How sales automation enables NBFCs to improve sales

1. Introduction

1.1 NBFC Leading The Way!

Financial services delivered by non-banking financial companies are playing an increasingly important role in the Indian economy. With the ability to cater credit dissemination to all segments of the consumer pyramid, Low operating costs have driven NBFCs to become preferred options for credit needs over banks in India.
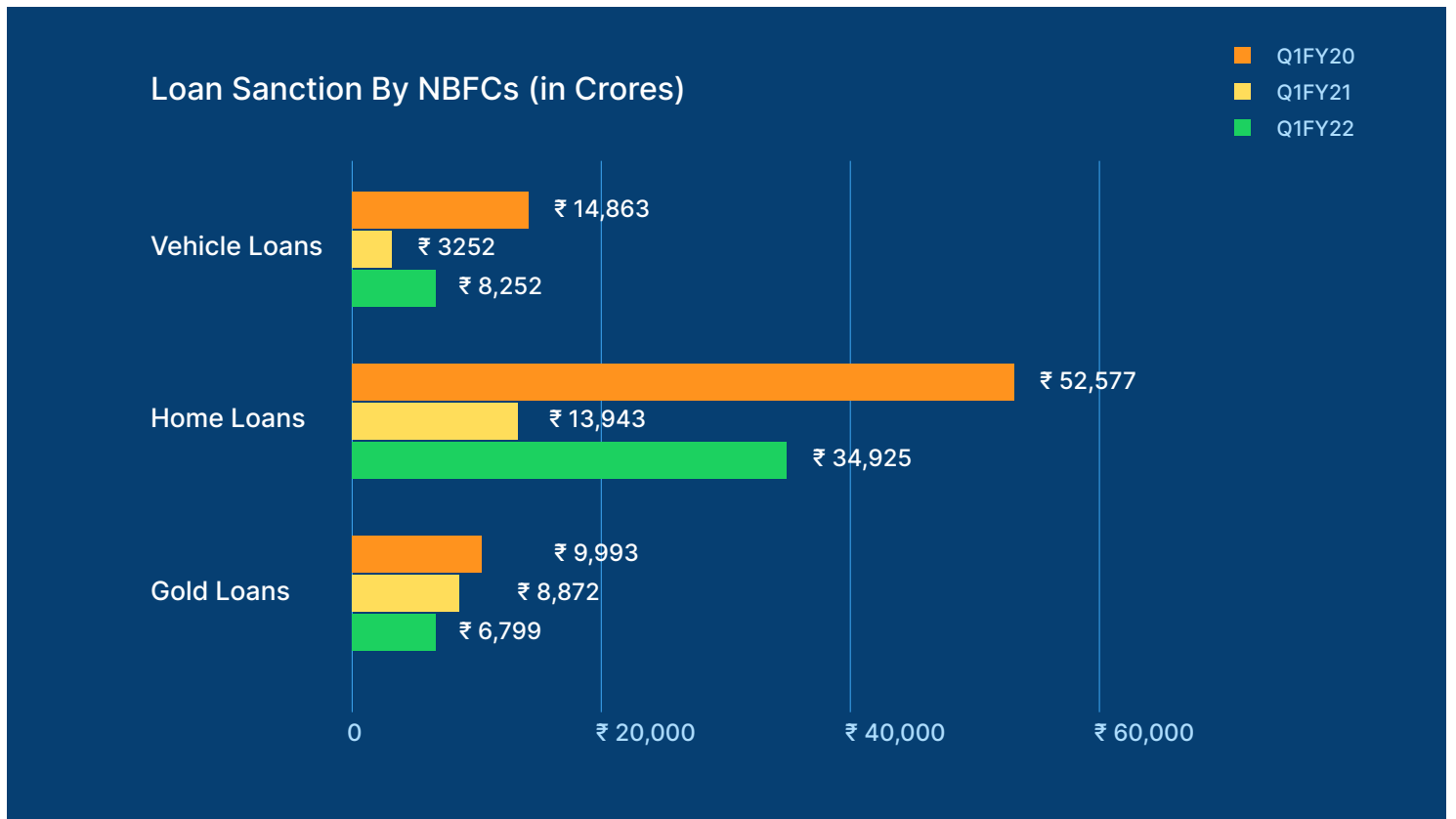
In recent years, NBFC has seen a rapid increase in its share of total disbursements in India. With a total growth of **37.6%** estimated **FY22, NBFC** has taken a giant leap over the banking sector which is still struggling to get over the single-digit growth percentage in the finance sector. Over the last decade in India, the financial industry has played a vital part in the economy and NBFC has become an integral part of the sector. With flexible lending models and various product innovations, NBFC has been leading the way for the non-banking sector.
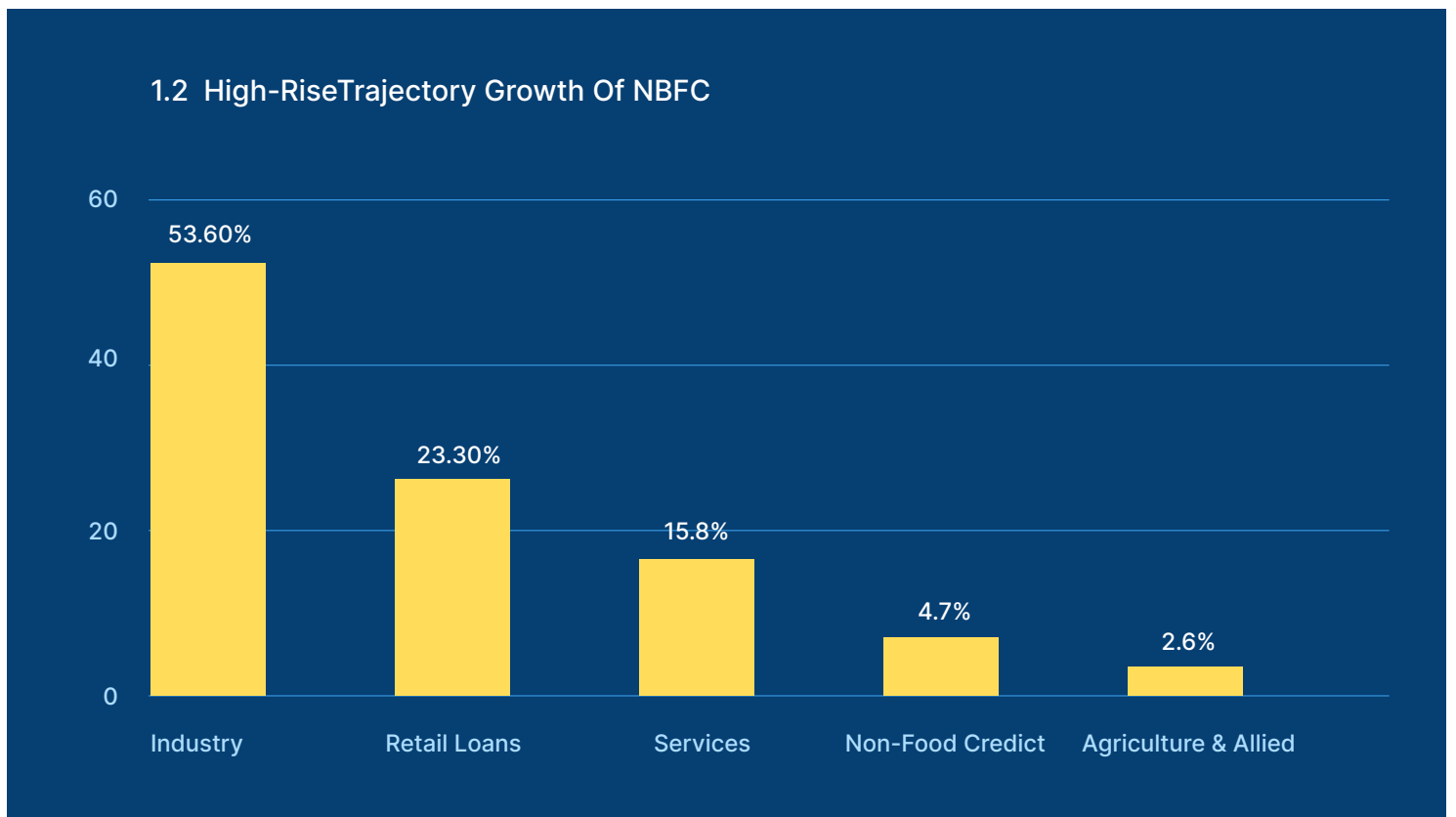
1.2 High-RiseTrajectory Growth Of NBFC

