

Enterprise Customer Decisioning

Un approccio integrato al processo decisionale che promuove la centralità del cliente

Alida Popescu, Sr. Manager Risk Solutions

Anselmo Marmonti, VP Risk, Fraud & Compliance Solutions

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AGENDA



Market Trends & Needs



**Enterprise Customer Decisioning
Approach and Case Study**



SAS Experiences



Main Bank Benefits

Market Trends & Needs

CIO

95% organizations

Want vendor consolidation to simplify system architecture, with a medium to high pressure to consolidate. ([More information](#))

Gartner

65% stakeholders

Agree their decisions are more complex than 2 years ago.
“It’s critical to share data and insights across organizational boundaries” ([More information](#))

EBA EUROPEAN BANKING AUTHORITY

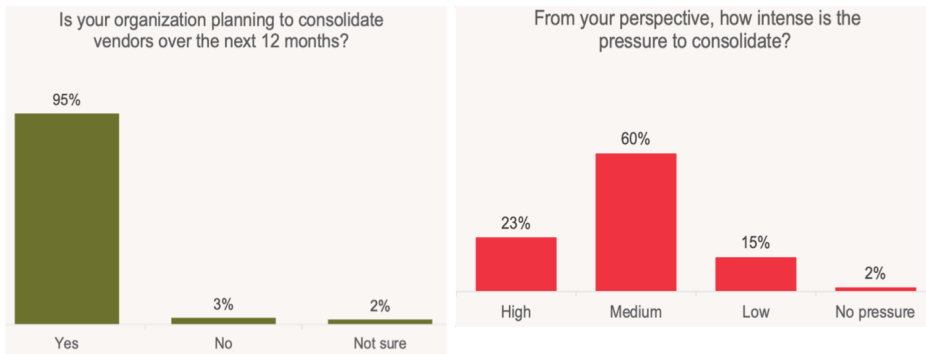
LOM Guidelines

A framework which includes compliance reporting, anti-money laundering, models and credit decisioning, ESG, pricing and data infrastructure. ([More information](#))



CIO

What IT executives are saying about vendor consolidation

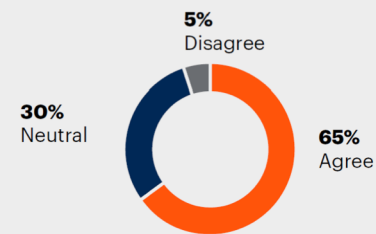


<https://www.cio.com/article/657327/what-it-executives-are-saying-about-vendor-consolidation.html> (Oct 2023)

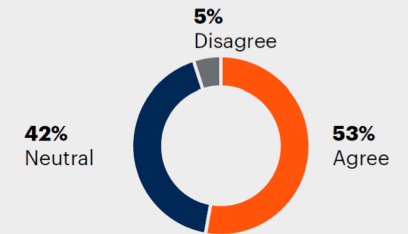
Gartner

“Turn decision making into a competitive advantage”

The decisions I make are more complex (stakeholders, choices) than 2 years ago



There is a higher expectation for me to be able to explain or justify my decisions



Source: Gartner



Connected

“It’s critical to share data and insights across organizational boundaries”



Contextual

“Internal and external data sources should be combined to get a more complete and richer situational awareness”

