

JLGC



JLGC

JLGC meeting the challenges: Digital Transformation Strategy



Contents

- ❑ Digital Transformation Strategy: Adoption of digital technology
- ❑ Focus
- ❑ Balance the Act
- ❑ Exporters: A Special Challenge
- ❑ Loan Guarantee Products
- ❑ Export Credit Guarantee Products
- ❑ IT Systems Walkthrough
 - Business
 - IT and governance
 - IT System
- ❑ 7 Essential Steps to Success
- ❑ Traditional IT Versus Modern IT
- ❑ Transformation Approaches
 - Migration
 - Evolution
 - Evolution Strategy — Communication Challenges
 - Evolution Strategy – Risk Mitigation Measures
- ❑ Implementation Roadmap

Digital Transformation Strategy

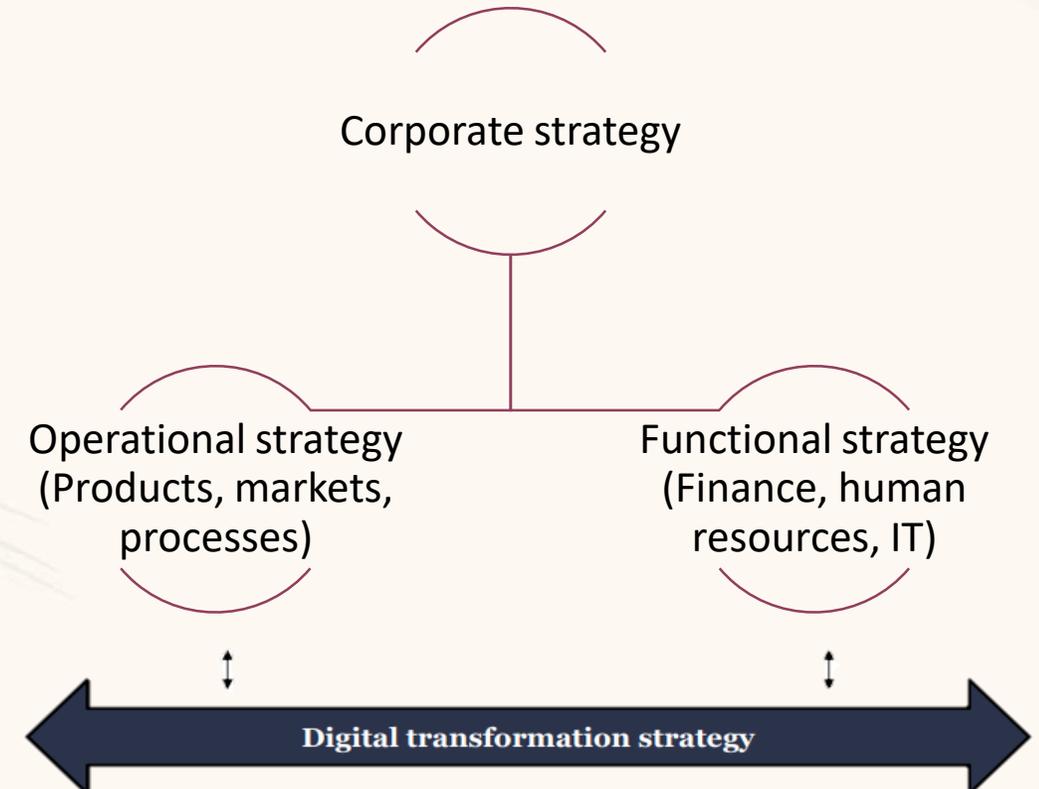
Adoption of digital technology

Unprecedented workload

Work from anywhere

Improve business processes, efficiency and control: think digital.

- Add value for business partners; know your business partners,
- Cross Cutting technology,
- Alignment with overall corporate strategy.