The NBFC sector has been key in mitigating and managing the spread of risks during times of financial stress and has increasingly become recognized as a value-added service to the banking industry. Obviously, low-operating costs and regulatory frameworks have given NBFC the edge over the banks.

But with the growing demand of the customers and personal growth, many NBFCs have shifted their business models. One of the most important aspects is the integration of the sales automation tool in their workflow. The way the sales automation tool has changed the game of NBFC has been huge. The most difficult task of customer onboarding has been made simple and faster with the automation of the workflows which replaced the traditional sales process.

As mentioned in graph 1.1, the data collected by the **Finance Industry Development Council** indicates how vehicle loans have increased after taking a dip in the **Q1FY21** and making a great stride with over 157.6 percent growth in sanctions at **Rs 8,378** crore from **Rs 3,252** crore in **Q1 of Fy21**. In April-June 2019 **(Q1 of FY20)**, sanctions amounted to **Rs 14,863 crore**, much higher than during the pre-pandemic period. A strong housing loan business was also seen in **Q1 of FY22** when sanctioned loans jumped by about **150 percent** from **Rs 13,943 crore** in **Q1 of FY21** to **Rs 34,925 crore.**

Loan Sanction By NBFCs (in Crores)

Legend: Q1FY20, Q1FY21, Q1FY22

Vehicle Loans
- ₹ 14,863 (Q1FY20)
- ₹ 3252 (Q1FY21)
- ₹ 8,252 (Q1FY22)

Home Loans
- ₹ 52,577 (Q1FY20)
- ₹ 13,943 (Q1FY21)
- ₹ 34,925 (Q1FY22)

Gold Loans
- ₹ 9,993 (Q1FY20)
- ₹ 8,872 (Q1FY21)
- ₹ 6,799 (Q1FY22)

X-axis: 0, ₹ 20,000, ₹ 40,000, ₹ 60,000

Graph 1.1   (Source: Finance industry Development council)

1.2 High-RiseTrajectory Growth Of NBFC

- Industry: 53.60%
- Retail Loans: 23.30%
- Services: 15.8%
- Non-Food Credict: 4.7%
- Agriculture & Allied: 2.6%

Graph 1.2   (Source: RBI Website)

Graph 1.2 shows that the NBFC sector continued to extend credit predominantly to industry, followed by retail loans and services. All other sectors saw their shares decline in 2019-20, except for the retail loan portfolio. ICCs, IFCs, and NBFCs-MFI are the main purveyors of credit, in that order. As of March 2020, they represent 98.1% of credit extended by NBFCs.

