



LIXI Events

Evening Series: Marketing & Promotions in the Lending Industry 17 April 2012

This LIXI Sydney Evening Series will focus on PR in the Lending Industry as well as offering a great networking opportunity for LIXI members. This event is **FREE** for LIXI members; business analysts, project managers and managers who influence internal strategic direction will benefit from this informational program which will cover common misperceptions of PR, stakeholder engagement and how to do it effectively, when and how to use social media and how to measure the effectiveness of PR within your company.

The evening series is presented by Reputation, an award winning public relations agency based in Sydney, Australia. Reputation specializes in implementation of strategic communications, media relations and thought leadership programs specifically within the lending industry.

Spaces are limited, so register your attendance today!

Thank you to QBE Lenders' Mortgage Insurance for their generosity in hosting this event.

Technical Training

The technical training "**LIXI Fundamentals**" was held in Melbourne on Friday, February 24th and well attended by 25 industry representatives. Industries in attendance were four lenders, five companies in the valuation space and two aggregators. While not primarily a networking event, the most interesting story to come out of the day was two attendees who work for the same lender on the same floor but had never met until then!

The "LIXI Fundamentals" course is due to be re-worked and re-released in Sydney in roughly six months' time, around July 2012. Keep this in mind for team members who may require an introduction to LIXI or a refresher as well as new team members. Expressions of Interest for the next Sydney course can be sent to admin@lix.org.au.

If you think this course would suit several members of your company or team, please contact Jennifer Hill about a private or virtual course.

LIXI Innovation & Outsourcing

At the recent Australian Banking and Finance Mortgage Innovation Conference (held on March 14th), LIXI CEO, Erik Fenna, addressed two key questions in regards to innovation and outsourcing:

1. How does the lending sector harness opportunities for innovation available through outsourcing?
2. How does the utilisation of collaborative standards enable this?

Erik used the Australian health industry as an example of an industry where a the

myriad of opposing forces and diverse section 'players' made change within the industry cumbersome and slow. Industry recognition that data messaging was the critical key to the industry's success resulted in the development of a unified standard – HL7 – as the enabler for innovation. A comprehensive view of health data facilitated a significant number of externalised services which resulted in improved productivity to both the sector and individual companies. In this example, collaboration in a competitive environment produced benefits in innovation, cost reduction and efficiency improvement.

Collaboration in the lending space (without being collusive) requires an independent facilitator, like that of LIXI. The genesis for LIXI was a vision for standardised messaging which encompassed the entire lending chain, and which was all about connectivity (like email) and which permits any-to-any communication. The early adopters of LIXI standards were mortgage brokers (particularly Mortgage Choice, Aussie and AFG through the "Trident" project), valuation panel managers, mortgage insurers and the legal fraternity. All saw messaging as enabling efficiency in ordering and receipt as well as via straight through processing opportunities and be can be rightly regarded as innovative in regards to outsourcing providers.

The major pain points for the lending industry currently are identified as:

- Complexity – How do we make it simpler?
- Time – How do we make it faster?
- Cost – How do we make it cheaper?

This business to business communication has a number of parallels to the varying rail gauges used in the Australian rail network. The rail gauge issue was only resolved in 1962 by constructing one of the longest covered station platforms (in Albury, southern NSW) which accommodated Victorian and NSW rail gauges. Not surprisingly, this saw an increase in efficiency: net freight on the Sydney/Melbourne line increased by 32% in 1963 and continued to increase by 8.6% annually through to the mid-70s.

LIXI must in address similar inefficiencies in the lending space, not just in regards to data messaging but moving into the communication process on a collaborative basis. Erik introduced the concept of an "enterprise system bus" to position LIXI 2.0, the improved version of the original LIXI standard, as an inter-enterprise equivalent. This solution revolves around dynamic message design requirements, controlled by the recipient, and creating the following benefits:

- For lenders – direct and immediate control over quality and change management
- For brokers – immediate updates and assured conformance to lender specifications
- For service providers – "open the door and turn on the tap" service provision feasibility
- For all – complete backward compatibility to be embraced when company is ready

In order for these benefits to be realized, a new way of using existing services, such as product selection, mortgage insurance, valuations, document preparation and settlement, would be necessary as would new abilities and/or enhancements towards customer-centric or money-centric services. This "brave new world" will result in material improvements in efficiency, accuracy, cost reduction, time, and dynamic adaptation and most importantly of all, customer service.

The entire presentation is available on the LIXI website, please click [here](#).

LIXI 2.0 Reform Program Update

The **LIXI 2.0 Reform Program** was initially launched in October 2010 as a program of projects which will deliver on LIXI's key value proposition to members by delivering increased efficiency, reduced costs and lower barriers of entry to users of the standards by delivered these key initiatives;

- 1) An updated, comprehensive data dictionary , the **CAL 2.0 Data Requirements Project**;
- 2) A review of the current technical architecture, the **LIXI 2.0 Technical Architecture Project**;
- 3) An examination and rework of LIXI change management process, the **LIXI 2.0 Change Management Project**.

These projects will enable publication of CAL 2.0 within the first half of 2012. Updates on the specific projects are outlined below.

The goal of the **CAL 2.0 Data Dictionary Project** is to provide a single, unambiguous and inclusive vocabulary for the new CAL 2.0 standard, while ensuring backwards compatibility with CAL 1.x. On December 16th, 2011, all Australian lenders, and other interested members, were invited to participate in a gap analysis of data dictionary work done to date. To date, five lenders have completed their review and currently harmonization is being completed; a further four lenders are in the process of completing this same review.

The **CAL 2 Data Requirements Working Group** was recently launched on 21 March and is tasked with resolving any outstanding definitional and requirement issues and agreeing on any controversial and/or complex terms. The Working Group goals are the refinement and release of version one of the Data Dictionary in the form of a single harmonized file of all lender updates and extensions.

It is expected that development of the CAL 2 Data Dictionary will only marginally be schema-centric, that the data should stand on its own as terms and definitions.

The **LIXI 2.0 Technical Architecture Project** began in late October 2011 and accepted community submissions on the 24th of February 2012. An independent expert (in the US) has been engaged by LIXI and is currently reviewing those submissions and rating them against the balanced scorecard (developed by the working group). The resulting recommendation will be circulated shortly.

LIXI 2.0 Change Management Project intends to define and document how changes to the LIXI Methodology and Lifecycle Management process will incorporate solutions to the fundamental and long-standing issues related to change management with LIXI's current process. It is anticipated that this project will be completed on or near the delivery date of the CAL 2.0 Data Dictionary.

If you would like to be involved in any of these projects, and/or are not already receiving routine updates, please contact Jennifer Hill at admin@lix.org.au

Standards Updates

Variations Working Group

The Variations Business and Functional requirements documents were re-released for RFC (request for comment) on February 15th with a deadline for inclusions of March 15th. Some comments were received and incorporated into the documents. The next major changes to the Business Requirements document will stem from the Working Group identifying some additional, complicated use cases that will be useful to outline.