(Source: Article in Business & Information Systems Engineering · September 2015)

Focus



Business Partners

Financial Intermediaries
Exporters
(Entrepreneurs)



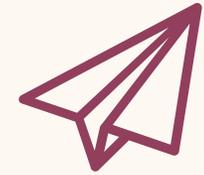
End Beneficiaries

(SMEs)
Exporters



Product design

Risk Mitigation
Risk Underwriting
(Other design elements)



Delivery Approach

Loan Guarantees
Export Credit Guarantees
ERP

Balance the Act



Value Added

- Improved access to Finance for SMEs that Otherwise Would Be Rejected:
 - Startups
 - Innovative Projects
- Decreased Collateral Requirements
- Decreased Interest Rates



Constraints

- Financial:
 - Guarantee Fees
- Nonfinancial:
 - Business skills
 - Quality of Business Plans
 - Poor book keeping
 - Collateral Requirements
 - High Interest Rates
 - Lack of a Credit History
 - Lack of Capacity; No Experience with Lenders.



JLGC HAS NO DIRECT
RELATIONSHIPS WITH SMES.

Exporters: A Special Challenge



Value Added

- Risk Sharing
- Risk Underwriting
- Improved business practice



JLGC HAS DIRECT ACCESS TO EXPORTERS



Constraints

- Financial
 - Export Guarantee Fees
- Nonfinancial
 - Level of Digitalization
 - Application Process
 - Operational Risks

Loan Guarantee Products

JLGC

- Credit Review (Hybrid Model)
- Follow-up and monitoring
- Restructurings
- Claims Handling
- Recoveries

Financial Institutions

- Quality of Credit analysis
- CR structure
- Data currency and accuracy
- Data communication
- Claims documentation

Export Credit Guarantee Products

JLGC

Risk Underwriting

On-Going Monitoring

Claims handling

Exporters

List of Buyers, Additional Information

Signed Credit Insurance policies

Notifications (Adverse Information, Overdue Accounts or Substantial Changes)

Claims Documentation

IT Systems Walkthrough



Business

- Current Products and business Processes
- Functional Structure
- Organizational Structure
- Quality of Policy and Procedure Manuals
- Availability of Human Resources
- User Understanding of Existing Systems



IT and Governance

- Validation of IT Governance (SDLC and Change Management)
- Availability of Project Management Methodology
- Quality Assurance, Quality Control Methodologies and Testing Environment Availability
- Quality of Requirement Preparations
- Quality of Vendors Deliverables Vendor Capabilities
- Communications with the Vendor and Escalation Matrix



IT System

- System Availability
- Functional Coverage for Business Processes
- System Suitability, Adequacy and Compliance to the Current Information Availability and Accessibility
- System Flexibility and New Requirement Handling

JLGC

Digital Transformation 7 Essential Steps to Success

JLGC



JLGC

Traditional IT Versus Modern IT

Traditional IT Approach

Majority of Investments in Core System Enhancement, Upgrades and Replacement

All Business Rules and Validation Built in the Core System

Majority of Functionalities and Services Performed by Internal Resources

Channels (Portals) that Provide Minimum Services and Mainly Information Inquiries

Modern IT Approach

Investments in the Core System Limited to Security, Performance, Data Integrity, Central Business Rules and Validation

Significant Investments for Channels and Services Exposed to External Parties

Business Functionality and Workflows Distributed Between Internal and External Parties, According to Clear Rules, Data Classification and Security Measures

Improved controls across all business functions

Employment of modern technologies: BI, Block Change tech and Big Data Mining

Improved Business Efficiency and Productivity

Transformation Approaches

JLGC is unique by nature;
This uniqueness has
imposed a shortage of off-
the-shelf full business
solutions