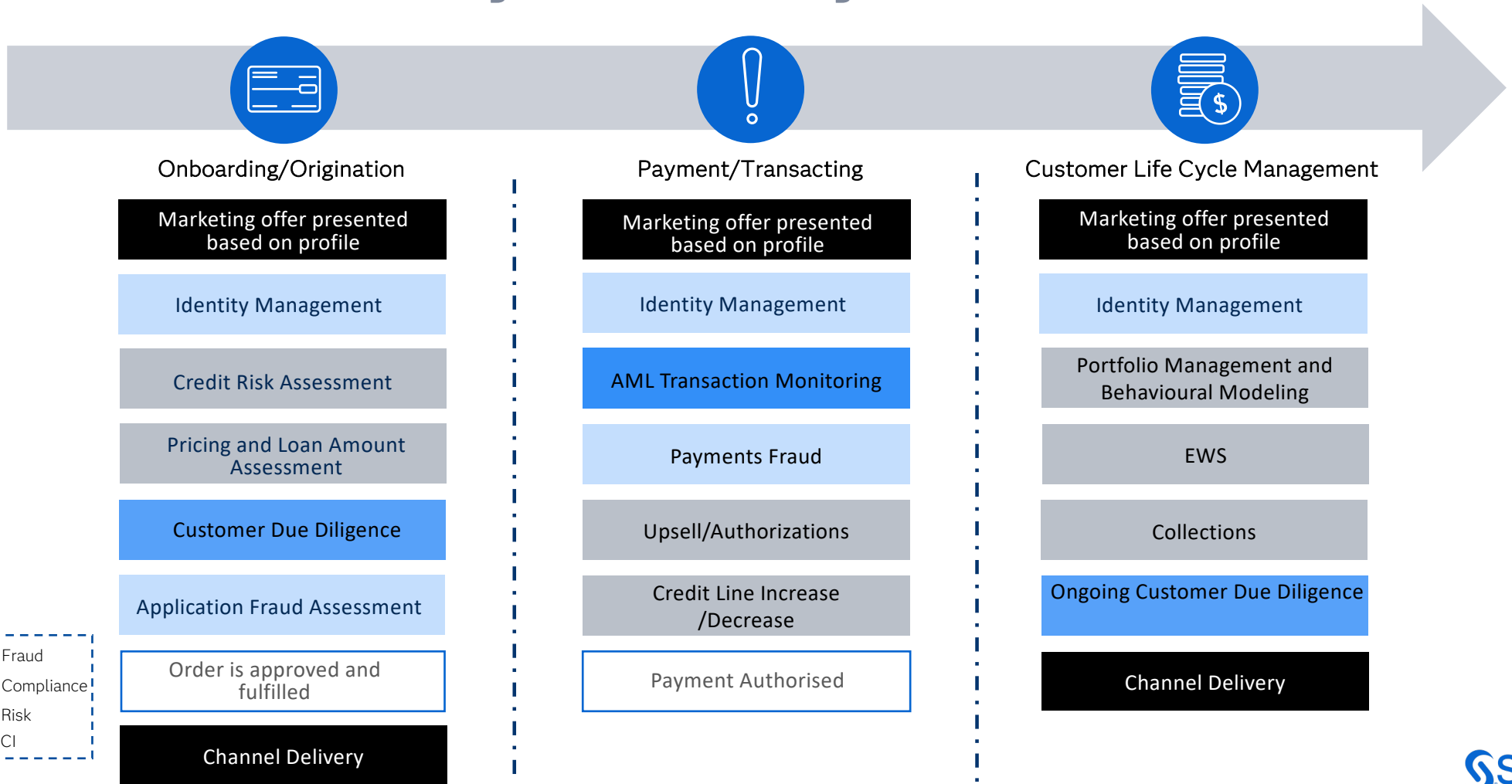


Continuous

“decisions should be automated, or at least augmented, creating a synergy between human and artificial intelligence”

<https://www.gartner.co.uk/en/information-technology/trends/5-key-actions-for-it-leaders-for-better-decisions>

