Digitizing Legacy ERP at NHG — National Mortgage Guarantee

Carla Muters – Board member NHG
# National mortgage guarantee

Responsible mortgage finance for private homeownership

<table>
<thead>
<tr>
<th>Fund trends</th>
<th>31-12-1018</th>
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<tbody>
<tr>
<td><strong>Guarantee fund</strong></td>
<td></td>
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<tr>
<td>Number of active guarantees</td>
<td>1,416,000</td>
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<tr>
<td>Number of new guarantees</td>
<td>111,000</td>
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<tr>
<td>NHG liabilities x € 1 b.¹</td>
<td>205</td>
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<tr>
<td>NHG assets under management x € 1 m²</td>
<td>1,255</td>
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Position NHG in the mortgage market

Broad support **stakeholders** required to achieve our mission

- Capital providers
- Mortgage lenders
- Ministry of Finance
- Ministry of the Interior and Kingdom Relations
- Dutch politics
- Netherlands Authority for the Financial Markets

Chain partners depend highly on NHG’s IT landscape
Changing playing field

Changing market (demands)

• Online channels (24/7)
• Number of different mortgage products changes more rapidly
• Mortgage consultants depend on our IT systems on a daily basis: therefore a modern IT infrastructure is required.

Shift in internal demands

• From administrative to business driven organization
• Workforce demanding a modern application landscape with automated interfaces
• Optimization of internal processes and improved data management
Drivers for a new IT landscape

1. Strategical
   Offer new services

2. Tactical
   Digital innovation and integration

3. Operational
   Process and data optimization
Situation Before:
Multiple applications & Supplies
Selection process new supplier

STEP 1. RFI, Request For Information
We sent a RFI to 12 vendors with different products (custom, standard, cloud, bpm, etc).

STEP 2. RFP, Request For Proposal
We selected 5 vendors to propose a solution.

STEP 3. Proof of Concept
We selected 3 vendors to continue with a proof of concept with a short time slot. Each vendor pitched their solution.

STEP 4. Site visit
We visited customers of the vendors to see the solution working in practice.

STEP 5. Contracting
We contracted Mendix because it was the best fit, and subsequently entered contract negotiations with Appronto.
Why Mendix?

- **Ability to launch new products in a short time (time to market)**
  6 times faster than traditional development, no code but drag and drop functionality.

- **The proof of concept fully met our requirements**
  Mendix showed the best proof they could to mitigate the challenges NHG faced.

- **No vendor lock-in**
  Possibility to change implementation partner.

- **Required time to make the transition**
  Migration strategy to make the transition with as little inconveniences as possible for current production.

- **Partnership / trust**
  Mendix and implementation partner Appronto did a good job during the selection process. Their approach and presentation was of a high level.
Mendix-based custom ERP system

- NHG started a successful cooperation with Appronto and the Mendix Platform
- 6 legacy systems replaced within 1.5 years for internal and external usage
- Based on an Agile Scrum approach new systems were launched, meanwhile servicing all Dutch lenders and safely migrating millions of digital files.
Situation After:
Mendix-based custom ERP system
Thanks to the new landscape

- More than 1.3 million mortgage requests every month
- Monthly IT release, providing new features & improvements
- Drivers for the new IT landscape are achieved
Learnings

1. Create cooperation
   Organize Business and IT departments together

2. Preparation
   Make sure having set good User Stories in advance

3. Business analysts
   Proper fulfilment is crucial input to the process

4. Agile Scrum not always best approach
   Finish the mathematical model first before modelling

5. Scope management key to Scrum approach. Product Owner must excel in scope management

6. Ratio developers testers = 1 : 1
   Mendix allows rapid development

7. Agile Scrum approach turned out to be productive: Implementation across the organisation
What’s next

✓ Strategy
✓ More digitization
Any Questions?