1.3 NBFC Operational Efficiency

The ever-growing surge and competition in the NBFC sector had paved a way for technology to perform a crucial role in onboarding customers. The aim of catering to low-income citizens and adopting the new business model of digital transformation has completely changed the NBFC sector. As the customer has become tech-savvy and the demands have increased, the Non-banking financial institutions had to seek other ways. This led to the implementation of a sales automation tool to be an integral part of the workflow. The eradication of traditional onboarding was completely replaced with **automation**, making it much more easy and faster to work with.

2. Evolving Customer Onboarding With Sales Automation Tool

2.1 Traditional Customer Acquisition Of NBFC

Traditional loan processing is a lengthy and time-consuming process for every **NBFC**. As part of the traditional onboarding process, there is a multitude of processes across various departments like **credit, legal,** and **operations**. Moreover, loan disbursal is an extremely tedious operation that costs a lot of time, money, and resources.

As there is no set of rules for prioritizing the prospect leads, field sales reps often end up having challenging activities every day. For sales reps, there are so many other things they have to do besides selling, such as providing service, handling complaints, attending meetings, and writing reports. They had been using traditional methods like spreadsheets and diaries for the sales process.

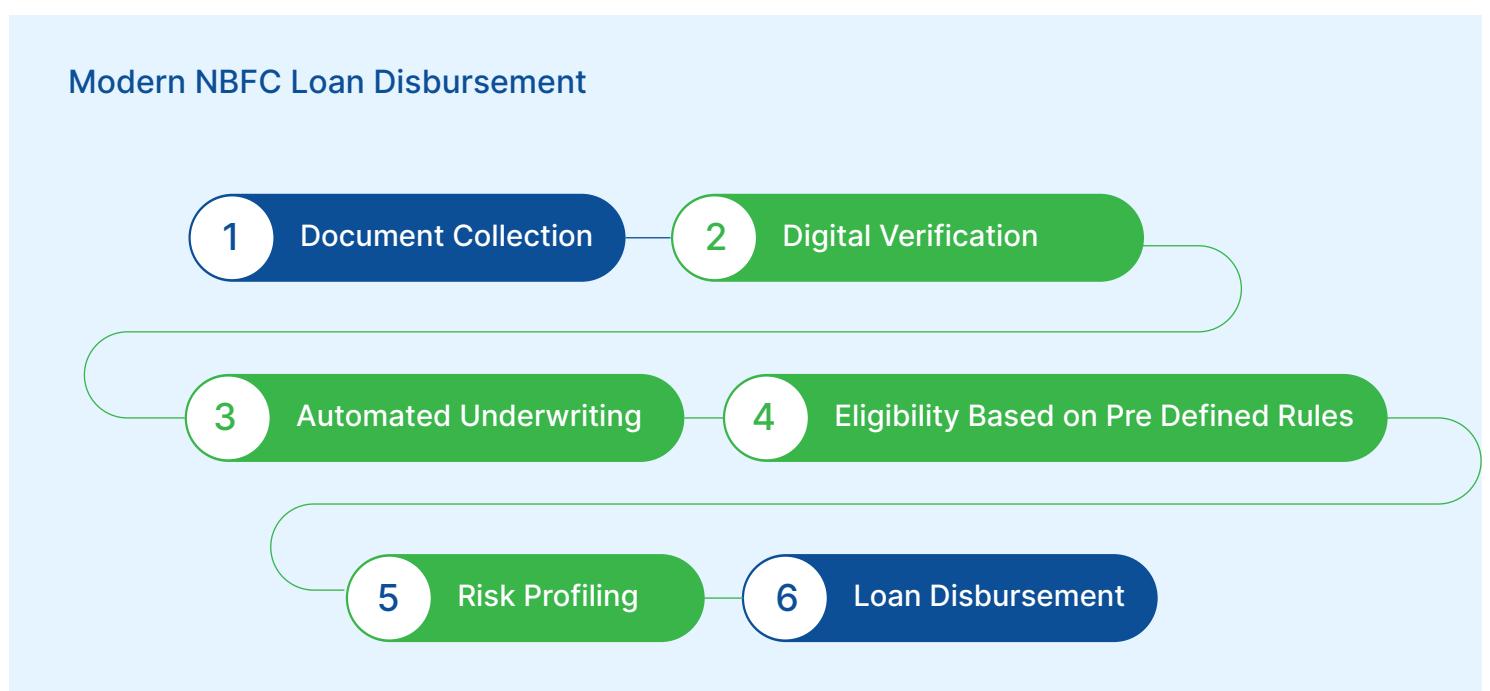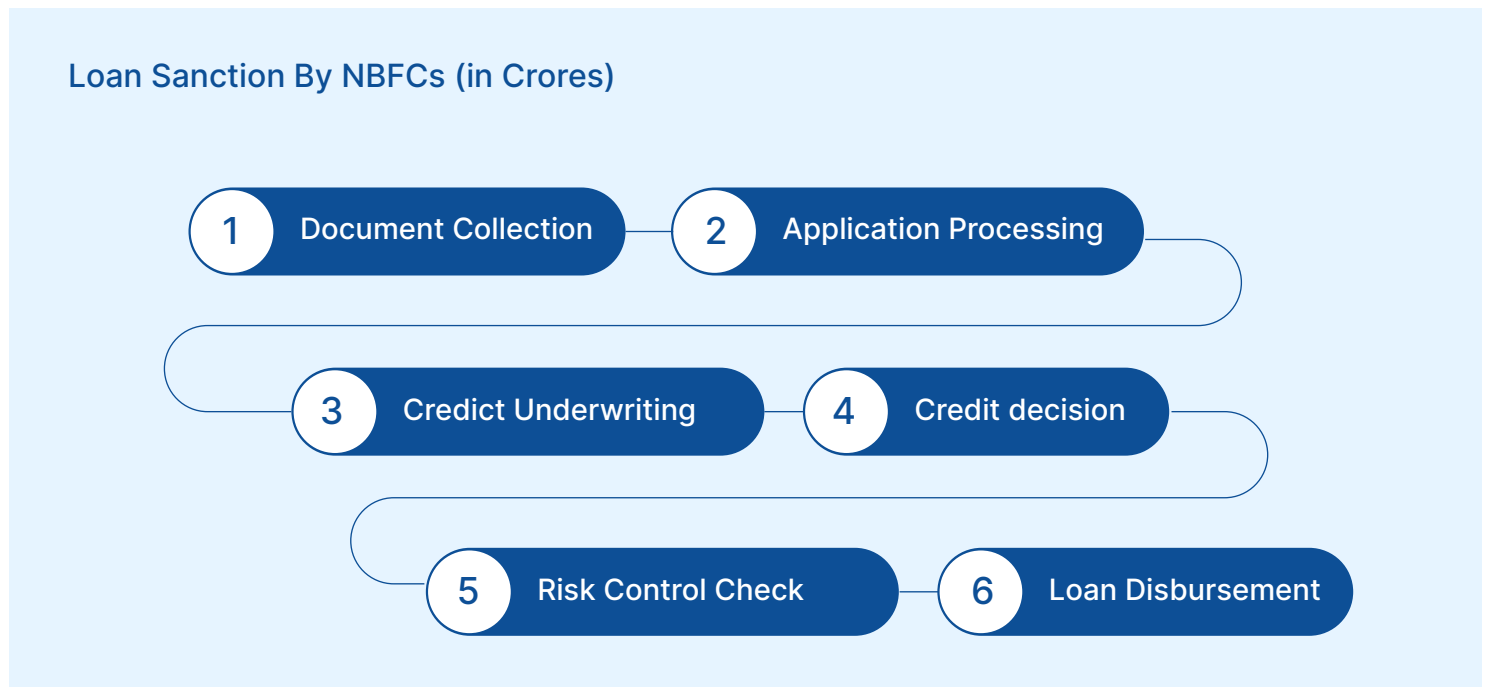## 2.2 Navigation Of Customer Onboarding

The traditional customer onboarding process mainly consists of three main pillars -

- **Data**

- **Dependency**

- **Cost & Time**

a) **Data**- The collection of data is the most tedious task of the operation. From collecting data from customers to verification, it's a very **time-consuming process** when done manually. Due to the weak verification process because of the manual process, there were a lot of escalations of **forgeries** and **inaccurate data**. Moreover, there were high chances of losing the accumulated data as the data was **not digitalised.**