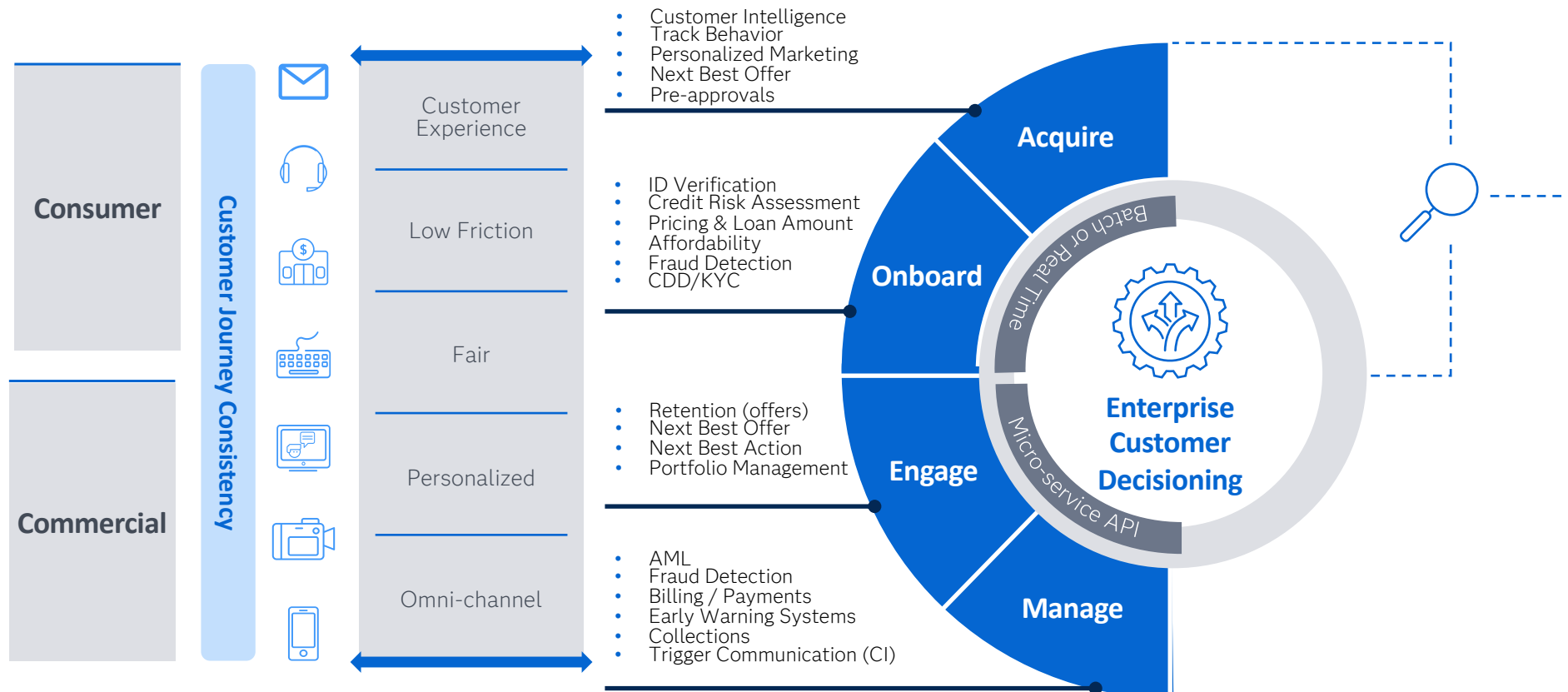
Customer Lifecycle Journeys



- Fraud
- Compliance
- Risk
- CI

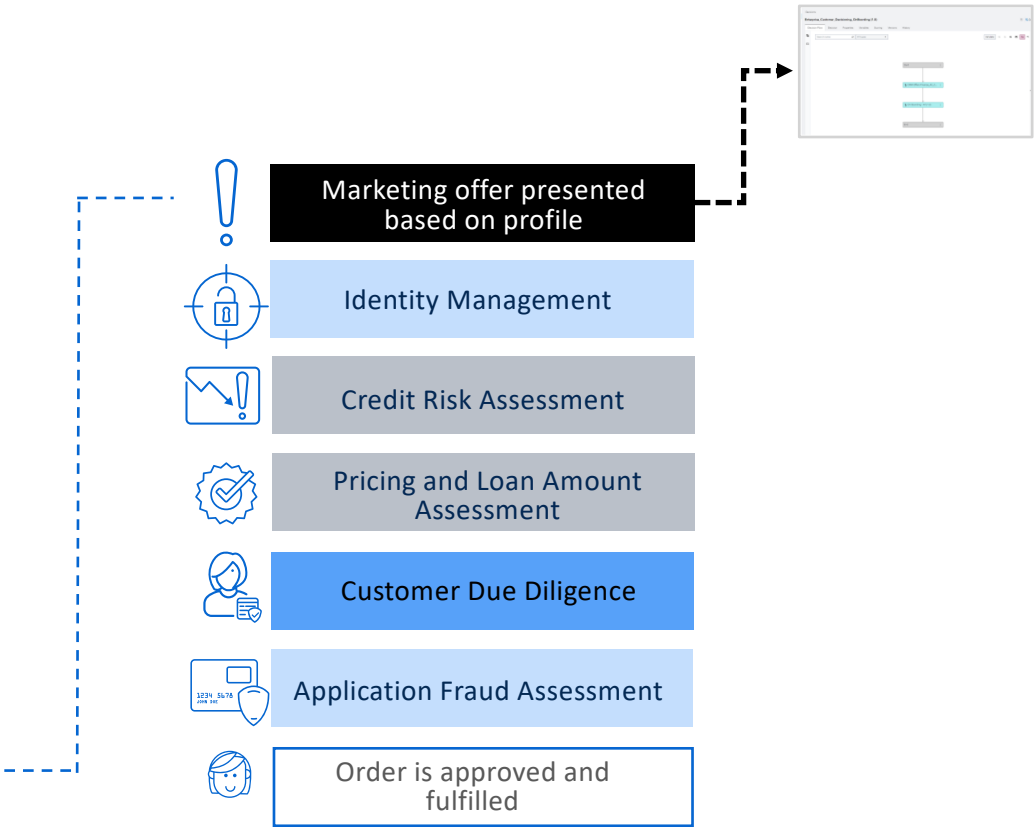
SAS Enterprise Customer Decisioning

Holistic decisions across the customer lifecycle





Case Study – Onboarding/Origination Journey



Enterprise_Customer_Decisioning_OnBoarding (1.0)

