

Converting more of the pipeline, profitably

A framework for improving conversion across a multi-product lending portfolio

In brief

Conversion does not stay fixed after go-live. Interest rates change, competitors react, partners move their business and fraudsters try new tricks. A loan process set up once starts to fall behind the day it goes live. The lenders that are winning manage conversion every day. They measure it stage by stage, tune what drives it, and test every change before it reaches customers. Doing this continuously, across every product, raises volumes, revenue and profitability and cuts operating cost.

- **Most applications are lost before and after the credit decision, not at it.** Investment in faster decisions has largely paid off. The larger losses now come at verification, approval, offer and funding.
- **Conversion only counts if it is profitable.** Every change is judged on three tests together: conversion, cost per funded loan, and credit quality with fair customer outcomes.
- **The real advantage is how often you can make changes.** When each change joins a growing backlog of IT projects, the loan process is rarely tuned. When business owners can change it themselves, with proper controls, it keeps pace with the market.
- **Improvements build up across the portfolio.** What lifts conversion in one product can be reused in the next.

1. Why conversion is a discipline, not a project

Much of the industry's investment in origination has gone into the credit decision: better data, better models, straight-through approval for clean cases. In our experience that investment has largely paid off. For a complete file, the decision is now often the fastest step in the pipeline.

Applications are now lost elsewhere. Applicants give up while documents are requested late or twice. Cases wait for the right approver. Offers arrive after the customer has accepted another. Conditions and payments are tracked by hand. Slow payout undoes the gain from a fast approval. Brokers, dealers and partners notice all of it, and send their next case to the lender that answers with speed and certainty.

Two things make this a management discipline rather than a one-off project. First, the pipeline keeps changing. Pricing, competitors, partner mix, fraud patterns and regulation all move, and the original set-up slowly stops fitting. Second, chasing conversion carelessly is expensive. Looser policy raises losses. More staff raises cost per loan. Pressure on customers raises conduct risk. The goal is not the highest conversion, but the most profitable conversion within your risk appetite.

A loan process set up once starts to fall behind the day it goes live.

2. The framework

Step 1: Map the pipeline, stage by stage

Measure conversion at each stage, by product, channel and partner, to find where applications are lost instead of guessing.

Stage	What to measure	Where applications are often lost
Enquiry and pre-qualification	Enquiries that become applications	Answers that come too late or are too vague to act on
Application	Applications started that are completed	Repeated questions; documents requested in pieces
Verification	Completed applications ready to decide	Manual checks; mismatches found late
Decision	Decisions made automatically and on time	Policy that differs by channel; cases referred unnecessarily
Approval	Referred cases approved on time	Cases waiting for the right approver
Offer and acceptance	Offers accepted	Offers issued after the customer has moved on
Conditions and funding	Accepted offers funded	Conditions, collateral, insurance and payments tracked by hand

Step 2: Apply three tests to every change

A change to policy, journey, documents, routing or pricing passes only if it improves at least one of these without harming the others beyond your appetite:

- **Conversion and volume:** more applications completed, approved, accepted and funded.
- **Cost per funded loan:** fewer manual touches, less re-keying, fewer exceptions and less rework.
- **Credit quality and fair outcomes:** early arrears and losses within appetite, and customers treated fairly at every stage.

Step 3: Use the right lever at each stage

Stage	Levers
Enquiry and pre-qualification	Pre-screen or approval in principle on verified data while the customer is engaged, in every channel and partner.
Application	Ask once. Use data already held or confirmed at source. Brokers and dealers work through a portal or an API.
Verification	Documents read and cross-checked automatically. Staff review the exceptions, not every page.
Decision	One policy for every channel and partner, with affordability and risk-based pricing inside the decision.
Approval	Cases routed under delegated authority by amount, exposure, risk grade and deviation, each with a prepared credit paper.
Offer and acceptance	Offers issued while the customer is still engaged, on terms set by policy.
Conditions and funding	Conditions tracked to completion. Payments to several parties follow product rules. Loans booked without re-keying. Cases resume when a connected system is back.

AI that prepares, while people decide

AI agents can help sales staff complete applications, help operations read documents and chase missing items, and draft credit papers for underwriters to review. They work only within the permissions, workflows and approvals the bank sets, and what they do is recorded. Credit decisions follow rules and models the bank approves, and accountability stays with the bank.