b) **Dependency-** Inefficiency in operations caused by multiple handoffs between departments and a lack of clear accountabilities, roles, and responsibilities. These inefficiencies can also delay **decision-making** and **negatively impact customer experience.**

c) **Cost &Time -** The whole workflow, starting from sales reps going out to the field till the loan is disbursed, costs NBFCs a lot of time and money. Due to manually handled processes, the **lead-to-conversion** ratio is very **low**, thus resulting in less productivity and low business. There was a direct increase in cost as more time was required to collect and transfer customer documents. The manual verification process not only resulted in time lost for the sales team but also increased the **turnaround times (TAT)** and thus leading to reduced customer satisfaction.

Traditional & Modern Loan Disbursement Flow Of NBFC

Loan Sanction By NBFCs (in Crores)

1 Document Collection	2 Application Processing
3 Credict Underwriting	4 Credit decision
5 Risk Control Check	6 Loan Disbursement

Modern NBFC Loan Disbursement

1 Document Collection	2 Digital Verification
3 Automated Underwriting	4 Eligibility Based on Pre Defined Rules
5 Risk Profiling	6 Loan Disbursement

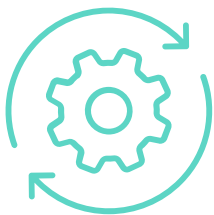## 2.3 Customer Onboarding Made Simpler

The implementation of digital onboarding via lending organizations enables them to be present at all times during the sales process. Through digital customer onboarding, lending organizations can speed up the entire **lead-to-sale journey** by automating tasks and bringing in the majority of decisions to the front end. Thus, Digital onboarding provides solutions such as **credit check, KYC validation, lead management, profiling**, etc. Due to these instant solutions, sales teams are guided to engage and close the deal with the customer quickly.