Decision Flow

Decision

Properties

Variables

Scoring

Versions

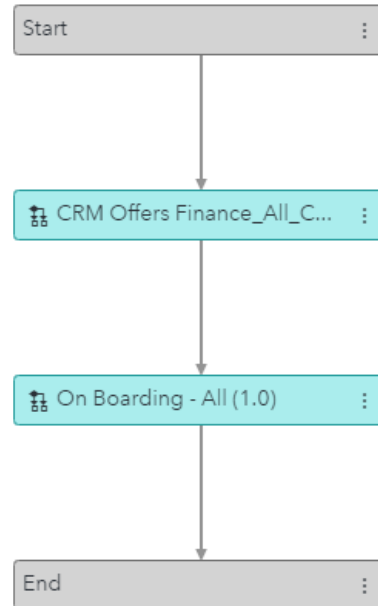
History



Search name 🔍

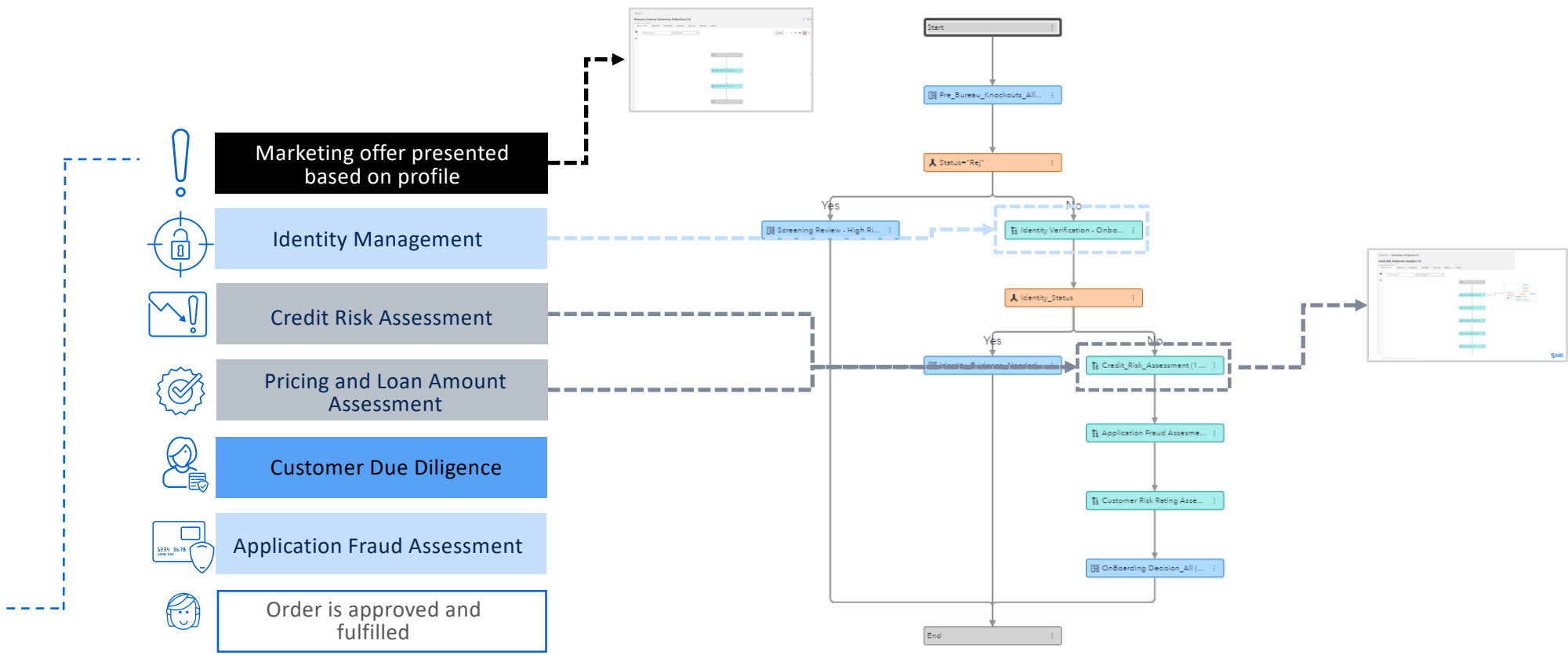
All types ▼

Validate



Case Study – Onboarding/Origination Journey

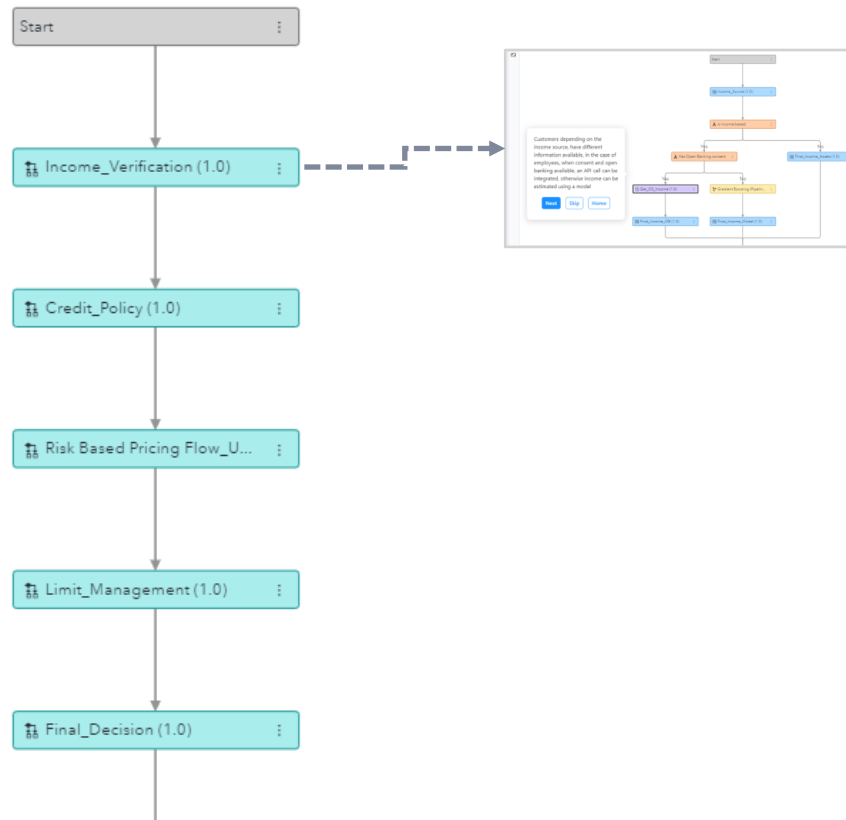
- Fraud
- Compliance
- Risk
- Marketing



Credit_Risk_Assessment_Updated (1.0)

