



Client

- A large telecom company in the Middle East providing fixed and mobile telephony, broadband connectivity, IPTV and carrier services to more than 5 million individuals and 40,000 businesses
- Provides innovative products and offers to attract new clients and retain existing customers

Need

- Deploy a model to verify the probability of default of customers applying for various post-paid mobile offers
- Improve customer behavior analysis to define credit management and collection strategy
- Create segmented scorecards based on certain data criteria such as delinquency bucket

Approach

- Implement analytical solutions to enhance different aspects of business processes specifically at the point of new application processing, credit line management of existing subscribers and collections strategy

Results

- Objective, faster and efficient decisioning/approval for post-paid applications
- Increased profits and reduced defaults owing to proactive credit line management
- Efficient risk management process as a result of continuous evaluation of accounts for instant decisions
- Risk based collection process allowed to prioritize delinquent customers based on probability of repayment
- Effective utilization of collections budget to target customers who will repay with minimal effort

Analytical and statistical scoring models for increased business insights and objective risk management

The D&B solution provided the client with sufficient information to draw insights from historic data procured from their subscriber database to design analytically supported decision making that augmented the Risk Management of business processes.

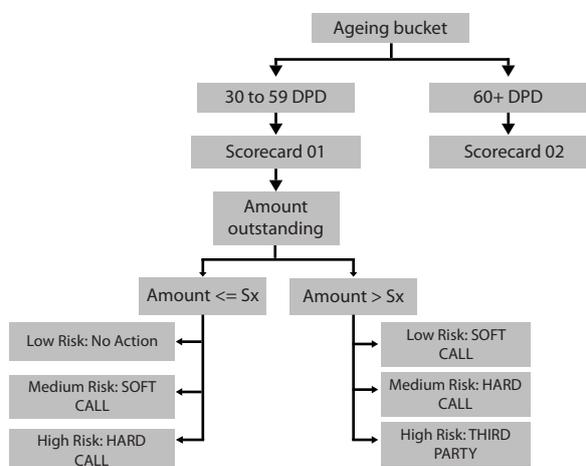
D&B's analytics solutions facilitate proactive portfolio monitoring and speedy credit decisions

D&B, through its risk analytics consulting, supported the client in three main areas:

Application scoring: The D&B analytics team performed a data audit to understand the quality of data and also conducted exploratory data analysis to maximize the insights into the given data set. EDA was done to extract important variables, detect outliers and anomalies and test underlying assumptions. The final available dataset was prepared after data cleansing and allowed building of the required model to predict the possibility of default of a new customer within 12 months. The scorecard value was also used to make a decision on post-paid applications.

Credit line management: D&B created custom statistical scoring models to enable proactive portfolio monitoring to increase the speed and accuracy of making backend credit decisions. Scorecards were built to assess the credit-worthiness of existing customers based on their payment behavior, to help with decisions pertaining to customer credit limit.

Collections management: D&B created a segmented scorecard for increasing the 'spin-off' rate - the amount collected per unit and amount spent collecting it, without increasing customer attrition or facing reduced credit usage - by analyzing whom to collect from, how much to collect and when. D&B's efficient statistical models enabled the credit team to identify borrowers who would pay back and become current, without any collection action. Simultaneously, it also identified those sets of customers showing increasing probabilities of not paying back and helped define the appropriate collection strategies to be adopted.



Application scorecards for faster approval of post-paid applications and efficient risk management

Using the D&B solution, the client was able to continuously evaluate the performance of the scorecards and mitigate risk by re-calibrating the elements and weightage without any re-build. D&B's risk analysis consulting services helped in faster and efficient credit decisioning, and approval of post-paid applications. Proactive credit line management helped increase profits and reduce defaults.