Vero
Technologies

MODERNIZATION PLANNING · WORKED EXAMPLE

A completed case, end to end

The same five exercises, filled in for a fictional lender so you can see the arithmetic and the shape of the argument. Every number here is invented for illustration. None of it is a Vero result or a customer outcome.

STATUS	LENDER	COMPANION
Illustrative only	Fictional	The worksheet

EXAMPLE DATA

Meridian Commercial Bank does not exist. Every figure on this page was invented to demonstrate the method. Do not cite any of it.

The situation

Meridian Commercial Bank runs a floor plan program for independent auto dealers. Title operations are manual and the team believes it is expensive, but nobody has ever put a figure on it.

INPUT	VALUE	WHERE IT CAME FROM
Floor plan portfolio	$180M across 140 dealers	Portfolio report
Title volume	3,200 per month	Twelve-month average
Time per title	250 seconds	Timed for one week, 3 staff
Team on title operations	3.5 FTE	Operations manager
Fully loaded cost per FTE	$78,000	Finance
Growth plan, 24 months	+40% volume	Board-approved plan

WHAT THEY DID FIRST

They timed it. Three people, one week, a tally sheet. The estimate before timing was “about two minutes”. The measured figure was 250 seconds, which is where most of the case came from.

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Exercises 1 and 2 · What made the shortlist

Meridian listed 14 problems. Placing them on the grid reduced the argument to one.

QUICK WINS	STRATEGIC BETS
Dealer insurance expiry reminders (currently a calendar in one person's inbox). Standardising the payoff request email.	**Title operations end to end.** Highest measured hours, worsens with the growth plan, and blocks the dealer self-service the sales team keeps asking for.
HOUSEKEEPING	**DECLINED**
Renaming the shared drive folders. Consolidating three reporting spreadsheets.	Rebuilding the internal dealer directory. High effort, and the pain is felt by two people occasionally.

The problem, in one sentence

Title processing consumes 2,667 hours a year, scales linearly with volume, and is the reason dealers cannot self-serve on title status.

The two quick wins were done immediately and separately. They cost nothing and bought the team credibility to bring the strategic bet forward. That sequencing is deliberate and it is worth copying.

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Exercise 3 · The five numbers

1 · Hours: $64,000

38,400 titles a year at 250 seconds is 2,667 hours, or about $100,000 at $37.50 fully loaded. Meridian modelled a conservative target of 90 seconds rather than the best figure they had seen published, saving 160 seconds per title: 1,707 hours, or **$64,000** a year.

They deliberately did not use a vendor's number. Using a conservative target they chose themselves made the figure defensible.

2 · Headcount avoided: $109,200

At +40% volume the current model needs 4.9 FTE against today's 3.5. That gap of 1.4 FTE at $78,000 is **$109,200** a year of hiring not required. This became the largest hard number in the case, and the one the CFO engaged with first.

3 · Leakage: $44,400

A one-month sample found 11 curtailments applied late, averaging $340 of interest not billed. At about $3,700 a month that is **$44,400** a year. Nobody had measured this before and it changed the tone of the discussion.

4 · Maintenance already being paid: $54,900

220 internal engineering hours a year at $95 keeping the title spreadsheet and its macros alive, plus $34,000 of vendor support on the document store. Total **$54,900**.

FLOOR TOTAL

$272,500

Defensible arithmetic, per year

SEPARATE ESTIMATE

$185,000/yr

Revenue at risk: two dealer relationships flagged by relationship managers

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Exercise 4 · The three options

OPTION	ADVANTAGES, STATED FAIRLY	WHERE IT FAILS
A · Status quo	No spend. No migration risk. The team is trained and the process, while slow, is understood and reliable.	The $272,500 is already being paid and grows with the 40% plan. By month 24 the same decision costs more and comes with 1.4 more people to redeploy.
B · Incremental	Add a scanning and OCR tool for intake only. Roughly a third of the cost, live in eight weeks.	Intake is 40% of the elapsed time. Verification and release stay manual, and a new handoff appears either side of the tool. Dealer self-service is still not possible.
C · Comprehensive	Title operations end to end on one system, with dealer self-service and a route to the wider program later.	Highest cost. Nine-month timeline. Needs sustained sponsorship and real change management.

DIMENSION, SCORED 1 TO 5	A	B	C
Cost against benefit, and time to see it	1	4	4
Implementation feasibility	5	4	3
Scalability to 2030 volume	1	2	5
Risk of acting, and of not acting	2	3	4
Internal alignment and sponsorship	3	4	4
Total	*12*	*17*	*20*

Option B scores well and is the one most likely to be approved on instinct. It loses on the dimension that decides the next five years: it does not scale.

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Exercise 5 · The recommendation

Recommend Option C. It removes $272,500 of annual cost that is already being paid, avoids 1.4 hires against the approved growth plan, and is the only option that still works at 2030 volume.

Why the other two lose

- **Status quo is not free.** Its cost is $272,500 a year, already in the budget and rising with volume.
- **Incremental addresses 40% of the elapsed time** and leaves the dealer experience unchanged, which is the part the commercial team is actually asking for.

The three assumptions most likely to be wrong

01 **The 90-second target**

Deliberately conservative. If the real figure lands at 130 seconds the hours number falls to about $48,000 and the case still clears. If it lands at 60 seconds we have understated it.

02 **The 40% growth plan holds**

If growth is flat, headcount avoided goes to zero and the floor total falls to $163,300. The case is thinner but still positive.

03 **Leakage extrapolates from one month**

A single month is a weak sample. Meridian committed to re-sampling a second month before the committee date.

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The recommendation, continued

FIRST PHASE

Title intake and verification. Owner: Director of Servicing Operations. Start: 1 October.

HOW SUCCESS IS MEASURED

Re-time the same six steps at month 4 against the 250-second baseline. Report the measured figure, not the projection.

Now build yours

The worksheet has the same five exercises, empty. Fill it in with your numbers, then send it to us and we will tell you which ones a committee will push on.

Get the worksheet

vero-technologies.com