The U.S. Small Business Administration delivers a modern, scalable loan service with Micro Focus solutions

Micro Focus provides full transparency and enables substantial cost savings

At a Glance: The U.S. Small Business Administration (SBA)

The Small Business Administration (SBA) is an independent agency of the U.S. federal government which provides assistance for small businesses under the charter to preserve free competitive enterprise and to maintain and to strengthen the overall US economy. The SBA helps Americans start, build and grow businesses by servicing loans, loan guarantees, contracts, and other forms of assistance.

Solution

- Micro Focus COBOL
- Micro Focus Enterprise Analyzer

Challenge

The SBA extends loans to help support small businesses using its Loan Management and Accounting System (LMAS). This comprehensive system processes and manages a loan portfolio of nearly $100 billion each year. LMAS has been in use since the 1970s and, while state-of-the-art then, the application environment now negatively impacts the SBA’s ability to rapidly meet the expanding business requirements of its users. During normal operations, any program changes mandated by the government receive sufficient notice so that system amendments can be made. However, when the government suddenly needed to mobilize in response to a disaster, and service an unusually high number of loans, the SBA found that it could not respond quickly to this increased demand. The LMAS system, hosted on a Unisys Mainframe, was batch-operated and not flexible enough to process and manage loan service requests in a timely fashion.

First step towards modernization

Select Computing (SCI) hosted and supported LMAS and therefore has extensive functional knowledge of the system. It was clear to SBA that modernizing both the environment and the application would provide a path to a more responsive service. The first step would be to move the existing data to a relational database solution, for which Oracle database was selected, and to then move the LAMS application from the Unisys Mainframe onto a distributed environment running Oracle Solaris, all without affecting existing application functionality or data integrity.

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Ken M’Bale,
Chief Technology Officer,
Select Computing
As the LMAS is a Mainframe COBOL application written nearly 40 years ago, SCi and the SBA looked to Micro Focus to assist in this project. Ken M’Bale, Chief Technology Officer at SCi: “Micro Focus is an established market player and has delivered many successful COBOL modernization projects. We couldn’t afford to lose nearly 40 years of business intelligence and really wanted to reuse as much of the LMAS (COBOL) application logic as we could. The availability of support and training was also a key decision factor. SBA did not want a niche provider and therefore the complete Micro Focus solution coupled with its established credentials made their offering very attractive. With the Micro Focus COBOL solution SBA could retain and leverage their core business systems bridging a path to future innovation.”

**Enterprise Analyzer reduces business risk**

LMAS includes 19 subsystems and serves as the principal data processing and data collection tool for the SBA’s loan servicing, loan monitoring and loan accounting processes. In order to provide full application transparency throughout the modernization project, SCI used Micro Focus Enterprise Analyzer to gain a better understanding of the LMAS application portfolio. By providing in-depth, technical insight into complex application portfolios, Enterprise Analyzer reveals how applications are truly structured.

M’Bale illustrates: “Enterprise Analyzer helped us identify which code components required changes when moving Unisys COBOL applications to a Micro Focus COBOL environment. Using Enterprise Analyzer, we quickly understood where we might need to use utilities to accelerate the move and we also found missing code and artifacts which were required for the transition to an Oracle Solaris environment. This enhanced application intelligence reduced our project risk substantially and ensured delivery success. We were so impressed with the insight Enterprise Analyzer gave us during this key stage of the project that we recommended to SBA that it become a core part of the future QA process. Enterprise Analyzer will continue to be used to ensure that LMAS business rules are properly propagated throughout the system, making the application lifecycle a business rule driven process.”

**The road to success**

The importance of this LMAS application to the SBA meant that this project would be executed in phases to ensure business continuity and minimal risk of service downtime. A complete development and testing environment was introduced so that the LMAS application could run in parallel ensuring consistency of results, with an ultimate goal to formally retire the Unisys mainframe environment.

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Ken M’Bale, Chief Technology Officer, Select Computing

M’Bale concludes: “With Micro Focus we have introduced a much more flexible system for SBA. This modernization project has moved us towards a modern and more responsive loan service architecture, supportive of a dynamic and growing business environment. We have also realized substantial cost savings, as the new open computing system running on Oracle Solaris is more cost effective than the prior Unisys mainframe environment. We feel we have future-proofed SBA’s core business systems with the full support of Micro Focus.”

**About Micro Focus**

Micro Focus, a member of the FTSE 250, provides innovative software that allows companies to dramatically improve the business value of their enterprise applications. Micro Focus Enterprise Application Modernization, Testing and Management software enables customers’ business applications to respond rapidly to market changes and embrace modern architectures with reduced cost and risk.

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