Decision Flow Decision Properties Variables Scoring Versions History

Search name All types ▾



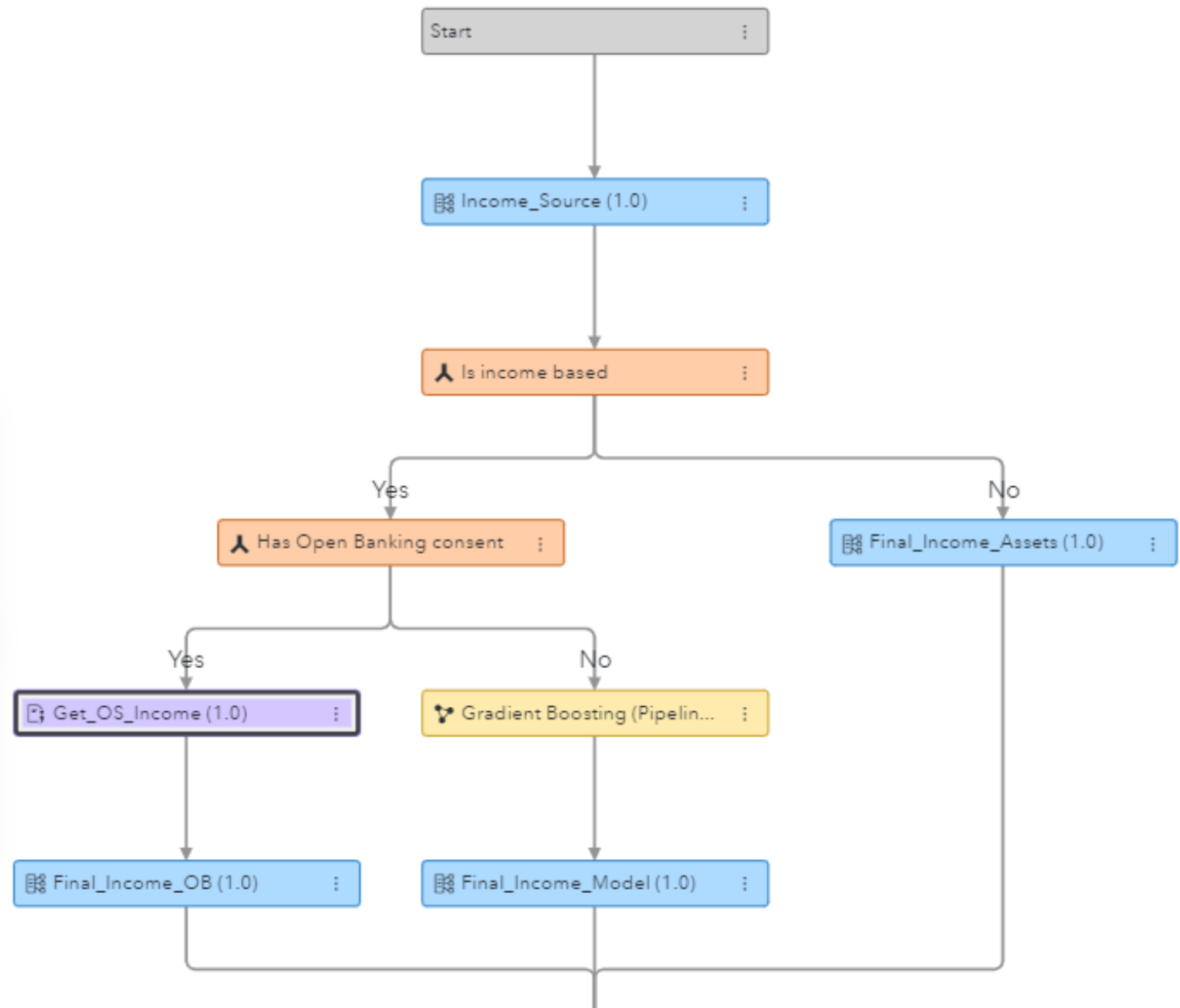


Customers depending on the income source, have different information available, in the case of employees, when consent and open banking available, an API call can be integrated, otherwise income can be estimated using a model

Next

Skip

Home



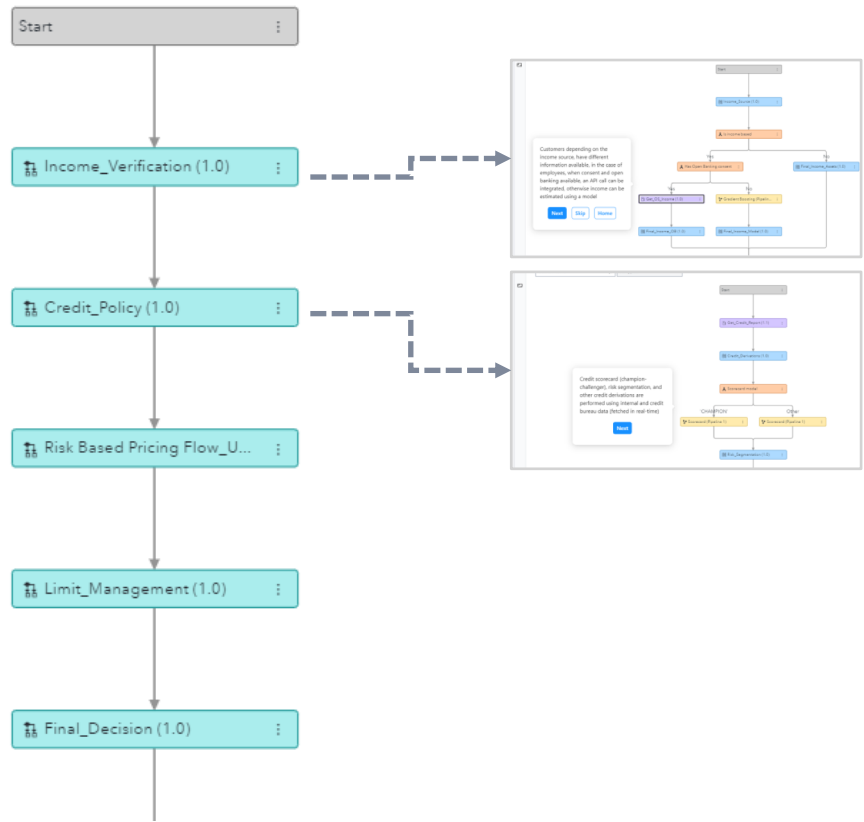
Credit_Risk_Assessment_Updated (1.0)

- Decision Flow
- Decision
- Properties
- Variables
- Scoring
- Versions
- History

Search name All types

Using the Credit Bureau information, income and application information the price and credit loan information is calculated

