Experian decision management:
Bringing your strategies to the next level of customer experience and value creation

Christopher Briggs, Director Software Product Management
Robert Stone, Senior Business Consultant
Decision management strategies
Objectives

Review

► Emerging customer management trends

Inform

► Creating an effective technology strategy for customer management

Discuss

► Real-world benefits
Why deepening customer relationships is important

Profit per customer (vs. customer holding one product)

<table>
<thead>
<tr>
<th>Products held per retail customer</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 product</td>
<td>19%</td>
<td>2X</td>
<td>12%</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>2 products</td>
<td>46%</td>
<td>4X</td>
<td>12%</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>3 products</td>
<td>2X</td>
<td>4X</td>
<td>12%</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>4 products</td>
<td>2X</td>
<td>4X</td>
<td>12%</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>5 products</td>
<td>2X</td>
<td>4X</td>
<td>12%</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>6 products</td>
<td>2X</td>
<td>4X</td>
<td>12%</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>7 or more products</td>
<td>2X</td>
<td>4X</td>
<td>12%</td>
<td>8%</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Based on distribution of global banking client’s retail customers, by number of products held
Most organizations have room for improvement

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can a customer apply for different products and get conflicting answers?</td>
<td>Can a customer get collection calls from more than one business unit on the same day?</td>
</tr>
<tr>
<td>Can a customer be approved for overdraft yet declined for a credit card?</td>
<td>Can a customer have a credit card authorization declined yet have the same transaction approved on his or her debit card?</td>
</tr>
<tr>
<td>What happens to a customer’s other accounts when the person misses a payment on a loan?</td>
<td>If a customer has more than one open credit card, are the behavior scores aligned?</td>
</tr>
</tbody>
</table>
Current customer management challenges

- Elevated loss exposure
- Attrition
- Low marketing response rates
- Tight budgets
- Need to improve operational efficiency
- Desire to improve effectiveness
Customer management opportunities

- Holistic 360° view of the customer
- Putting customer knowledge into action
- Proactively managing risk exposure
- Refining marketing efforts
- Driving profitability through data
- Improving the customer experience

The financial crisis highlighted the need for greater insight and improved customer management strategies and actions
What you need

Data
- Internal and external data
- Ability to identify customers’ accounts
- Transactional across all products
- Attributes

Analytics
- Segmentation
- Modeling
- Scores

Systems
- Design and implement strategies
- Focus on customer and account-level
- Deliver actions into production
- Customer and account level MIS

Value-creation and improved customer experience

Feedback loop
- Champion / challenger
- Strategy reviews
- Continuous improvement
Best practices

- Implementing automated decisioning
- Achieving operational effectiveness
- Integrating alternative data sources
- Modeling attributes, segmentation standard analytics
- Creating holistic customer management strategies
- Optimizing approach to customer management

Experian combines data, analytics, and consulting services as part of a total solution enabled by decision software.
Experian’s approach drives value through technology

- New decision management platform enables simpler, more effective 360 degree customer view
- Common technology framework brings stability to customer management processes
- Seamless integration of the strategy design tools creates consistency
- Capabilities to “close the loop” on performance monitoring and support built-in strategy design elements
Experian decision management platforms enable better, faster decisions

- Market-tested content
- Robust, standard analytics
- Automated decisioning with simulation and testing
- Data structures supporting holistic customer management strategies
- Integrated data sources
- Optimized approach to customer management
Experian decision management platforms meet your business needs

- Easily define strategies and business workflows and **apply advanced capabilities**
- Enhanced monitoring capabilities make it **easier to track strategy performance** and to anticipate and respond quickly to changes in customer behavior
- Combines analytics with your data to build better strategies and **shorten the time** between strategy conception and execution
- Shared technology and approach to decision-making lets you **build once and use many times**
Four main tenets of decision management value

**Agility**
- Rapidly anticipate business changes
- Create and deploy strategies faster
- Dynamically test and learn
- Refine strategies more accurately

**Flexibility**
- Choose the right business capabilities
- Quickly deploy advanced capabilities
- Easily integrate standard analytics
- Derive more value in less time

**Insight**
- Improve effectiveness
- Interpret data trends driving profitability
- Design smarter, easy-to-use
- Use market-tested strategy templates

**Control**
- Put control in business users’ hands
- Quickly predict behavioral changes
- Minimize exposure and organizational risk

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Benefits of improved customer management

- Increase customer satisfaction
- Improve key customer performance indicators
- Optimize the relationship and overall customer profitability
- Mitigate losses, reduce loss exposure, and increase revenues
- Increase dollars collected and recovered
- Improve operational effectiveness
- Internal financial ROI metrics and measures
- Actively achieve financial objectives
Conclusions

- Consistent decision management framework, helps you better manage customer across the life cycle
- Only then can you effectively manage and measure your entire portfolio
- Your new headlines if you operate at a customer level
Your headlines if you operate at customer level

- We understand all accounts for each customer
- We have reduced attrition and grown revenue per customer
- Increased average balances without increasing losses
- Loss provisions have been reduced
- Customer experience has improved

Customer risk and revenue optimization drives our decisions

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