Step 4: Tune continuously

The framework pays off when it is repeated as a cycle:

1. **Measure** conversion, cost and credit quality by stage, product, channel and partner.
2. **Diagnose** where applications are lost, and why.
3. **Change** the policy, journey, document requirements, routing or pricing that causes it.
4. **Test** the change against past applications to see its effect on approvals, cost and expected losses before any customer sees it.
5. **Approve** it with a second person, under your governance.
6. **Release** it, and measure its effect on the business KPIs: conversion, volumes, revenue, cost per funded loan and credit quality, against plan.

The more often you repeat it, the more value it delivers. If each change becomes a project, the loan process is rarely tuned and falls behind in between. If credit, product and operations owners can make changes themselves and see the effect of each one on the business, the loan process keeps pace with the market. Every change is recorded, tested, approved and reversible. Each result guides the next change.

Step 5: Reuse each improvement across the portfolio

In a multi-product lender, cards, personal, point-of-sale, auto, home and business lending often run on separate tools, so each improvement has to be made again for every product. Products can share one decision engine, one way of reading documents, common journeys and partner portals, and the same connections to bureaus, core and payment systems. Then an improvement made in one product is available to the next. New products start from what already converts well, and results can be compared across products, channels and partners on the same terms.

3. What it adds up to

The results show in the numbers the executive committee watches:

- **Volumes and revenue:** more applications completed, approved, accepted and funded, and more partners choosing to send their business.
- **Profitability:** pricing and policy tuned to risk on better-verified data, so growth does not come at the expense of credit quality.
- **Operating cost:** fewer manual touches, less re-keying and fewer exceptions per funded loan.
- **Cost of change:** the business makes improvements under control, without adding to the backlog of IT projects.
- **Control:** every decision is kept with its data, policy and model versions and reasons. Every change records who made and approved it.

Each is measured against your own baseline, because results depend on the product, the market, your data and where you start.

4. Six questions for lending leadership

1. Do we know our conversion at each stage of the pipeline, by product, channel and partner?
2. Between application and payout, how much time is spent deciding, and how much waiting?
3. When we improve conversion, do we check the effect on cost per funded loan and on credit quality at the same time?
4. How long does an approved change to policy, pricing or journey take to reach customers, and how often do we make one?
5. When one product improves, does the next one benefit, or do we start again?
6. When we last chose an origination platform, did we test how quickly our own people could change it?

5. Where Zoral fits

The configurable Zoral Finance Operating System (fOS) and its solution accelerators let lenders improve conversion over time. This raises volumes, revenue and profitability while reducing operating cost.

Origination runs as one flow on one platform, alongside the systems the bank keeps, from first enquiry to booking in the bank's core. Decisions, documents, approvals, partner portals, the back office and AI agents are built in. It serves retail and business lending, secured and unsecured, conventional and Islamic. Each product starts from a working accelerator, and the bank's own credit, product and operations teams tune it under governance. The Business Outcomes Layer links each configuration change to its effect on business KPIs. It compares expected and actual results by product and channel, and shows where and why they drift.

Zoral Document Fabric reads and checks documents. It runs in the bank's own AWS or Azure account, or its private cloud, in its region and under its control. Data, product definitions and audit history remain the bank's and can be exported in standard formats. We have worked with clients regulated by the FCA in the UK, the CFPB in the US and the central banks of Malaysia and Thailand. References are available in confidence.

About Zoral

Founded in 2004	Over 100 projects delivered	350+ years of combined experience
Clients regulated by the FCA in the UK, the CFPB in the US and the central banks of Malaysia and Thailand	Independently audited under SOC 2, with details on the Zoral Trust Portal	Long-standing relationship with KPMG

- **An independent specialist.** The platform is our own, and the people who built it lead delivery, alongside our clients' advisers and systems integrators.
- **Atelier,** Zoral's consulting practice, works with lending leaders on questions like those in section 4.
- **AI for Zoral.** We use AI to help our specialists and our clients' teams design, check and test products and workflows faster. AI assists; people approve.

If this reflects what you see in your lending business, we would welcome a conversation.

Senior Zoral specialists who have run lending, credit and risk operations would be glad to compare notes on where you lose the most applications, and what has worked elsewhere.

Book an executive briefing: zorallabs.com/schedule/briefing/

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We would welcome a conversation.

Talk to a senior Zoral team:

zorallabs.com/schedule/briefing/

Zoral Finance Operating System (fOS) · Atelier consulting

Independently audited under SOC 2 · details on the Zoral Trust Portal: trust.zorallabs.com

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