Next



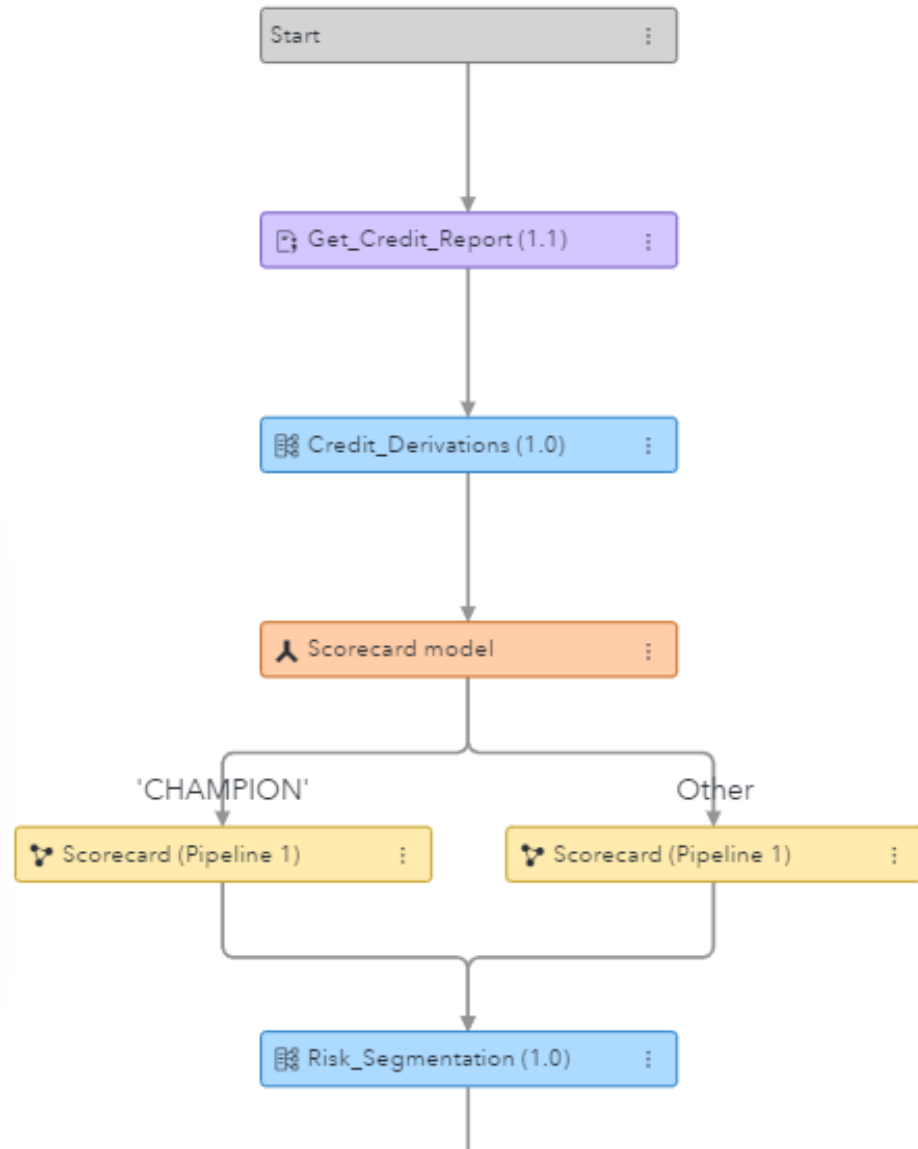
Search name

All types



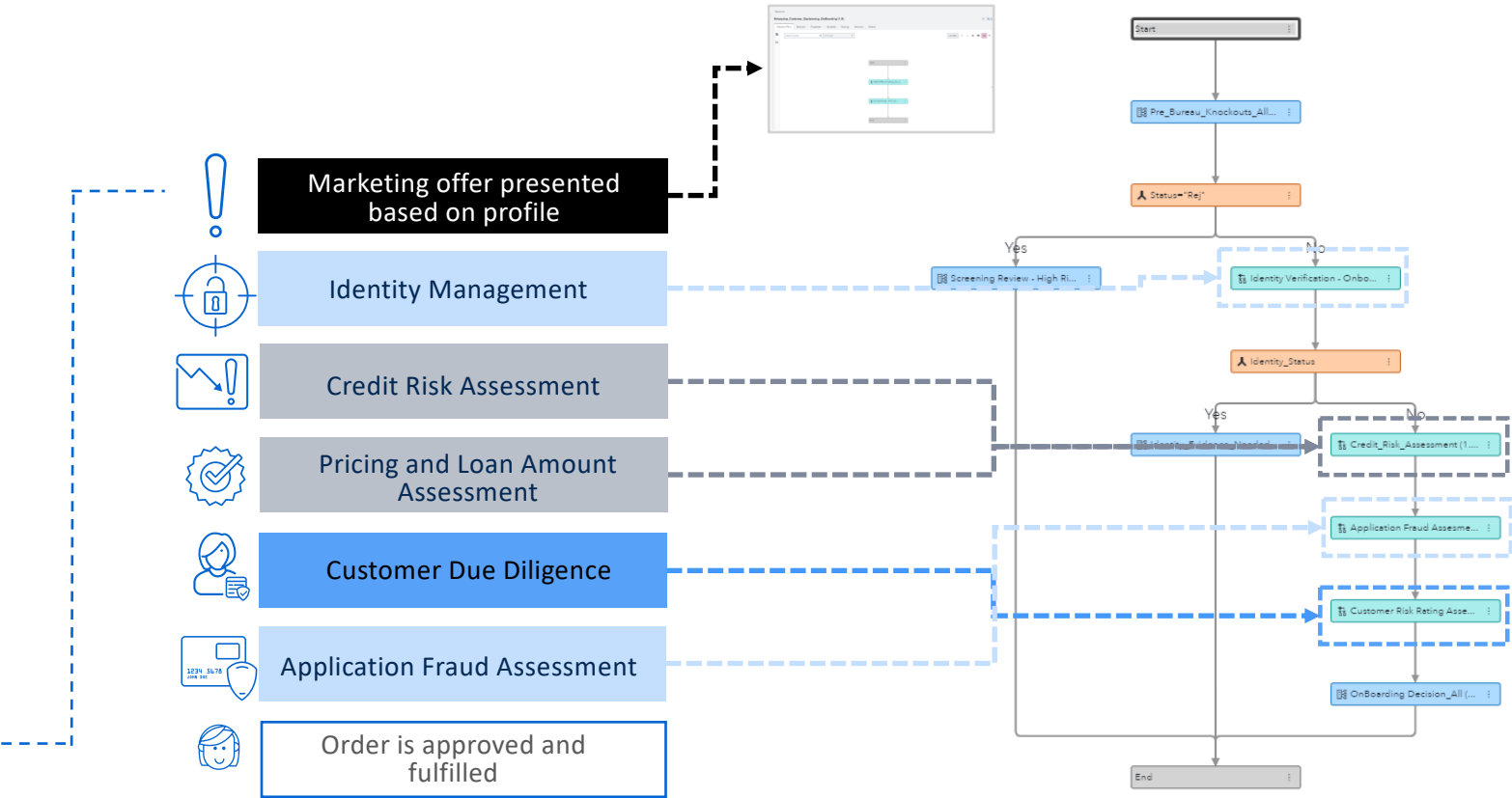
Credit scorecard (champion-challenger), risk segmentation, and other credit derivations are performed using internal and credit bureau data (fetched in real-time)

