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Newcourt whisks online credit into stores

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by Jennifer M. O'Brien

Computerized credit checking has accelerated into the fast lane thanks to software that allows retailers to get on-the-spot credit approval and document preparation for customers.

Toronto-based Newcourt Financial is one company that has heavily dipped its toe into the virtual lending space and created the creditlink system — a technology that is operating at more than 3000 sites across North America.

"We've eliminated the paper that's traditionally been part of the process," says Karl Sigerist, director of Newcourt Financial, in discussing the traditional lending process. "With the typical system, there's a lot of back and forth, there's a lot of people involved and it takes a lot of time."

The creditlink system, on the other hand, is a custom-designed online credit approval system, Sigerist says. "We've automated the entire process from the time you walk in the store," he says. "The major time (constraint) with it is keying in the information off the credit application. Then in seconds our system comes back with an answer, whether the

person is approved or not. It also tells retailers the maximum amount that customers are approved."

The credit check takes under 30 seconds, the company says, and the entire transaction including the application, documentation and credit approval process takes about four-and-a-half minutes. Through partnerships with manufacturers, distributors and wholesalers in various industries, Newcourt has developed a delivery system for term lending, he says. The company has teamed with an array of distributor and manufacturer partners, including 3D Micro Computers, Beamscope, Globelle Corp., KeyTech Canada Inc., Supercom and Yamaha to offer the financial lending service. Analysts say the time is right to venture into the online lending space. A recent Forrester Research report, entitled Credit at the Threshold, estimates that consumers will obtain 8.9 million loans and credit cards over the Internet by 2003, representing more than US\$167 billion in receivables.

According to Forrester, consumers are primed to dabble with online technology. "Today, willing consumers, ready lenders, and rapidly maturing technologies are poised to make online lending a serious business," the research house points out.

On the technological front, Sigerist says Newcourt wants to push the envelope and move the system beyond the client server to a Web-based operation. The company hopes to be

Web-based before September, he says. At the end of the day, he says the company is also hedging bets that its innovative technology, coupled with its strong emphasis on alliances will bring Newcourt continued success. Ultimately, the company's use of technology is what will turn peoples' heads, he says. "Thanks to creditlink we're able to grant decisions and process documents in lightning speed."

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