

National Century Financial Enterprises (NCFE)

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| Industry: | Financial Services |
| Product(s): | BEA WebLogic® Enterprise Platform (BEA WebLogic Server™, BEA WebLogic Portal™) |
| Partner(s): | Sun Microsystems |
| Business Problem: | Increase market leadership |
| Project: | NCFE created portals that are focal points of daily interaction with clients, investors, and employees. NCFE also created a single J2EE-based architecture that will support the company through the next 10 years. |
| Why BEA: | “The combination of BEA and Sun gives us a lower total cost of ownership by providing solid technology, service, and support.” |
| Highlights: | Dramatic improvements in efficiency, saving NCFE and its clients more than \$100,000/year with report creation, delivery, and archival alone. |

COMPANY BRIEF

National Century Financial Enterprises, Inc. (NCFE) is the market leader in healthcare finance focused on providing medical accounts receivable financing to middle market healthcare providers. Since its inception in 1991, NCFE has serviced and purchased more than \$15 billion in healthcare receivables and raised over \$4.8 billion through securitized healthcare receivables financing. NCFE is the largest source of healthcare receivables financing in the USA. NCFE serves more than 2100 medical providers including hospitals, nursing homes, home healthcare agencies, specialty clinic physician groups, durable medical equipment providers, laboratories and other disciplines within the healthcare industry. NCFE's 2,100 clients represent about 50,000 doctors and other health care providers.

The competitive advantage of providing access to cost-efficient capital not only benefits healthcare providers, but also presents a unique opportunity for investors. NCFE's asset-backed securities provide a consistent rate of return for investors. NCFE has created a superior proprietary system that benefits both sellers and investors.

BUSINESS CHALLENGE

The company relies heavily on its proprietary systems to run every aspect of the business. NCFE's existing environment uses IBM AS/400, but developing on, maintaining, and scaling the IBM platform proved to be extremely expensive. There are also many Microsoft-based servers running variety of systems, including EDI, augmenting the AS/400 platform.

NCFE felt that a program to replace and consolidate the entire platform would further increase its market leadership. The company wanted greater and more streamlined interaction with clients in order to improve customer satisfaction and increase customer lifetime value.



In addition, NCFE wanted a way to accelerate the client closing process to increase cash flow. NCFE also wanted to expand its available market segments by enabling online loan processing and lowering the total cost per transaction.

Traditionally, NCFE had developed its core applications on a departmental basis. The segregation of data, processes, and systems produced redundancies and limited the sharing of information. To address these challenges, NCFE decided to create a single enterprise-wide architecture that would support them through the next ten years.

BUILT ON BEA™ SOLUTION

BEA WebLogic Server and WebLogic Portal serve as the foundation for NCFE's software architecture. "We are rewriting all of our core legacy applications on BEA's software stack," said Kevin Armstrong, associate vice president of the Technology Group at NCFE. "BEA is a trusted foundation, and this infrastructure offers extremely high strategic value to our business. It is strategic for us to put in an architecture that allows us to continue to grow the business on a 40 percent or higher rate per year without adding the equivalent headcount. This is extremely important to National Century, and we have been extremely successful at doing it. We have the least amount of people for the amount of portfolio or outstanding financing — not even close to any of our competitors."

"Open standards are also extremely important," continued Armstrong. "BEA is very good about supporting current and emerging standards. Also, the clustering capability BEA provides was a big factor for us, given our need to scale horizontally as opposed to vertically," said Armstrong. "This, combined with a complete solution for delivering a self-service portal application to our customers, made BEA the right choice for NCFE. BEA's support has been exceptional and phenomenal."

The total cost of ownership of the company's previous solution, based on iPlanet, was very high. "We had one to three people in our development group every day working on production issues, just keeping the production environment running," said Armstrong. "We configured the BEA software, which took us only a couple of days, whereas the previous environment took us a couple of weeks. Our deployment is now down to a couple of hours, as compared to the few days it took in the previous environment. So, from a development-deployment side, we've seen a drastic change in the cost of ownership thanks to BEA."

Sun's hardware solution provided a strong foundation for NCFE's solution. "Scalability, reliability, and manageability were of paramount importance in choosing the platform for our new J2EE architecture," said Armstrong. "Sun's ability to scale horizontally allowed us to scale our systems in exactly the way our business grows. We chose Sun hardware and the Solaris operating environment because we needed a system that could be 100 percent reliable, 100 percent of the time. Sun offered us the scalability and performance we required to reach that goal."

"We chose Sun and BEA because they are true technology partners, not just vendors," said Armstrong. "They are the basis for the scalable, reliable J2EE enterprise infrastructure we are basing our business on for the next ten years. This infrastructure has enabled us to deploy applications and portals to serve our customers, investors, employees, and partners better. Sun and BEA are a winning combination for us by giving us a lower total cost of ownership by providing superior technology, service, and support."

The customer portal enables health care providers to fill out their applications online. NCFE processes about 500-700 of these applications annually. The portal helps accelerate the deal

process by populating the customer database with information, which was traditionally filled out in hard copy and then hand-keyed into the database.

The portal is dramatically improving the efficiency of the process. “We went from sending boxes of reports by FedEx to our clients every week to providing electronic documents. That alone is saving our large clients, who had to reimburse the cost, \$100,000 or more a year. And it’s saving us internally as well because the only part we were getting reimbursed was the actual mailing cost. The staffing cost and the preparation cost, as well as the archival cost, were not being reimbursed,” said Armstrong.

The new architecture with its lower cost per transaction enables NCFE to broaden its markets. “These new developments along with process re-engineering will enable us to go after business that was too costly for us to do before,” stated Randolph Speer, executive vice president and CFO of NCFE. “We believe we now have an infrastructure that is more in line with the business’s current needs, and that infrastructure is enabling us to adapt to the future needs of the organization and its partners.”

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