Revolutionizing Payment Disbursements: Trez Capital's Path to Efficiency

About Blanc Labs

Blanc Labs works with organizations to deliver technology solutions that yield impactful outcomes for businesses, their customers and employees. Our approach starts with fact-based analysis of operational challenges, crafting tailored solutions from insights. Beyond singular fixes, our goal is client empowerment in fostering continuous improvement. Through our BPI methodology, we weave ongoing refinement into their organizational fabric, making process enhancement inherent.

→ **www.blanclabs.com**

About Trez Capital

Trez Capital is a Vancouver-based diversified commercial real estate investment firm, specializing in private debt and equity financing across North America. Founded in 1997, the firm has originated over 1,800 loans totaling $19 billion and manages assets worth $5.4 billion as at Q1 2024.

→ **www.trezcapital.com**

Summary

As a real estate lending firm, investment management, loan accounting, and loan disbursements are at the core of Trez Capital's operations. The firm distributes capital based on very specific criteria. But with over 300 investments in one quarter alone, they process numerous payment requests and deal with documents in varied data formats.

The current use of manual processes and email for document handling offers an opportunity to enhance security and reduce disbursement cycle times, thereby improving efficiency and customer satisfaction.

**In Phase I, the Blanc Labs team investigated the payment disbursement process at Trez Capital.
This revealed multiple areas for enhancement spanning process redesign, automation, and system improvements.**

Phase I
(3 months)

Business Process Improvement

Phase II
(3 months)

Intelligent Automation

In Phase II, Blanc Labs developed an automation tool that streamlined the payments workflow and facilitates data-driven performance management.

The engagement with Blanc Labs aims to enhance Trez Capital's payment disbursement workflow, promising significant operational enhancements and reduced incidents.

In a Snapshot:

Trez Capital's dedication to enhancing their processes is driven by the desire to scale for growth and maximize returns. By refining their approval workflows, task management, and data utilization, Trez Capital is positioning itself to deliver even greater value and efficiency, ensuring a robust and scalable platform for future success.

Challenge

Trez Capital faced the need to enhance efficiency, improve task management, and better utilize data insights for strategic decision-making.

Solution

Redesigned approval processes, implemented a centralized platform using Microsoft Power Apps and Automate for streamlined management, and established robust data dashboards for real-time insights.

Impact

Enhanced efficiency with reduced cycle times and errors, improved visibility and prioritization of tasks, and enabled data-driven decision making for strategic planning.

The Challenge:

- **Approval Process Optimization:** Trez Capital aimed to refine their standard approval process to ensure seamless handling of payments, especially in complex cases where multiple individuals are involved. This refinement was crucial to maintain promptness and avoid any potential delays in disbursement.

- **Improved Task Management:** Trez Capital recognized the need for a more efficient system to manage payment requests and reviews. The goal was to streamline communications and task visibility, thereby enhancing prioritization and ensuring smooth transitions between team members.

- **Transition from Manual Processes:** The transition from manual processes to more automated ones was identified as a key area for improvement. Automating tasks such as document collection, data entry, and reminders to approvers was seen as a way to minimize errors and expedite approvals.

- **Enhanced Data Insights:** By integrating a robust tracking tool, Trez Capital sought to improve the evaluation of their processes' benefits and impacts. This would allow for better data access and analysis, leading to more informed decision-making and optimized operational efficiency.

