PowerCurve Strategy Management
EMEA PCSM User Webinar

Customer Value Management Strategies:

360° Customer Assessment and Decision Making

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Customer Value Management

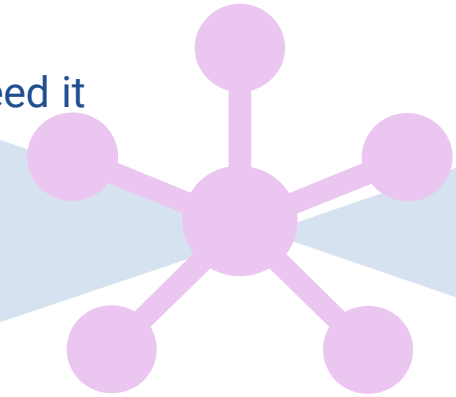
Customer value management strategies
help you make better,
‘in the moment’ decisions
powered by the
whole customer context.

Customer Insight / 360° Perspective → Focused Customer Management

Understand Customer in Order to Meet Customer Expectations

Customer Expectations

- Understand and treat me like an individual. I am unique
- Anticipate what I need & offer it when I need it
- Make it easy to deal with you
- Treat me fairly and transparently
- Help me achieve my goals



Client Challenges

- Predicting and monitoring changes in affordability & vulnerability
- Liberating Data, Insight and Knowledge from untapped Silos
- Understanding and making decisions on future lifetime value as well as risk
- Understanding & responding to changes in sentiment and satisfaction
- Making the most of open data and alternative data source
- Creating market-leading, automated digital customer journeys

