj Finance Limited

Bajaj Finance Ltd (BFL), a subsidiary of Bajaj Finserv, is a 29-year-old non-banking financial company in India. The company portfolio covers consumer finance, SME (small and medium-sized enterprises) and commercial lending, as well as wealth management. Apart from being the largest financier of consumer durables in India, the company's focus lies on profitable growth and operational efficiency to deliver best results to all its stakeholders.

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