Project Statistics

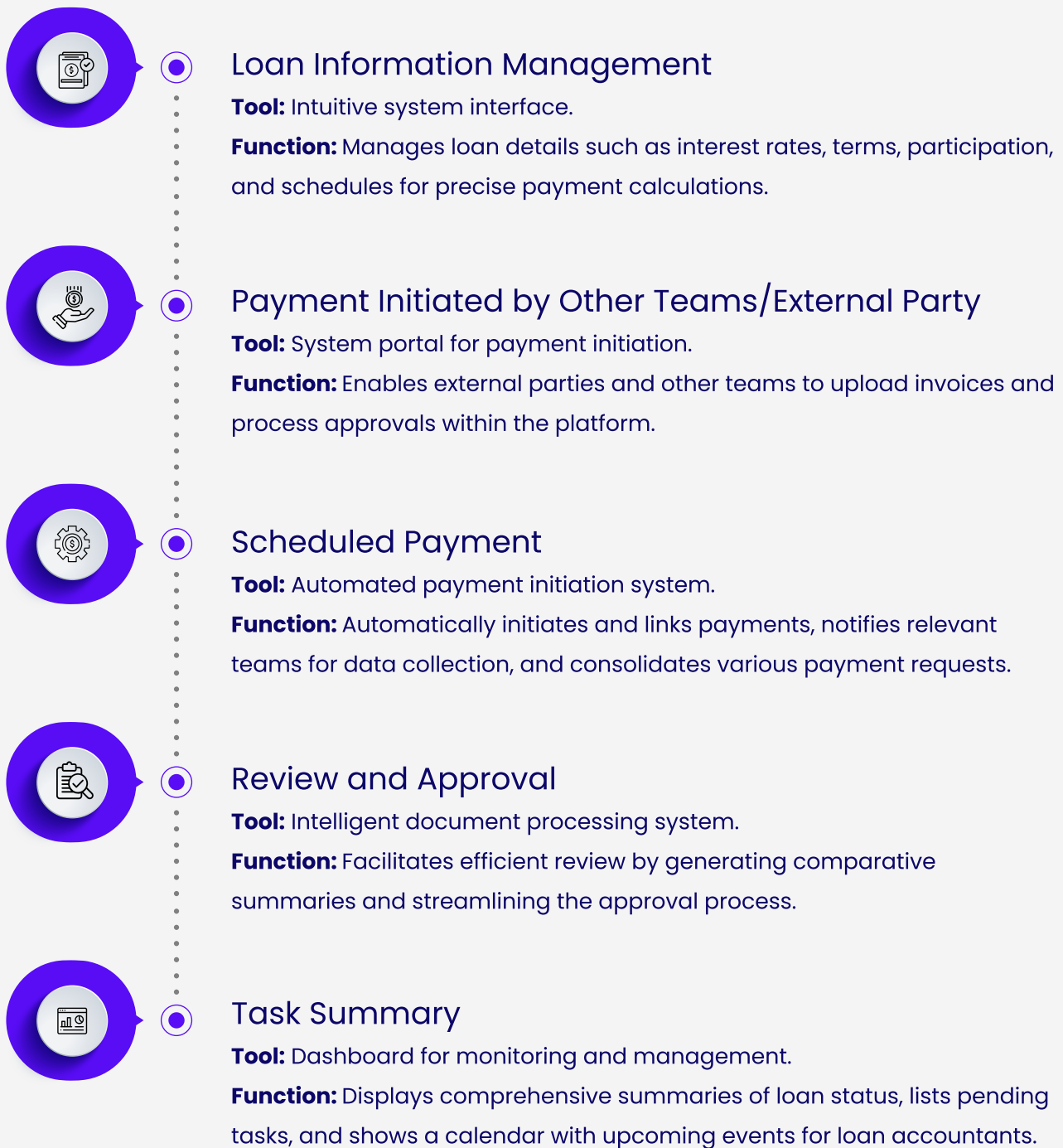| 3	10	8	14+	30+	11	11
Months Project Duration	Weeks to complete Process Assessment	Payment Disbursement Sub-Processes Analyzed	Stakeholder Interviews and Task Shadowing Sessions	Follow-up Conversations and Solutions Deep Dive	Areas of Pain Points Identified in the Current Process	Improvement Opportunities Identified

Our Vision for Streamlined Payments:

Working with Trez Capital, we've developed a vision for the future of payment disbursement for real estate investment firms. We are focused on solutions that prioritize user-friendliness, easy customization and configuration, automated workflows, and seamless collaboration with external parties.

Loan Information Management

Tool: Intuitive system interface.

Function: Manages loan details such as interest rates, terms, participation, and schedules for precise payment calculations.

Payment Initiated by Other Teams/External Party

Tool: System portal for payment initiation.

