

## Accredited Home Lenders

### FAST FACTS

#### Company

Accredited Home Lenders Holding Co. is a nationwide mortgage banking company

#### Industry

Financial Services

#### Geography

U.S.

#### Challenges

- Better align IT with business goals through SOA
- Create a managed business process for software development
- Increase IT productivity

#### Solution

- Borland® CaliberRM™
- Borland® Together®
- Borland® StarTeam®

#### Results

- Compliance with Sarbanes-Oxley
- Improved business agility and reduced project risk
- Increased control and visibility across a heterogeneous development environment

### COMPANY

Accredited Home Lenders Holding Co. is a nationwide mortgage banking company that originates, finances, securitizes, services and sells non-prime mortgage loans secured by residential real estate. Founded in 1990, the company, which is headquartered in San Diego, CA, continues to grow rapidly and has established itself as one of the most respected sub-prime lenders in the United States. During 2004, Accredited originated \$12.4 billion in mortgages through its wholesale and retail channels.

### CHALLENGES

Accredited grows its business by providing an environment in which all employees dedicate themselves to being the best providers of customer service in the industry. Accredited uses technology to help provide exceptional service to its customers, including borrowers, mortgage brokers and investors in Accredited's loans, while also striving to provide a stable and rewarding work environment for its employees.

Meanwhile, industry competition has forced financial services firms to find ways to automate processes and reduce costs, while meeting increased customer demands and compliance mandates. In order to maintain its competitive edge, Accredited knew it had to examine all of its products and build an end-to-end process that would provide better integration between its various software development units delivering solutions to the company's internal and external constituents. Accredited sought a solution that would help the company:

#### Better align IT with business goals through Service-Oriented Architecture (SOA)

Accredited is continually working to improve its product offerings and to maintain a premier level of customer service. As part of this effort, the company set a goal to analyze, refine and integrate its core business processes in order to move closer to a completely automated loan lifecycle that would simplify and accelerate human intervention wherever possible. The goal was to get more done in less time, and make it easier for its brokers to sell products to borrowers, faster, so the company could grow its bottom line. The framework agreed upon was a service-oriented architecture (SOA), a higher level of application development that enables IT to focus on business processes, rather than the underlying IT infrastructure, to achieve competitive advantage. At Accredited, SOA is designed to allow the company to increase efficiencies using new technologies, while leveraging existing investments in .NET and Java™ applications. To support this decision, the company also knew it needed to improve end-to-end integration between its software development units.

#### Create a managed business process for software development

Without a coordinated process for its software teams to follow, individuals within the organization developed their own methods of accomplishing tasks, many of which incorporated manual processes that could be time-consuming, costly and have an impact on quality. For example, requirements were most often documented in Microsoft® Word. Once the business users approved that document, it was then submitted to the development team. When change requests came in, Accredited's business analysts would modify and notate them within the document. As a result, each request notation had the potential to increase project risk. To ensure more accurate processes, the team began investigating end-to-end application lifecycle management (ALM) solutions that would eliminate siloed efforts, support a heterogeneous development environment and provide more visibility into the entire development process.

“Our goal is to deliver applications that serve our customers. In addition, automation reduces our net cost of loan origination, and we have increased our use of technology in IT to work smarter and faster.”

— Mike McCoy, director of enterprise architecture at Accredited Home Lenders

### Increase IT productivity

With members of its IT staff using a variety of systems and tools, Accredited was vulnerable to reduced productivity, as well as communication and collaboration challenges within its software development teams. It sought a single solution that would enable its developers to move between projects—and development environments—with ease.

### SOLUTION

In 2004, Accredited deployed the Borland ALM solution to improve its software development team’s agility, productivity, quality of product and time to market for new products and services.

“We selected the complete Borland ALM solution because it enabled us to rapidly and efficiently develop and deliver applications in a mixed .NET and Java development environment,” said Mike McCoy, director of enterprise architecture at Accredited Home Lenders. “Borland enables us to better leverage the talent and skill sets of our development teams and drive towards improved efficiency. In addition, it compliments the technologies and architectures we already have in place, such as SOA.”