Next



Case Study – Onboarding/Origination Journey

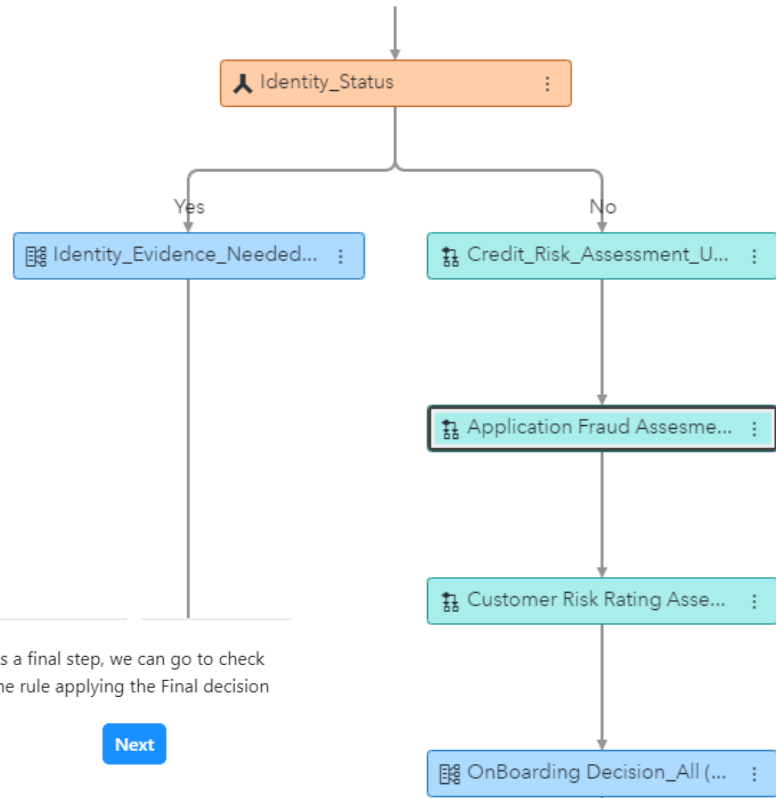
- Fraud
- Compliance
- Risk
- Marketing



On Boarding - All_Upgrade (1.0)

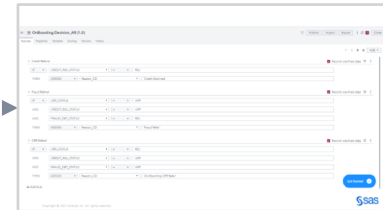
Decision Flow Decision Properties Variables Scoring Versions History

Search name All types ▾



As a final step, we can go to check the rule applying the Final decision

Next



↑ ↓ ↕ ⚡ Add ▾

▼ Credit Referral

Record rule-fired data ⓘ ⋮

IF ▾ CREDIT_RSK_STATUS ▾ = ▾ 'REJ'

THEN ASSIGN ▾ Reason_CD ▾ 'Credit Declined'

▼ Fraud Referral

Record rule-fired data ⓘ ⋮

IF ▾ CRR_STATUS ▾ = ▾ 'APP'

AND CREDIT_RSK_STATUS ▾ = ▾ 'APP'

AND FRAUD_DET_STATUS ▾ = ▾ 'REJ'

THEN ASSIGN ▾ Reason_CD ▾ 'Fraud Refer'

▼ CRR Referral

Record rule-fired data ⓘ ⋮

IF ▾ CRR_STATUS ▾ = ▾ 'REJ'

AND CREDIT_RSK_STATUS ▾ = ▾ 'APP'

AND FRAUD_DET_STATUS ▾ = ▾ 'APP'

THEN ASSIGN ▾ Reason_CD ▾ 'On-Boarding CRR Refer'