2.4 Reduced TAT

Due to digitizing the customer onboarding process, the time consumed for manually entering the form and agreements has been drastically reduced. The process of uploading the forms, documents and involving multiple teams together at one platform has reduced the **TAT(turn around time)** of customer onboarding. The various teams involved with customer onboarding, including **credit, legal, technical,** etc., each has their responsibilities for every stage. With digitizing, the whole process can be monitored, for instance - the time taken to move a lead from one stage to another and understand where more time is spent while onboarding.

2.5 Increased Productivity

The implementation of the sales automation tool not only reduced TAT, but also increased the efficiency and productivity of the employees. With a manual customer onboarding process taking a minimum of **20-24 days**, the SFA reduced the TAT to **10-12 days**. Every stage is assigned to a team and has to work instantly. As every team was able to monitor and track the loan application digitally, the team had full control of the customer onboarding process.

2.6 Easy Onboarding

As the entire lead management process is controlled with workflows, there is a reduction in errors in comparison to the manual process. Moreover, with the features such as mobile number verification through **OTP B** and other features like **OCR, PDF** creator, etc the team is saving a lot of time and effort collecting the data and onboarding. All the paper-related costs were reduced all at once. Hence, the loan disbursement process is fast, seamless, and hassle-free.

Toolyt Mobile CRM: Customer Onboarding Digitalised

As customers are demanding fast, seamless, and hassle-free loan services, it is very crucial for NBFC to offer fast loan approvals. Keeping in mind the dilemma faced by the NBFCs, Toolyt Mobile CRM brings the one-stop solution. Exclusively designed for field sales reps, Toolyt is digitizing modern-day field sales teams and playing the role of personal sales assistant to supercharge your sales productivity.