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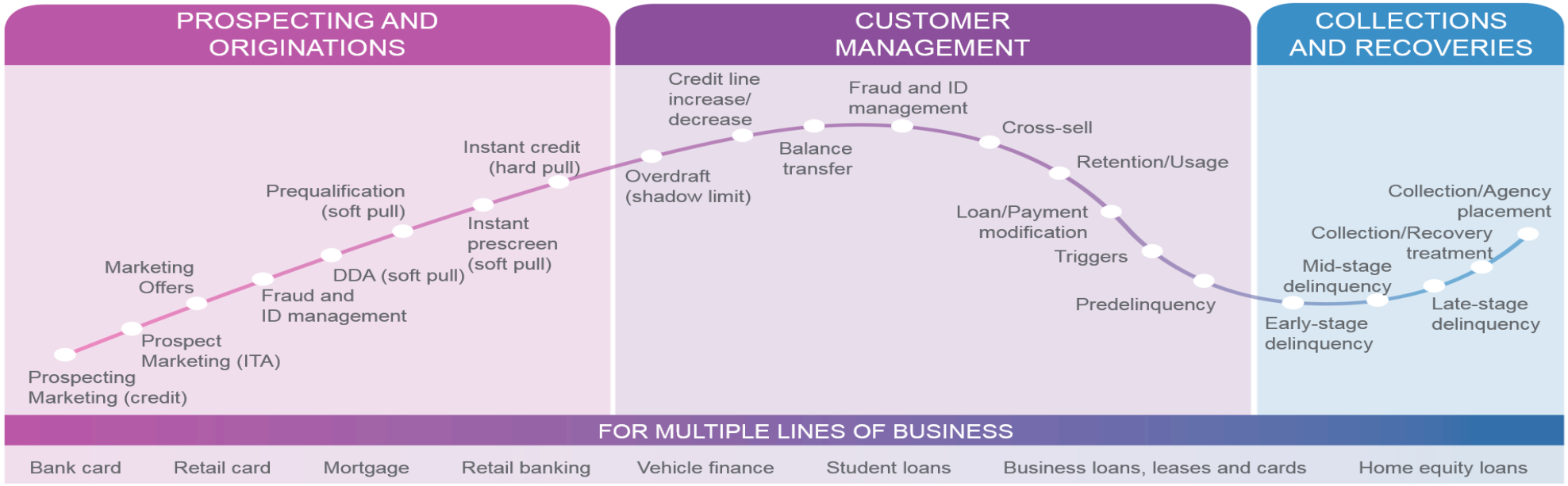
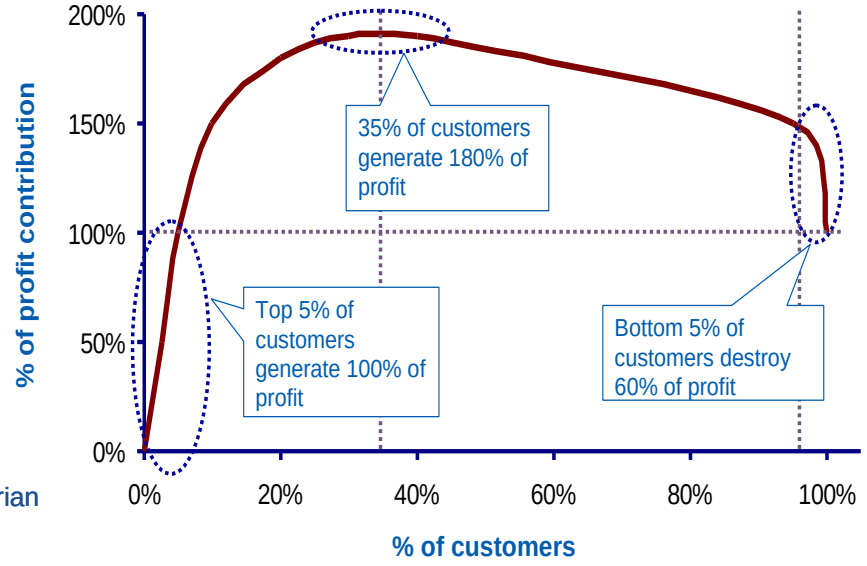
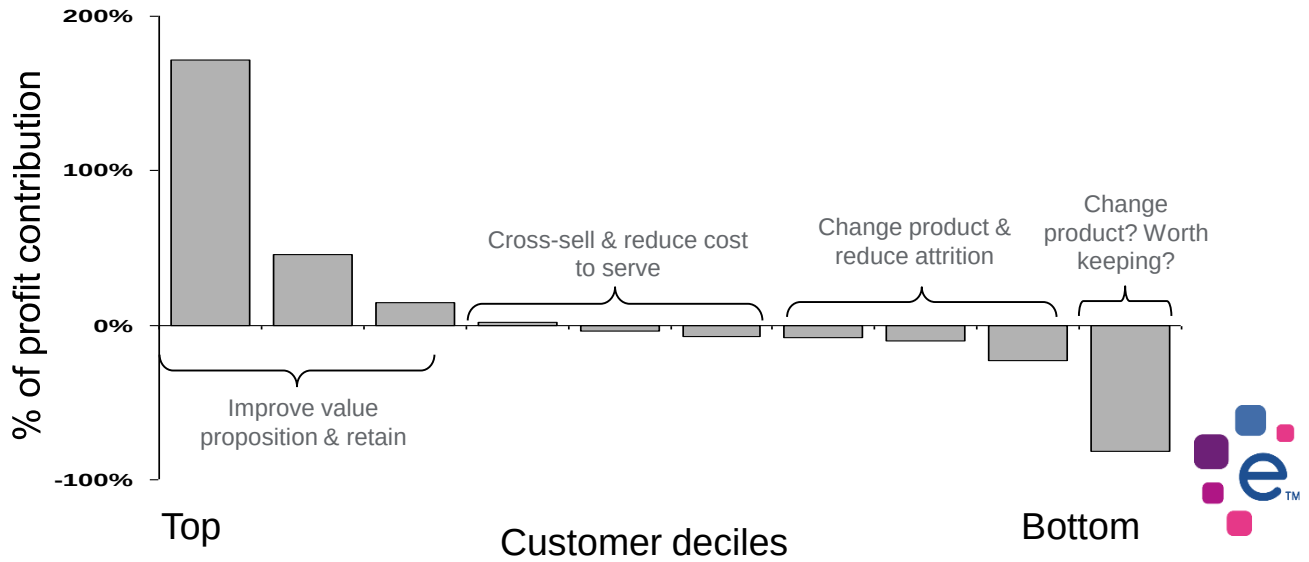
What do we mean by CVM and why is it important?