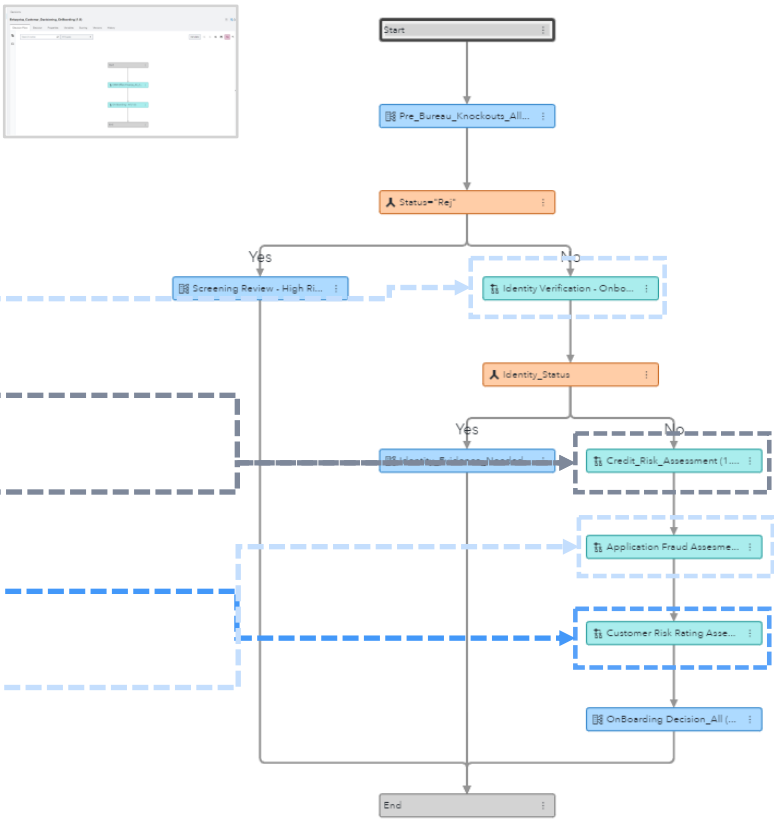
+ Add Rule

Get Started 2

Case Study – Onboarding/Origination Journey

- Fraud
- Compliance
- Risk
- Marketing

- Marketing offer presented based on profile**
- Identity Management**
- Credit Risk Assessment**
- Pricing and Loan Amount Assessment**
- Customer Due Diligence**
- Application Fraud Assessment**
- Order is approved and fulfilled**



Customer Case – Global Bank

Transform Credit Decisioning Across 64 Countries

Challenges

- Multiple, legacy systems supporting Credit Risk, Fraud Management and lifecycle decisioning
- Decentralized decisioning processes and workflows
- Siloed data, not used at its maximum value
- Limited analytical capability
- Inefficiencies led to higher costs in all areas
- Limited automation for straight-through-processing

Approach

- A single decision management system
- End-to-end, risk-based decisioning across all available product lines
- Real time decisioning
- Transactional analytics, AI and ML models
- Build data pipelines to integrate querying and scoring of data with the decision flows
- Model Ops including also multiple Open Sources

Results

- Streamlined credit origination processes
- Rapid and seamless online customer journeys
- Significant improvement in the time to decision
- 25% reduction in total cost of operations
- Reduced time to deploy models and hence reduced IT costs
- Expected ROI of 10 times investment



Customer Case – Global Bank

The Why?

BUSINESS DRIVERS



- Reduce time to value
- Accelerate growth in secured and unsecured lending
- Reduce costs and improve efficiency

ENHANCED CAPABILITIES



- Quickly adapt to market and customer changes
- Accelerate assessment of customer risk
- Automate or minimise touchpoints within core customer journeys

SAMPLE BENEFITS



- Uplift in acceptance rates
- Uplift in straight through processing
- Reduction in loan defaults

Customer Case – Global Bank

The What?

LEGACY POSITION



- Months to implement new strategies and business rules
- Disparate solutions and software versions
- Unable to leverage new data and modelling

ENHANCED CAPABILITIES



- More data points used within decisions
- CLM strategies massively simplified
- New strategies implemented in minutes rather than months

SOLUTION DELIVERED



- Standard patterns rolled out in hubs
- Underpinned by SAS ID inc. Open Source integration
- Dedicated training and enablement portal


Customer Case – Global Bank

What's next?




EXTENDED FOCUS

- Implement in more customer processes
- Extend multi-channel scenarios
- Adoption within other business units



INGEST MORE DATA

- Real-time ingestion
- Integration and enrichment
- Entity resolution and network analysis



CONTINUE TO EVOLVE

- Focus on enabling agile delivery
- Flexible framework to enable continuous integration of new data and new models
- Ongoing optimisation

KPIs from other Customer Cases

Performance

- Increased automation
- Simplified technology integration
- Reduced friction
- Scalability
- Batch, real-time or in stream
- Access data anywhere

Result

- STP increases **25%**
- Credit decisions in **5 minutes**
- Loan applications **24x7**

Productivity

- Reduced resource skillset requirements
- Improved collaboration across business units and use cases
- Intuitive and unified user experience
- Repeatable objects supporting reuse
- Easily embed AI models to drive more accurate decisions

Result

- Strategy changes increase **37%** driving average revenue
- **10%** uplift in sales
- Time-to-production: **6 months to minutes**
- Approval time: **2-3 weeks to 2-3 days**
- Time to cash: **days to minutes**

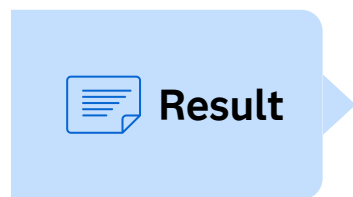
Trust

- Complete audit trail of decisions across all customer interactions
- Data lineage
- Model explainability
- Support GDPR compliance
- Support regulatory compliance

Result

- **Compliant with regulation**, no losses due to fines
- **Trusted by customers**

Recap Main Benefits for the Bank



Manage the entire **customer life cycle** allowing a **customer centric approach**

Anselmo Marmonti

anselmo.marmonti@sas.com

Alida Popescu

alida.popescu@sas.com