Lead source

Month wise Lead assignment

Lead stages
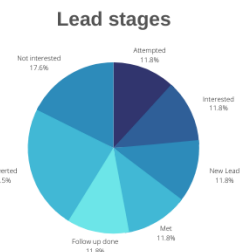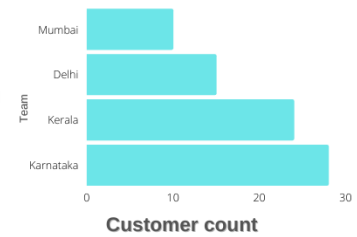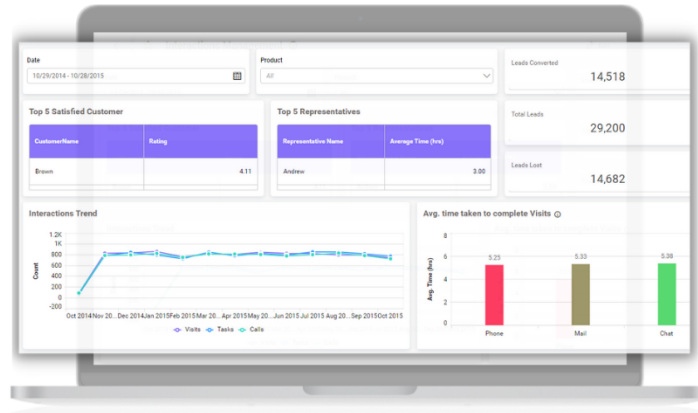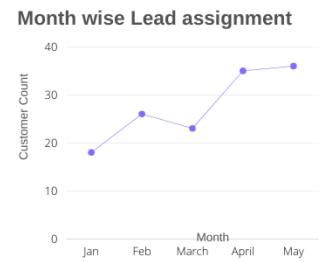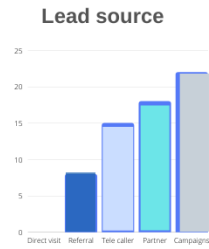
(Insights: You can view detailed insights and records in real-time visibility along with graphical representation)
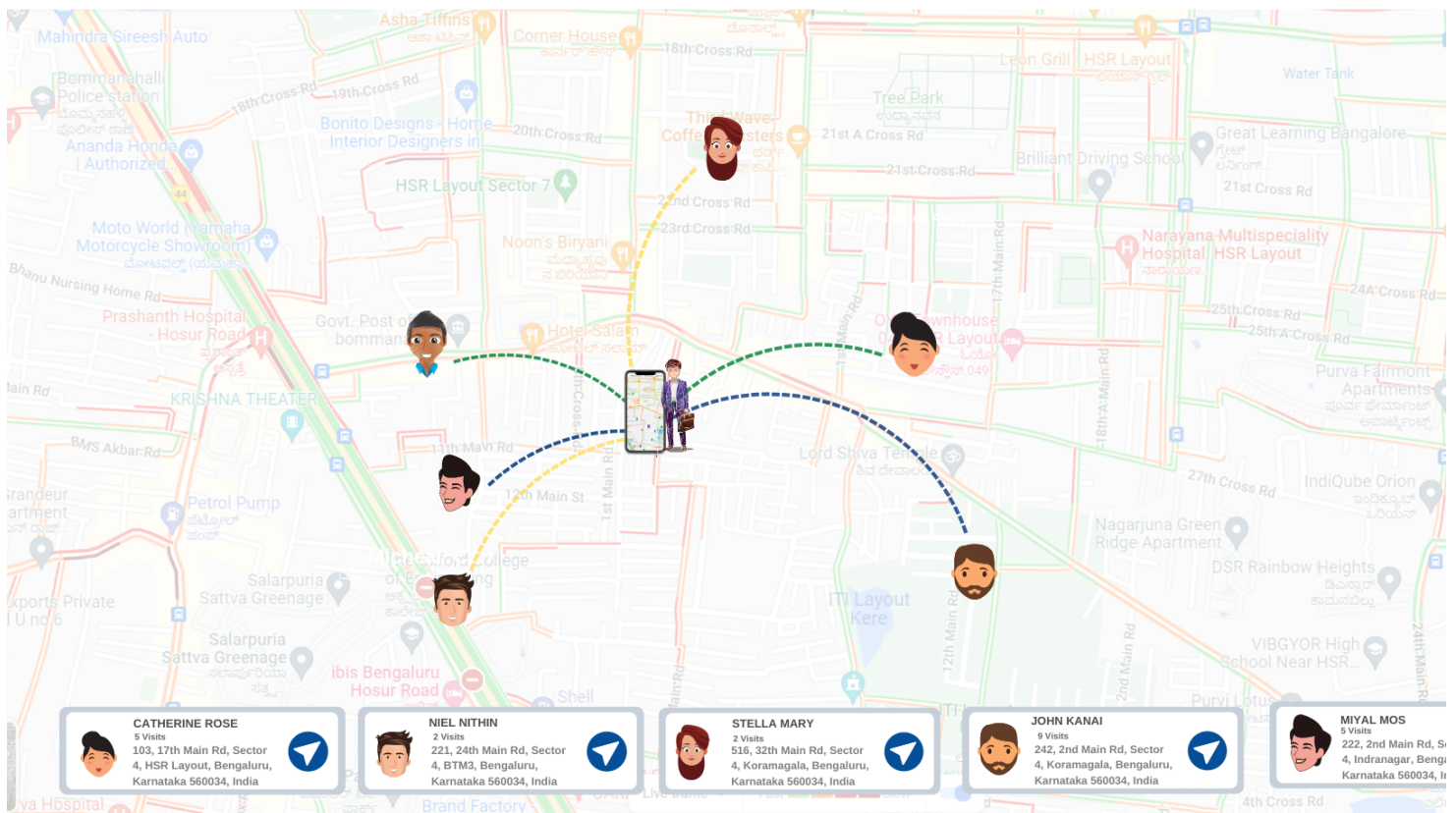
(Nearby Feature : This feature allows you to view all your customers or leads when you click on Nearby. The multiple colors indicates -
• Blue- potential customer, no meeting scheduled for today or upcoming days
• Green- meeting scheduled for today
• Yellow – meeting for upcoming days)
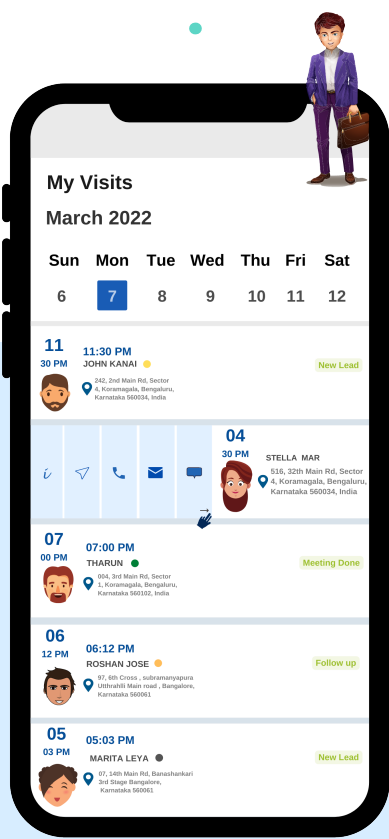
(Visits : This feature allows you to have a proper visit mechanism that automatically decides how many visits should be scheduled for a user based on different parameters like login time of the user, login location, type of loans they are dealing with etc.
And if manager want to schedule a meeting for his team members that can be done too and if the user himself/herself want to schedule a visit, that also can be done wherein she/he'll be getting, notifications, mails, reminder SMS etc for the same before the meeting)