Function: Enables external parties and other teams to upload invoices and process approvals within the platform.

Scheduled Payment

Tool: Automated payment initiation system.

Function: Automatically initiates and links payments, notifies relevant teams for data collection, and consolidates various payment requests.

Review and Approval

Tool: Intelligent document processing system.

Function: Facilitates efficient review by generating comparative summaries and streamlining the approval process.

Task Summary

Tool: Dashboard for monitoring and management.

Function: Displays comprehensive summaries of loan status, lists pending tasks, and shows a calendar with upcoming events for loan accountants.
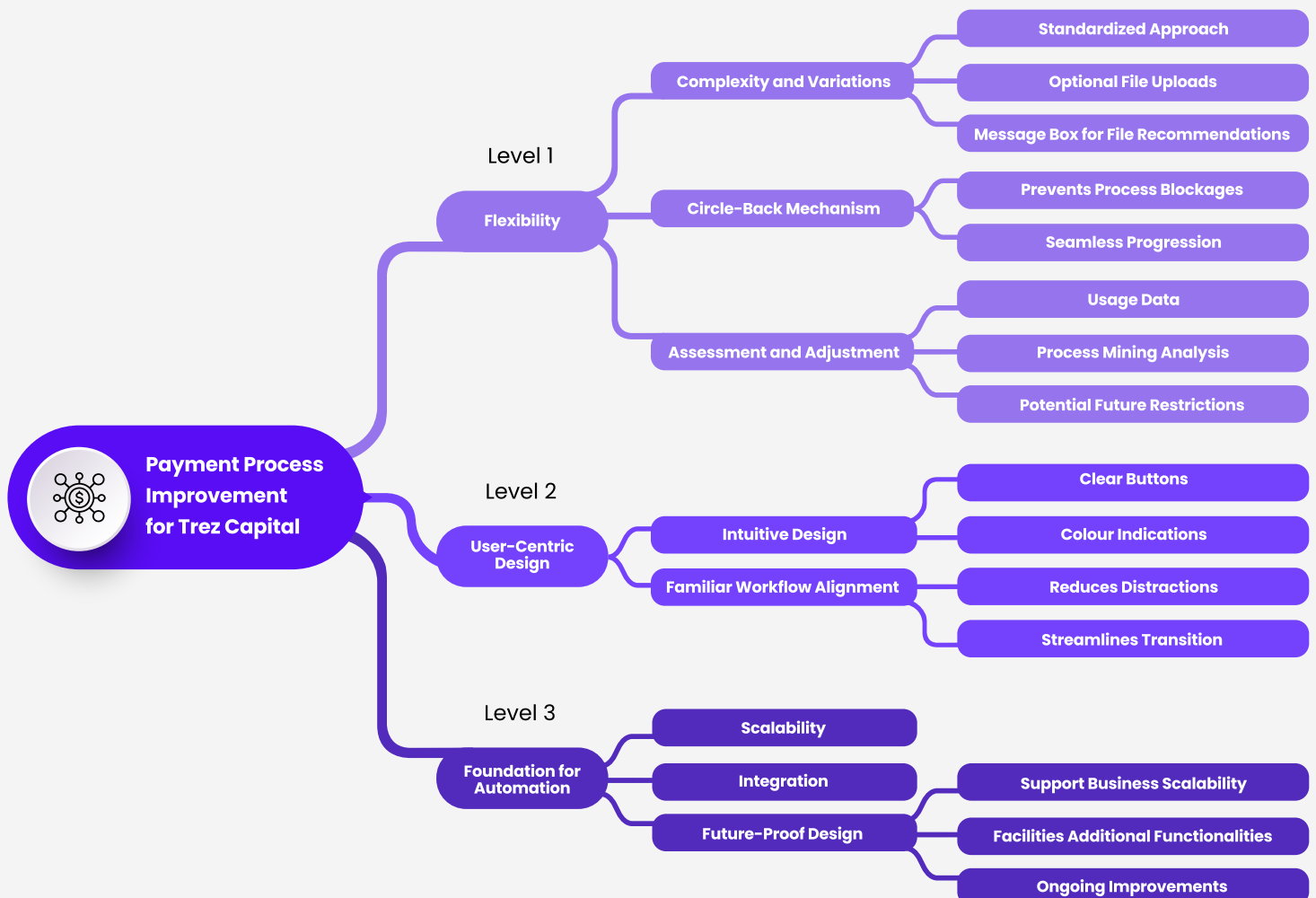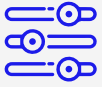
The Approach:

