



CASE STUDY

## Weshare Delivers Leading Lending Platform Powered by Sparkling Logic SMARTS



### INTRODUCTION

With offices throughout China and around the world, [Weshare Finance](#) focuses on providing innovative, urban financial products such as cash lending and installment services to blue and white-collar workers.

Weshare Finance has close to 1,000 employees worldwide, and currently generates annual revenue over \$3.7B Chinese Yuan (USD\$551M). Its consumer finance cash loan business has closed over 38 million lending transactions.

**SMARTS** can streamline your processes, improve the quality of your automated decisions, and shorten the time it takes to adjust to new insights gained from market, customer, and competitor changes.

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**PROBLEM:**

To further scale its lending business, Weshare Finance had to overcome several key challenges:

**Risk Management Ownership** – having both IT and LOB subject matter experts (SMEs) accessing Weshare’s risk management strategy was considered risky itself. There needed to be a separation that allowed the LOB SMEs to own the risk management process. The separation would also address the growing complexity associated with modeling of risk decisions. Weshare needed to get the business side of risk decisions into a platform accessed and managed by the LOB SMEs.



**Time to Market** – higher volumes and the need to support their customers’ need for responsiveness, Weshare had to simplify and shorten its own internal process for managing change to risk decisions. They had to allow for a fast path from modeling operational risk decisions to having those decisions approved and into their production lending systems.

**Data Access** – Weshare’s innovative approach to risk management decisions would require them to be able to acquire massive amounts of data that they would then provide to their LOB SMEs. In turn, the SMEs would use this relevant historical and market information to improve the quality of the rules in their risk decisions.

**Weshare’s goals were to achieve:**

**Risk-based decisions to be owned by the Line of Business. Acquisition of the necessary data, and its transformation to be owned by IT.**



**Shorten time to market for new business rules.**



**Reduce the cost of business rule maintenance.**

## SMARTS SOLUTION:

The solution was to have LOB SMEs manage credit risk decisions from a business perspective using the Sparkling Logic SMARTS web-based Analyst Environment. Managing the decisions using SMARTS included modeling decisions graphically, writing risk rules, creating scorecards, setting up Key Performance Indicators (KPIs) in a Dashboard, running simulations, and finally deploying production rules to their operational lending system.



Also, the solution was to have IT acquiring data near real-time, transforming the data using Big Data and analytics tools, and then pushing that data to their LOB SMEs.

## BENEFITS:

Now in production for over a year, Weshare Finance has used the SMARTS-based solution to increase loan volumes and related revenues, reduce its process costs, and now has greater control over its business risk.

In addition, with their focus on data, Weshare's IT organization has improved overall IT productivity, offloaded work, and overall streamlined its loan origination process. Today, almost 90% of Weshare's business rules are managed by their LOB SMEs instead of being coded by IT. This has allowed their IT organization to focus on improving system reliability and availability.

Meng Ji, Weshare Finance's IT Director, estimates that their development cycle for the same project has been shortened by 90% compared to their legacy system; and that by using SMARTS, they are saving 80% in maintenance costs. Weshare used to have 10 team members (7 engineers from IT and 3 SMEs from the LOB) managing risk decisions for a single product line. Today, that has been reduced to one LOB SME and one IT engineer to manage a product line.

The system has been such a success that Weshare has expanded its use of SMARTS beyond risk management to now include both risk and marketing decisions. Next stop after marketing will be customer success where SMARTS will decide how to intelligently route customer calls for any given issue to the most suitable customer success representative.

## Why Sparkling Logic?

Weshare Finance's loan origination system modernization needed a software platform with certain capabilities and a vendor partner that could fit their needs as well:

**1**

A platform that could allow for separation of business and IT responsibilities.

**2**

An accessible, user friendly management environment that could truly be used by LOB personnel directly.

**3**

Efficient change management features to allow for rapid and frequent deployment of new releases or risk decisions into production.

**4**

Flexibility in how deployment could be done to fit Weshare's architectural needs.

**5**

A vendor partner that could support such an initiative with direct access to support engineers with deep product expertise.

## Weshare Lending Process:

- User Registration - Fill in personal information like name, age, gender, family/working address, phone, ID, occupation and etc.
- Initiate the Loan Application
- Identity Identification - Risk-list Filtering & Anti-fraud Identification - Collect credit data and other external data. Determine whether the applicant meets loan qualifications.
- Calculate Credit Score
- Determine Amount
- Approve and Transfer Money

