About Union Bank

Union Bank N.A., is a full-service commercial bank providing an array of financial services for private banking and wealth management to individuals, small business, middle market companies and major corporations. The bank has 397 offices between on the West Coast and in Texas. Headquartered in San Francisco, Calif., Union Bank is the primary subsidiary of Union BanCal Corporation - a financial holding company with assets of $84 billion.

Challenge/Objective

Despite the challenging economic climate, Union Bank has been very successful at managing delinquencies. Union Bank’s focus is “Do it right. Do it more. Expand the business.” In order to maximize their future growth objectives, however, Union Bank knew it faced a challenge to achieve better control of its internal processes for the Business Banking portfolio.

Resolution

To support the bank’s growth objectives, Union Bank chose Experian’s Business Review services, together with our analytical services, to help identify areas of opportunity with its existing underwriting platform and business processes for both origination and portfolio management.

Through an assessment of industry best practices, the Business Review would seek to identify new capabilities and processes that would provide a more efficient origination and portfolio management process, mitigating both credit and fraud risk. The analytics performed would seek to recognize opportunities to refine existing strategies through evaluation of current credit policy, new data sources, and both existing and new scoring models.

The two-pronged approach ultimately would provide Union Bank with new insights into its business processes relative to its peer groups, backed by solid analytics that would support the overall recommendations in the form of a strategic road map.

The answer

In a very short time frame, Experian Decision Analytics’ consulting services provided Union Bank with a comprehensive assessment of its Business Banking risk management processes that would support the bank’s growth and profitability objectives. The strategic road map identified short- and long-term opportunities and helped the client with prioritization efforts based on overall value and resource requirements.

The combined engagement identified numerous opportunities to enhance existing strategies for both origination and portfolio management. These opportunities ranged in scope from clear, quick wins with minimal resource requirements to longer-term solutions that would drive portfolio profitability by reducing overall risk levels and improve overall process efficiencies.

By balancing inputs and constraints against Union Bank’s key business drivers, Union Bank is now able to enhance and sustain profitability and focus in their business.
Union Bank currently utilizes Small Business Intelliscore℠ for account management. By validating the predictive power of the model, using statistical methodologies and analyzing best practices against a peer group, Experian provided recommendations to enhance credit policy and suggested refinements of the existing policy rules. This allows Union Bank to minimize manual reviews, reduce false positives, increase capacity, reduce overall portfolio risk and ultimately support the bank’s growth initiatives.

Through further analysis, the risk benefits of utilizing a new portfolio management tool were demonstrated which provided support for Union Bank’s decision to test Experian’s Account Monitoring Service℠. The enhanced commercial triggers set and filtering capabilities provide Union Bank insight into customers’ credit issues by showing relevant changes in credit records that impact a customer’s ability to pay, and allow Union Bank to act immediately to up-sell profitable customers and prioritize collections on urgent customers.

Further, Union Bank made the decision to contribute to Small Business Credit Share℠ program – a consortium of companies that share expanded payment performance data. Union Bank now has a competitive advantage of this exclusive performance data to make better decisions about their small business customers.

The consulting expertise from Experian, gained through several projects with prominent credit providers for small business, also supported the documentation needed to secure funding for custom model development.

Conclusion
Union Bank and Experian are working closely to implement the roadmap provided through Experian’s credentialed consultancy.

Experian’s consultancy is dedicated to creating measurable and sustainable value for organizations around the globe and delivers powerful insight which is used by clients to enhance credit management strategies across their customer and small business portfolios and the customer lifecycle.

In addition to offering key insights, consultants draw on Experian’s broad toolset of data, analytics, and software to meet and exceed client expectations and market needs.

About Decision Analytics
Experian’s Decision Analytics business combines data intelligence, analytics, software and consulting to help clients optimize profitability and improve performance. Its enterprise-wide decisioning capabilities enable clients to manage and mitigate credit risk; prevent, detect and reduce fraud; meet regulatory obligations; and gain operational efficiencies.

Trusted by leading businesses worldwide, Experian’s Decision Analytics business provides the intelligence to make accurate and informed decisions to help clients better manage their customer relationships.

For more information, call 1 888 414 1120 or visit us online at www.experian.com.