Our scope focuses on addressing tasks that demonstrate the immediate value of automation and lay a strong foundation for future enhancements.

Leveraging insights gained from Phase I, as well as conducting a comprehensive mapping exercise, we were able to proceed to redesign the process from the ground up. Rather than simply automating existing processes, we tailored the Payment Disbursement Tool to align with the newly optimized processes.

By refraining from automating legacy processes that hinder efficiency, we ensured that our solution delivers tangible value to users by streamlining operations and enhancing overall efficiency. We prioritized three areas: flexibility, user centric design and creating a foundation for automation.

Payment Process Improvement for Trez Capital

Level 1

Flexibility
- **Complexity and Variations**
  - Standardized Approach
  - Optional File Uploads
  - Message Box for File Recommendations
- **Circle-Back Mechanism**
  - Prevents Process Blockages
  - Seamless Progression
- **Assessment and Adjustment**
  - Usage Data
  - Process Mining Analysis
  - Potential Future Restrictions

Level 2

User-Centric Design
- **Intuitive Design**
  - Clear Buttons
  - Colour Indications
- **Familiar Workflow Alignment**
  - Reduces Distractions
  - Streamlines Transition

Level 3

Foundation for Automation
- Scalability
- Integration
- **Future-Proof Design**
  - Support Business Scalability
  - Facilities Additional Functionalities
  - Ongoing Improvements

Flexibility

Our analysis highlighted the complexity and variability of the process. To maintain flexibility, we guided users towards standardization while allowing for adaptation. Instead of mandatory file uploads, we recommended optional uploads with guidelines. We also introduced a circle-back mechanism to enable easy revision of requests, preventing blockages and ensuring smooth progression. After initial usage and analysis post-launch, we considered adding specific restrictions to further streamline the process and enhance efficiency.

User-Centric Design:

Prioritizing the needs of enterprise users, we designed an intuitive interface with clear buttons and colour cues for easy navigation, ensuring seamless onboarding without added complexity. Our features were aligned with familiar workflows to minimize disruptions and facilitate gradual adaptation, reducing workplace distractions and easing the transition into new processes.

Foundation for Automation:

Our approach focused on using automation to advance payment disbursement processes. We prioritized scalability and integration, implementing a future-proof design that supports business growth and seamless integration with new functionalities. This approach laid the groundwork for continuous improvements and aligned with our long-term automation objectives.

The Solution:

A. Redesign of Approval Process:

Our solution involved a comprehensive redesign of the approval process, starting with interviews with senior stakeholders to understand their views on the current process and its operational impact. We then created various payment scenarios, considering factors like amount, bank, and wire templates, to assess the effectiveness of multilevel approvals.