SK Finance - Frontline Sales Acceleration via Toolyt

One of India's largest NBFCs was seeking to improve customer onboarding and sales effectiveness. SK Finance was using a traditional loan disbursement process which was lengthy and time-consuming. With limited coordination of managing sales and no real-time visibility, SK Finance operation was not organized and there was no effective workflow.
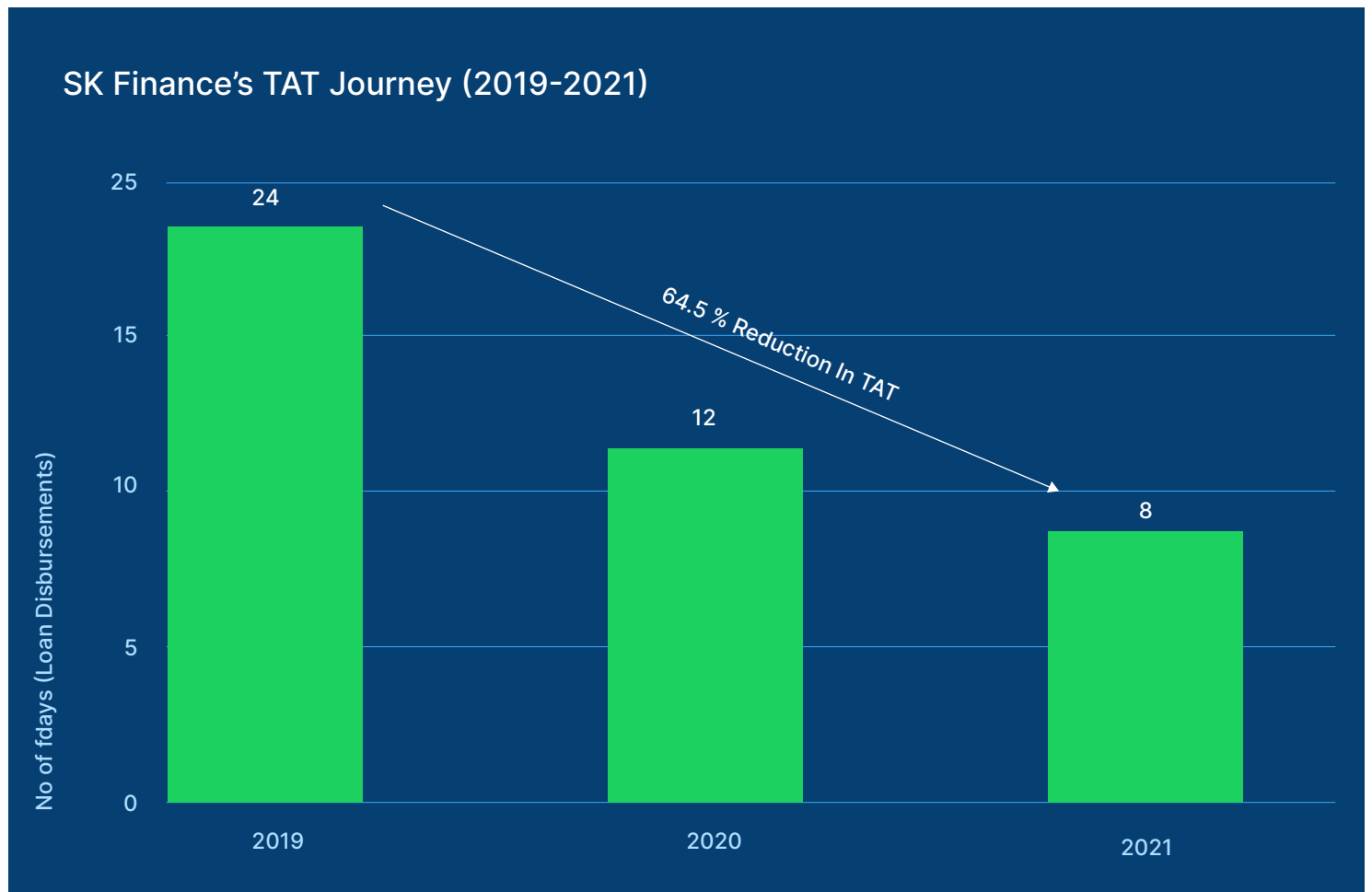
The NBFC was looking for a digital tool for -

