

A credit agency rolls out customized solutions in hours instead of weeks

IBM software helps enable customers to implement new business policies faster

Overview

The need

A credit agency wanted to improve its decision management processes to help increase the value of the products and services it offers its customers.

The solution

The agency used IBM Operational Decision Management software to create a solution that gives customers greater control over business rules.

The benefit

The agency's customers can now make policy changes within hours instead of weeks, while the agency itself decreased by 88 percent the amount of time required to create credit assessment reports.

This organization is a consumer credit reporting agency with operations in North America, Europe and Latin America. It uses information from several external sources to create information-based products and services for financial institutions, corporations, governments and individuals.

Assisting companies with making better business decisions

The credit agency continuously strives to help its customers make better business decisions. For example, in addition to providing credit ratings, it wanted to be able to offer its customers, such as credit card companies and banks, more effective and targeted up-sell and cross-sell suggestions for consumers based on their recent financial history. In addition, The agency wanted the ability to stay on top of consumers' financial ratings after they received credit to help minimize risk for the lender.

A key challenge in developing the agency's systems, says the vice president of product development at the agency, involves "giving our customers the ability to rapidly make the changes that they're looking for and to optimize those changes after coming up with their credit risk decisioning policy. This improves their hit rates, improves the products that they're selling and increases their revenue for the products that they're offering."

The organization wanted to implement a decision management solution that could enable it to quickly add or change its customers' policy rules, reducing the amount of time and development effort required. "In a rapidly changing, competitive environment, customers want to be able to introduce changes relatively quickly," says the vice president of product development.



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—Vice president of product development,
credit agency

Helping enable better automated decision making

The agency considered solutions from several vendors. “What brought our attention to the IBM product, which is now called IBM Operational Decision Management, was the richness of the UI and its ability to support not only the technical user but the end user,” says the vice president. “And that was very important to us because we wanted to be able to push the policy out to our end users to give them that level of control without having IT involved.”

The product development team did further research into the IBM Operational Decision Management software, formerly known as IBM® WebSphere® ILOG® JRules software, and decided to perform a proof of concept (POC) with it. “At the time, our team was only probably about five individuals, and we built a POC within two months, end to end, to show upper management the possibilities of what we can do,” says the vice president.

The agency then used the IBM Operational Decision Management software to create a business rules solution that can enable better automated decision making. Using the solution, the organization created two workflows for the analytical algorithms it uses to analyze an applicant’s eligibility for a checking account. The “champion” workflow includes tested, proven algorithms, and the “challenger” workflow contains new algorithms that need to be assessed. As the agency receives requests for credit checks, a small percentage of these requests is then sent to the challenger flow to help test the new algorithms. The system collects data on how the algorithms within the challenger and champion workflows are performing. The agency can then decide to remove algorithms from the challenger flow or, if the challenger flow is outperforming the champion flow, the company can switch to the more effective challenger flow. The IBM platform makes it easy for business users to make these changes themselves without involving IT.

Generating more useful reports to continuously validate credit

To help its customers continuously validate their consumers’ credit ratings, the agency used the software to automatically compile monthly batch files that contain consumer and account records for the customers’

Solution components

Software

- IBM Operational Decision Management
-

loan product portfolio. These reports are sent to one of the company's external partners, which appends credit data and credit scores. These reports help the agency's customers gain visibility into their consumers' current credit profiles so they can make more informed decisions about whether each consumer should have its credit increased or decreased. In addition, the reports help companies deliver more appropriate offers to their consumers.

Using audit reports generated by the IBM application along with internal business intelligence (BI) tools for custom reporting, the agency reduced the time required to go through this process from 45 business days to just five days. In addition, because the process is automated, it now requires fewer resources to support. This dramatic decrease in turnaround time to create the reports enabled agency customers to develop more aggressive risk strategies and customer interactions. The reports also help customers identify cross-sell opportunities.

Giving customers greater control

With greater control over their business rules, the agency's customers are now able to quickly introduce changes to their credit risk decisioning processes. In the past, it might take three to four weeks to implement a process change. Using the IBM Operational Decision Management application, it now takes anywhere from five minutes to a day. The agency has been able to use the solution as a selling point with potential customers. "I think that's what gave us the competitive edge," says the vice president. "A natural language syntax, easy for the risk policy manager on the customer end to understand, and their ability and control to push those changes in production without having IT involved were the differentiators."

The solution also helped the agency reduce its development time. In the past, it took approximately six to eight weeks to build a solution for a new customer. Using the IBM Operational Decision Management platform, the agency created reusable business rules. These rules can be quickly configured for new customers and deployed within about five days.

For more information

To learn more about IBM Operational Decision Management software, please contact your IBM marketing representative or IBM Business Partner, or visit the following website:

ibm.com/operational-decision-management

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