At the time Accredited began standardizing on the Borland solution, its internal team put together a complete System Development Lifecycle (SDLC) initiative, outlining policies and procedures surrounding established processes, the role of the SDLC committee and how to use a standard set of tools to support the entire application development lifecycle. The Borland ALM solution was the best fit to support the SDLC initiative. The targeted processes and Borland products included:

**Requirements Management:** Accredited team business analysts use Borland® CaliberRM™ to electronically capture several types of requirements gathered from business users for any new project. With Borland CaliberRM, team members can iterate and collaborate more effectively because individuals and teams can review electronic requirements simultaneously, including business owners, development teams and the QA professionals, improving requirements accuracy. This provides not only the business analysts with more control over the entire require-

ments process, but also provides management with more visibility into the effectiveness of the requirements throughout the application development and delivery process.

Borland CaliberRM is also designed to help analysts improve information quality, eliminating the need to circulate potentially outdated or incorrect Microsoft Word documents. Once requirements are approved, final drafts are distributed to all project members and checked into the Borland® StarTeam® repository. By using Borland CaliberRM rather than paper-driven processes to define, prioritize and track requirements throughout the project lifecycle, Accredited analysts can reduce project risk and costly rework.

**Visual UML® Modeling:** Senior developers at Accredited use the Borland® Together® modeling solution to accelerate the delivery of software solutions in both J2EE™ and .NET environments. Before Borland Together, designers had trouble sharing and reusing visually modeled solutions. With Borland Together, they now have a complete business process modeling, data modeling, application modeling and visualization solution that includes metrics for both models and code. Using Borland Together, team members can create visual models independent of platform thus allowing the developer to use the best-suited development environment, while increasing productivity. Additionally, because Borland Together bridges the gap between .NET and Java development skills, the product has improved team cohesion.

**Source Code and Change Management:** The entire development team at Accredited uses Borland StarTeam throughout every application lifecycle. The comprehensive solution serves as the team’s go-to location for integrated requirements management, change management, defect tracking, file versioning and task management. A robust, protected and flexible platform, Borland StarTeam helps management promote team communication and collaboration through centralized control of all project assets.

Accredited managers also use Borland StarTeam to manage change requests (CRs) that have passed through and been approved by the company's established Change Control Boards. Previously, team members had documented CRs in a variety of ways and places, including emails, meeting minutes and agendas, the bug tracking system and Microsoft Word documents. With its fully automated tracking system, Borland StarTeam supports the policy that individual developers can no longer make changes directly into production systems and creates visibility when scope creep occurs, so that management can more effectively evaluate the impact of change on a project's schedule, cost and quality, and that developers are more productive.

Using its established SDLC and the Borland solution, Accredited began anticipating audits in preparation for Sarbanes-Oxley (SOX) Act compliance by 2004. "The Borland solution has helped us comply with Sarbanes-Oxley, and it certainly helped us do so faster than any of us anticipated," said Dawn Rowe-Morling, senior systems analyst at Accredited.

In mid-2004, the company conducted its first SOX test audit, during which development team leaders were easily able to show formal documentation of processes, including approval workflows, customized CR forms, CR samples and more. "During the SOX audit, we had planned for one full-time change management analyst. Once we documented those procedures in our SDLC, automated them using Borland's solution and baselined our progress, we no longer required a full-time person doing that task," added Rowe-Morling.

## RESULTS

The Borland ALM solution helped automate Accredited's manual processes and provided a managed business process for its software development and delivery lifecycle.

### Compliance with Sarbanes-Oxley

Prior to implementing the Borland ALM solution, many development processes, such as change management, were time consuming and people intensive. "The Borland solution with its automated workflows has helped Accredited dramatically reduce the amount of manual processes included in the SDLC," said Rowe-Morling. "As a result, our information and our processes are much more accurate, predictable and repeatable throughout the project lifecycle, which is exactly what was required to be in compliance with Sarbanes-Oxley."

### Improved business agility and reduced project risk

The combination of SOA and the use of Borland products to support the automation of our SDLC has helped Accredited save time and money, reduce project risk and increase agility. "Our goal is to deliver applications that serve our customers," explained McCoy. "In addition, automation reduces our net cost of loan origination, and we have increased our use of technology in IT to work smarter and faster."

### Increased control and visibility across a heterogeneous development environment

With the Borland ALM solution, Accredited development teams are able to better support new projects and maintain existing applications in both .NET and Java environments. "The depth of configuration of the Borland tools benefits us in many ways, including new project designs and design specification," said Jeff Geisler, senior software engineer at Accredited. "Our team members can move more easily among projects and deliver projects faster."