1.   Reducing the customer onboarding (TAT- Turnaround time)
2.   Analyzing large amounts of data to generate relevant insights and actions
3.   Accessing real-time data from the ground and getting real-time visibility
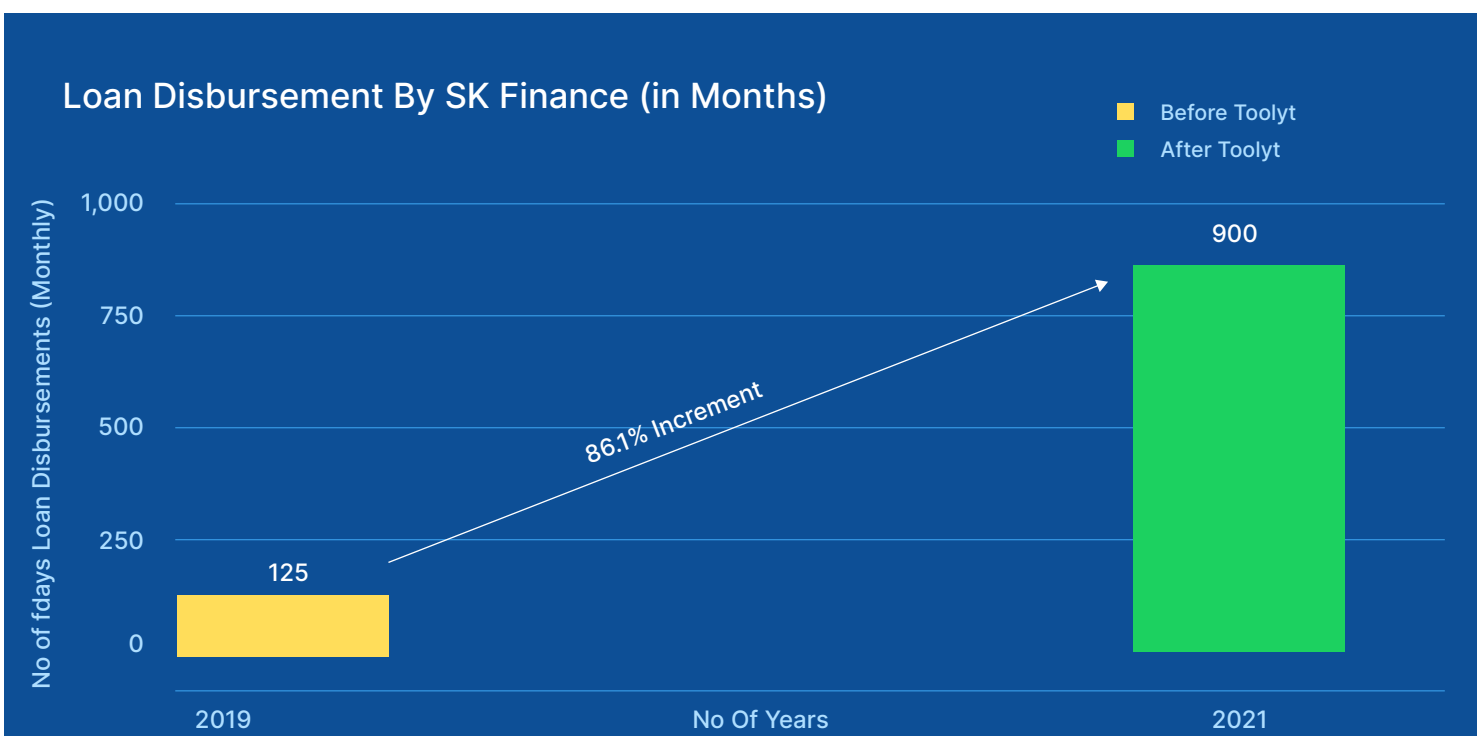
(Graph 2.1)

In the above graph 2.1, we can see "**Loan Disbursement By SK Finance (in Months)**". Before implementing mobile- CRM Toolyt in 2019, the average loan disbursement per month by SK Finance was **125 loans**. After implementing Toolyt mobile CRM in 2019, the loan disbursement increased drastically. There was an **86.1%** increment in loan disbursements since 2019, the average loan disbursements increased to **900** loans per month in the year **2021.**

SK Finance's TAT Journey (2019-2021)

64.5 % Reduction In TAT

No of fdays (Loan Disbursements)

2019   2020   2021

(Graph 2.2)

In the above graph 2.2, we can see "**SK Finance's TAT journey (2019-2021)**". The graph represents the **TAT (Turn around time)** of SK Finance for every loan disbursement. In the year 2019, on average - SK finance was onboarding customers in **24+ days** with a manual loan disbursement process. After the implementation of mobile CRM Toolyt, the TAT reduced drastically. The following year **2020**, TAT was reduced to **12 days** and in **2021**, it decreased further to **8 days**.

With Toolyt mobile CRM, you can manage customer visits, upcoming activities, customer onboarding with the help of **visits, forms, OCR, e-signature,** etc, reducing the sales cycle up to **10 days.**

Toolyt, as leaders in Automated SalesForce Solutions, can make your sales process easy and seamless. Empowering field sales reps and boosting channel performance, Toolyt mobile CRM provides an agent with a framework for planning what should be done daily to meet objectives. Toolyt can be integrated with any existing system you are using at present. Being a part of Toolyt's journey is the first step towards success.

Third-Party Integration

FinnOne Neo - A loan management system that is used by SK Finance to meet the challenges of delivering agile and efficient solutions for loan disbursements. With the help of Toolyt's extended API integration, the SK Finance team is able to push the Leads Data into Finnone with just one click button. The process of manually entering the data and documents by outside vendors has been completely taken over by Toolyt's automation.

Karza E-Bill - It is a cloud-based tool that has an API integration with Toolyt. It is used by banks and insurers to read, authenticate, score, and enhance more than 15 KYC documents in real-time. Before new clients can be onboarded, they must undergo a slew of verification and authentication activities. Documents required for opening the account - Proof of the individual, Aadhar Card, Telephone Bill & Electricity Bill

Cibil Transunion - As SK Finance disburses 900 loans on average per month, it becomes important to know which applicants are most and least likely to honor their loan obligations responsibly. With Cibil Transunion API integration, the field sales rep can check the score in real-time considering all the borrower's trades, secured and unsecured, enabling it to better manage risk, minimize losses and increase profitability.

Results After Adopting Toolyt

By automating the loan disbursement process, SK Finance has been able to achieve an 86.1% increment in loan disburses. And, moreover it is able to reduce the TAT to 64.5%. This has enabled SK Finance's field sales team to be more productive and effective in collaboration with customers and teams.

100% *Adoption*

8 *Days Onboarding*
from 27 days (TAT)

900 *Loan disbursements*
Every month from 125 loan disbursements

Automated reports

Real-time analytics

Pre-defined process

Schedule A **Demo** Now! >>>