Evolution

Fixing the existing
system setup and
enhancing
functionality

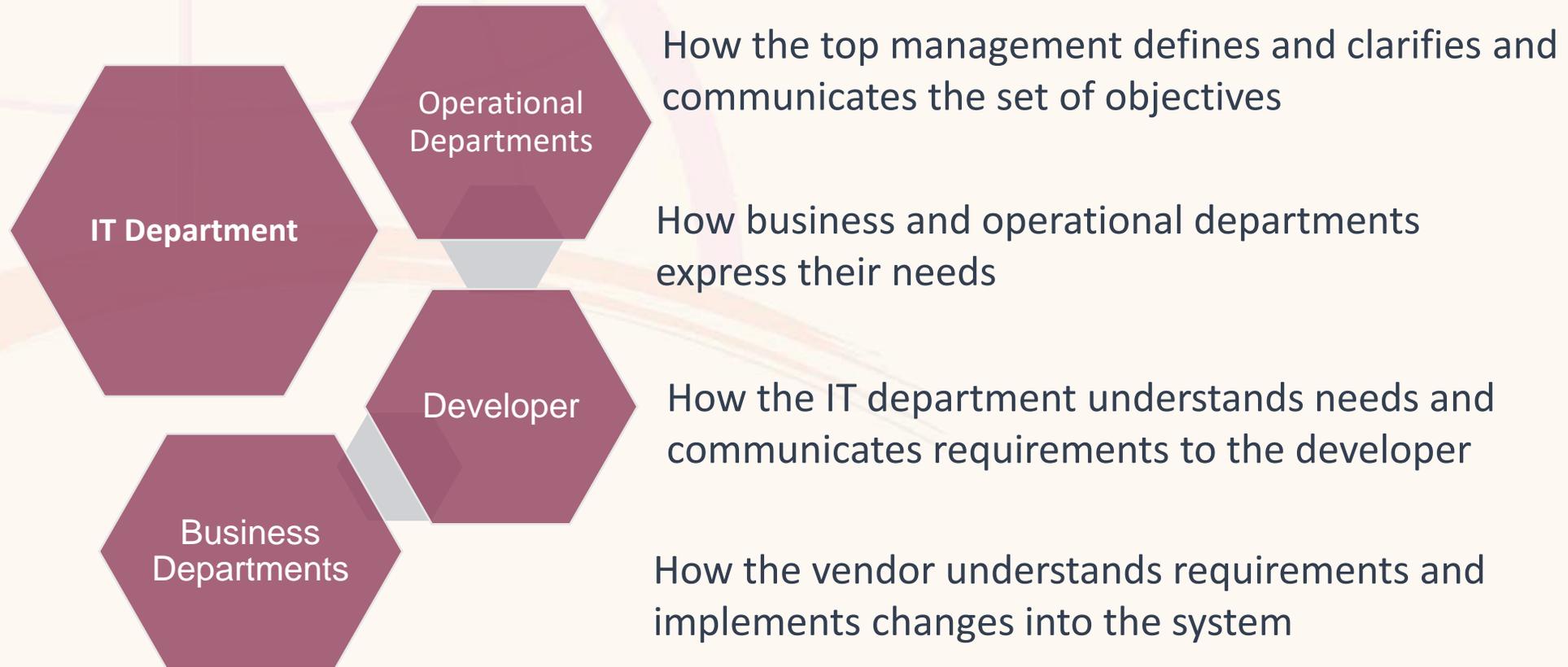
Migration

Replacing the
current system
with a new
system

Transformation Approaches

	Budget / Financial	Expected Benefits	Team Focus	Quality of Requirements	Testing	Benefits
 <p>Evolution</p>	Relatively Low Cost from the Overall Budget for Fixing Current Issues with the Core System	Tangible Enhancements in the Short Term	Focus on New Services and Functionalities Rather Than Documenting Existing Requirements	All Resources (Budget and Human Resources) Directed to New Business Needs	Scope of Testing Reduced to Changes, Enhancements and New System Functionalities	Faster Realization of Business Benefits
 <p>Migration</p>	High Budget Allocations and Efforts Focused on Reaching the Same Functionality	No Assurance that the New System Will Be Better Than the Existing One	Priority Given to Building Core Functionality, with No Added Value Identified Until Long After Kickoff	Requirements for the New System Given According to Existing System Functionalities, Meaning No Enhancement Expected from the New System	Extensive Efforts for Testing	Slower Realization of Business Benefits