Start · Conduct Interviews with Senior Stakeholders · Develop Payment Scenarios · Evaluate Multilevel Approvals · Eliminate Excessive Approval Layers · Assign Designated Approvers · End
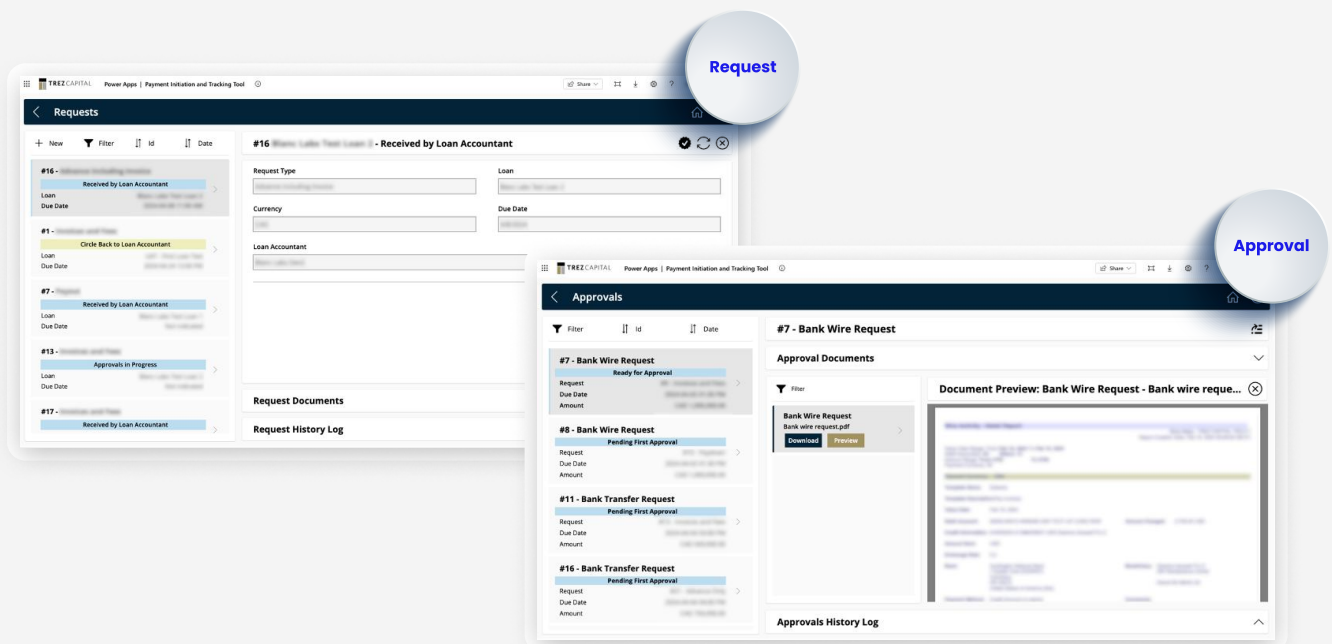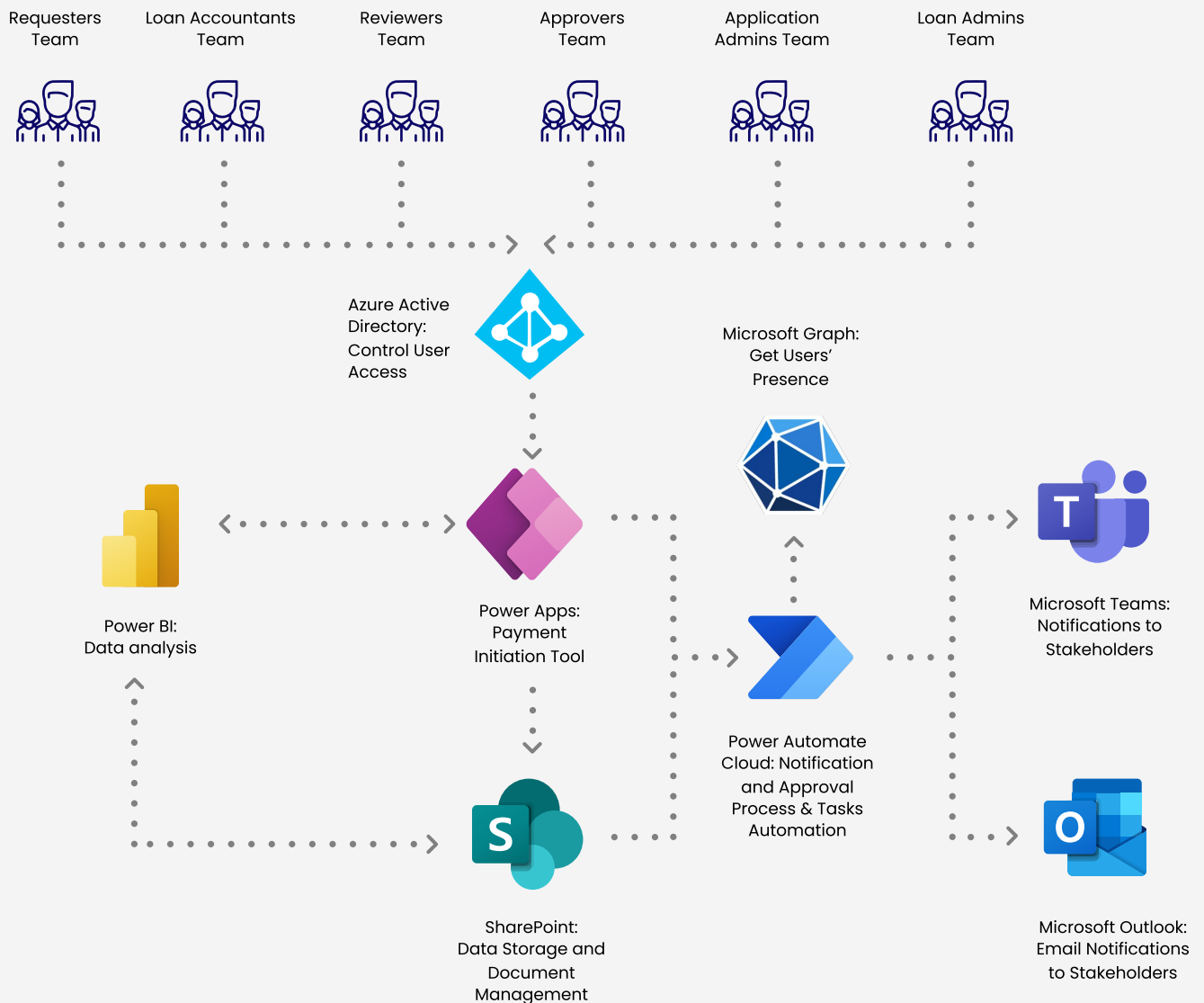
B. Automation of Payment Initiation and Communication:

