

C&R Software
Credit Risk Management

From Legacy to Leading Edge: Unlocking Digital Transformation

Digital transformation is fundamentally reshaping the world of credit risk management. Across the globe, advancements in big data, artificial intelligence, and machine learning are inspiring improvements in operational efficiency, customer service, and so much more.

In fact, the digital transformation market is anticipated to grow from \$829 billion in 2023 to \$8.5 trillion by 2033, reflecting a compound annual growth rate (CAGR) of 26.3%. Top trends within this sector include automation, AI integration, and a widespread transition to SaaS-based solutions.



From **\$712** million in 2022, the AI market in the finance sector is projected to expand to a whopping **\$12.3** billion in 2032.



75% of banks with over \$100 billion in assets are expected to introduce fully integrated AI strategies into their operations by 2025.



85% of all business applications are likely to be SaaS-based by 2025.



64% of SaaS management tasks are likely to be automated within the next three years.

Ultimately, effective digital transformation requires a strategic approach. Investing in technology, reskilling employees, streamlining processes, fostering a supportive culture, and enhancing communication are all key considerations for any top-tier organization, but they're not easy to see through, especially if you don't have the right technology stack on hand.

That's why industry leaders are increasingly looking to AI-native SaaS solutions to bridge the digital divide. Read on to learn more about the critical role SaaS plays in unlocking top-tier modernization, collaboration, and innovation.



Adopting the SaaS Strategy

Increasingly, credit providers are recognizing the necessity of transitioning from on-premises systems to Software as a Service (SaaS) solutions to keep up with today's modern technological landscape. Here's how AI-native SaaS solutions are working to bridge the digital divide:

Enhanced Operational Efficiency

SaaS solutions streamline routine processes through automation and advanced algorithms, significantly reducing the time and effort associated with manual processing. As a result, these modern platforms are prepared to more efficiently and effectively handle large sets of data.

Recently, a major American financial institution switched from their on-premises solution to Debt Manager SaaS. Immediately, they saw the following improvements in system performance:



85% improvement in batch processing times



68% reduction in response times during load testing



30% improvement in throughput during load testing

As this company discovered, migrating to SaaS comes with many advantages. Upgrading doesn't only improve performance—it also transforms business operations, making them more efficient, secure, and scalable.

Accelerated Transformation

Successful organizations must be adaptable and flexible enough to respond to changes in customer demands, economic conditions, regulatory requirements, and more. Fortunately, switching to SaaS is an easy way for providers to free themselves from the rigid constraints associated with outdated legacy systems. Quickly adjust services, scale on-demand, and manage peak volumes with ease.

Your organization benefits from rapid deployment, too, as SaaS significantly reduces the time associated with onboarding new systems. On average, you can deploy these applications in just 1/8th of the time required for traditional software installations. As a result, you're able to stay competitive while minimizing the disruption within your organization.

“With Debt Manager, agents have the right information at the right time, so they can provide the best customer service.”

Terry Collins, Head of Collections and Recovery, Trustmark

Supercharged Collaboration

Data fragmentation is a major issue for organizations relying on outdated systems. Not only does siloing data across separate systems prevent you from taking advantage of data-driven insights, but it also raises the risk of inaccurate or uninformed decision-making.

Break down those data silos with SaaS. Cloud-native solutions support seamless integration across various systems in your organization, boosting communication and collaboration across departments. Easily share real-time data with colleagues to make better, smarter, and more informed decisions and deliver more personalized care to your customers.

Cost-Effectiveness

Take control of your total cost of ownership. Reduce infrastructure and maintenance costs by switching to a SaaS solution. Unlike on-premises systems, SaaS solutions don't require hefty investments in hardware or extensive software licenses. Plus, this modern technology reduces the costs associated with upkeep and maintenance.

Since SaaS solutions tend to operate on a subscription model, organizations can take advantage of maintenance and support from their software provider, reducing the stress and strain on internal IT teams. Automating routine tasks and optimizing workflows boosts operational efficiency across your entire company, inspiring additional cost savings as well.

Continuous Innovation

You're always up to date with SaaS. These platforms are regularly updated with the latest features and security enhancements, so you never have to worry about falling behind. Maintain your competitive edge while improving the overall user experience.

Continuous innovation lets you to refine your workflows based on user feedback and behavior analytics. By leveraging technologies like AI and ML, you can deliver personalized experiences, anticipate customer needs, and improve overall usability.



Securing your SaaS Environment

With those advancements in mind, why aren't more companies making the transition to SaaS?

For many organizations, data security and compliance concerns stand as key barriers to transformation. That's especially true in the field of credit risk management, where organizations are trusted with customers' most sensitive information. Breaches, exposures, and cyberattacks don't only result in hefty regulatory fines—they also lead to a loss of hard-earned customer loyalty and trust.

However, with the right SaaS provider, your organization can actually enhance their data security stack. Advanced security features, regular upgrades, and configurable compliance tools are only some of the ways this technology is making a difference.

- **Strict industry standards:** A truly modern credit risk management solution keeps customer data safe in accordance with PCI-DSS regulations. Complying with these regulations helps prevent data breaches and unauthorized access, ensuring customer information remains confidential and secure.
- **Flexible & configurable:** Companies using legacy systems are 40% more likely to fall out of compliance, according to a Gartner report. SaaS solutions boast the flexibility needed to keep up with the latest regulatory changes.
- **Always up to date:** Many legacy technologies lack the security features needed to protect against advanced malware and ransomware. Meanwhile, SaaS solutions are designed to evolve alongside the latest threats, so you're always prepared for what comes next.

Key Takeaways

The transition from on-premises systems to SaaS is more than just another trend. For credit issuers, it's a strategic necessity, powering organizations to success amidst today's digitally transformed landscape. By embracing SaaS solutions, you can enhance operational efficiency, reduce costs, improve risk management, and ultimately deliver superior customer experiences.



Take charge of your future with C&R Software

Don't get left behind. Keep pace with the latest technological advancements through Debt Manager's AI-native SaaS solution. Highly configurable and infinitely scalable, it develops alongside your organization to improve outcomes.

With clients in more than 60 countries, C&R Software remains the global leader in credit risk management. Solutions like Debt Manager and FitLogic deliver high-quality, data-driven results for both you and your customers.

Reach out to a member of our team today to learn more about how we're bridging the digital transformation gap.



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