Evolution Strategy — Communication Challenges



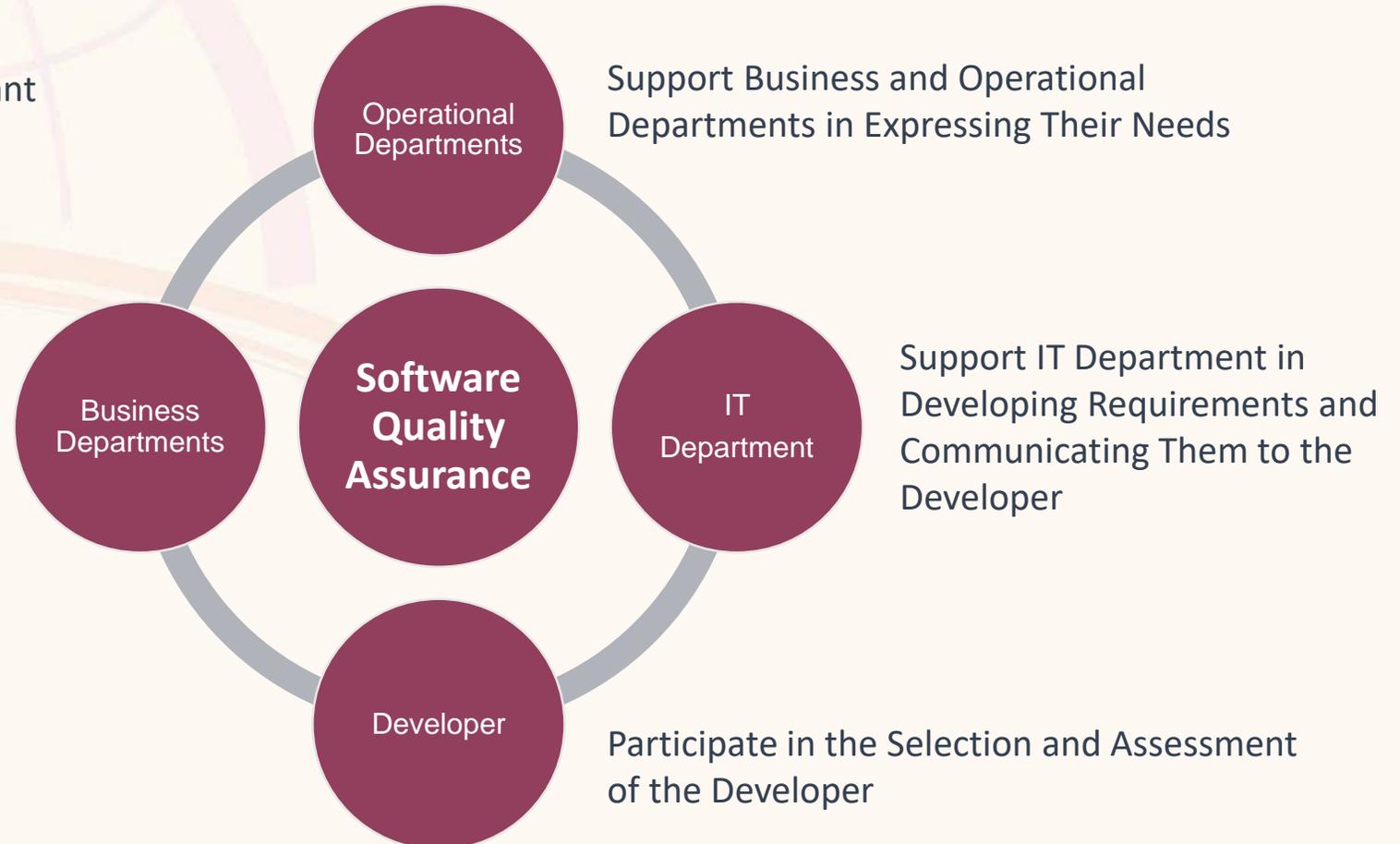
Evolution Strategy – Risk Mitigation Measures



Software Quality Assurance

- Individual Consultant/Employee reports directly to top management
- Independent Company

Ensure that the Developer has Implemented the Changes as per Requirements



Implementation Roadmap

Setup
governance,
PM
methodology,
SDLC

Full analysis
of the current
system
issues,
formulate
development
and upgrade
requirements

Implement
the
recommend-
ations

Define DX
strategy, SOW
and
deliverables

Seek a new
platform for
Digital
Transformation
and identify
implementation
partners

Define
strategy
delivery
approval and
plan
(Start small
but strategic)

Implement

Review and
enhance
delivery
approach and
requirements

JLGC