The Trez Capital Payments solution utilizes Microsoft Power Apps and Power Automate to create a centralized platform that simplifies the management of payment requests, approvals, and communication. Microsoft Power Apps enables rapid application development through a low-code/no-code environment, focusing on functionalities like loan information management, and request and approval workflows.

Microsoft Power Apps provides a rapid low-code/no-code solution for application development, encompassing key functionalities such as loan information management, request and approval creation, and settings configuration.

Solution Architecture Overview:

Requesters Team

Loan Accountants Team

Reviewers Team

Approvers Team

Application Admins Team

Loan Admins Team

Azure Active Directory: Control User Access

Microsoft Graph: Get Users' Presence

Power BI: Data analysis

Power Apps: Payment Initiation Tool

Microsoft Teams: Notifications to Stakeholders

Power Automate Cloud: Notification and Approval Process & Tasks Automation

SharePoint: Data Storage and Document Management

Microsoft Outlook: Email Notifications to Stakeholders

Request

Approval

C. Data Dashboard for Performance Management:

For enhanced performance management, we've implemented a robust dashboard using Microsoft PowerBI, empowering Trez Capital with comprehensive insights into their processes and performance.
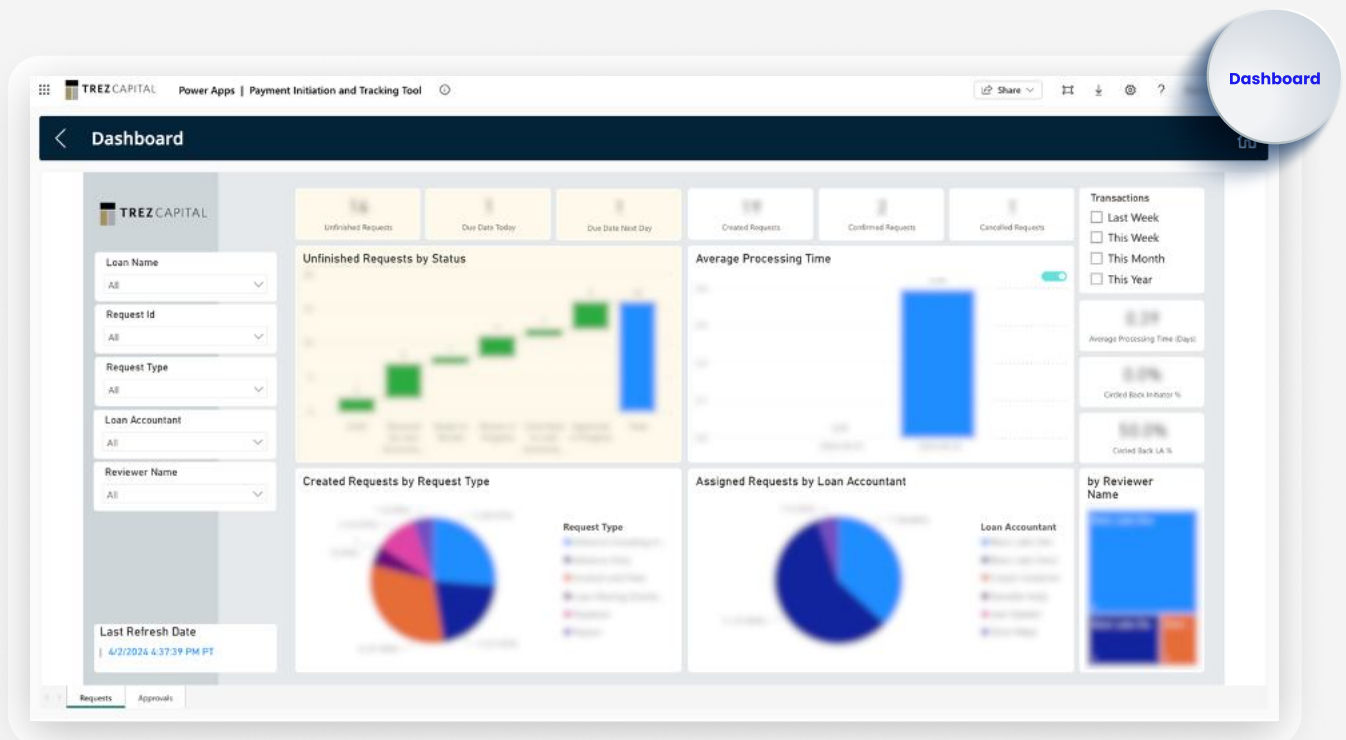

The dashboard showcases a range of Key Performance Indicators (KPIs) derived from activity data within the tool. These include generic transactional metrics such as the number of requests processed per day and the total amount of payments processed per day. In addition to these, the dashboard provides process quality KPIs like the cycle time for processing payments and the percentage of payments circled back to initiators.

Payment Disbursement Tool Impact:

98.7%

on-time payment rate after Payment Disbursement tool implementation

39.8%
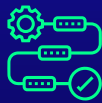
reduction in number of approvals after process re-design

33.3%

reduction in approval cycle time

45%

improvement in error rate

3000+

notifications automated in 1 month

Joel Oakden

VP, Chief Accounting Officer

Trez Capital

"Blanc Labs delivered a quality solution in a short period of time. They worked closely with our team and were able to adapt to our changing timelines. They have been very supportive in the post-deployment process too. I wouldn't hesitate to recommend Blanc Labs."

In conclusion:

As we continue to monitor the effectiveness of these systems through process mining and performance measurements, our goal is to further refine the tool by adding new functionalities, enhancing integration with banking and internal systems, and broadening the scope to include more payment types. These enhancements are intended to meet the evolving needs of Trez Capital and ensure that our payment processes remain robust, compliant, and aligned with our strategic vision.

By continuously adapting and improving, we aim to keep Trez Capital at the forefront of payment management technology, delivering solutions that are not only effective today but also scalable for the challenges of tomorrow.

Looking to transform your payment processes but don't know where to begin?

Sign up for a 30 min free consultation with our Process Improvement and Automation experts.

↗ **Speak to an Expert**