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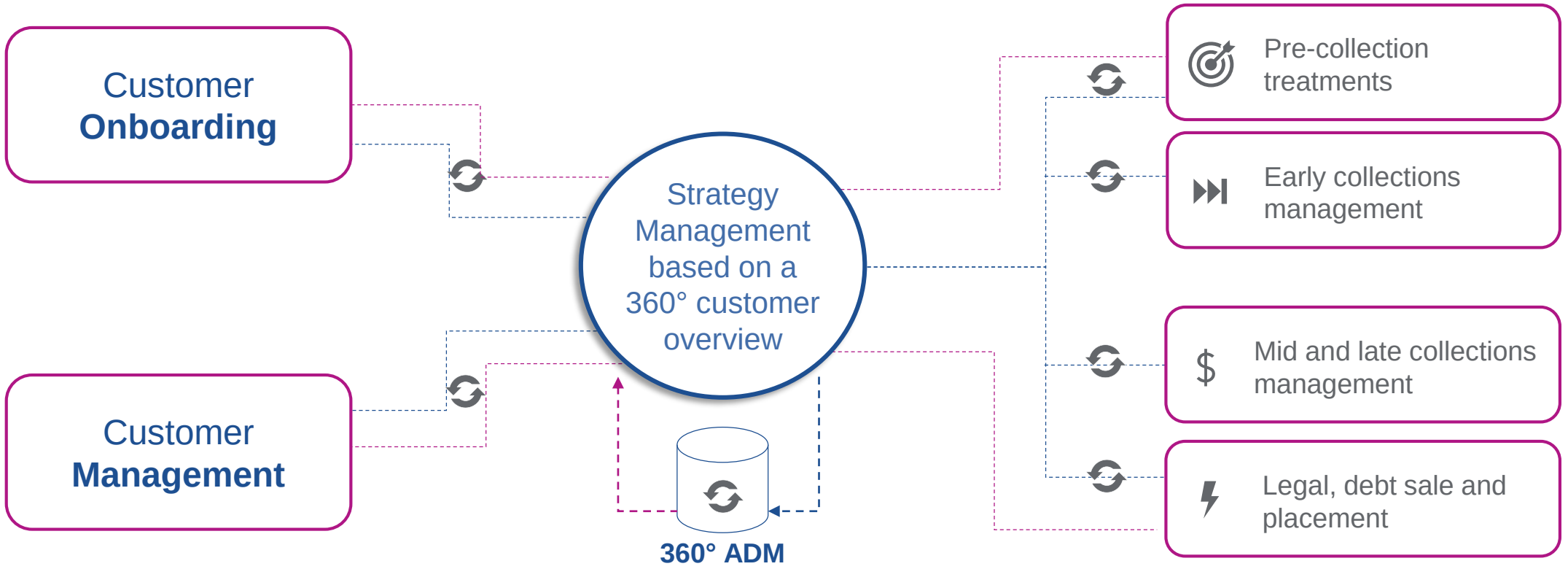
PCSM allows for end-to-end decision automation

Strategy optimisation based on a 360° customer overview is at the heart of customer value management. It monitors the customer holistically and allows you to continually adjust and improve individual/overall strategies



Workflow systems across the customer life cycle ensure
good quality data is captured, consolidated, enriched and standardised

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Decision Making in Customer Management

Use Case: How PCSM Strategies feed Customer Centricity (CRM view)

Customer Profile

CUSTOMER Level Insight

Assessment

RISK	VALUE	FRAUD
3 - Risk Grade	2 - Lifetime Value	2 - ID/Acc. Protection
5 - Current Status	6 - Current Value	1 - ID Verification (KYC)
6 - Strength of Rel.ship	7 - Share of Wallet	3 - Digital Biometrics
3 - Early Warning	5 - Early Warning	5 - Device Check
3 - Credit Bureau 1	T - Life Style Group	2 - Fraud Pattern Check
0 - Credit Bureau 2	K - Target Group	
2 - Risk Grade OB	2 - Potential Value OB	
0 - Web Risk Grade (SME)	0 - Web Assessment SME	
B - Risk Profile	F - Value Profile	

- PD % 1.34
- EAD 9 321
- LGD % 93.0

Decisions & Treatment

Estimates

Preapproved Limit	5 400
Income Estimate	2 350
Free Spending Capacity	345
Next Best Offer	Overdraft

RISK & FRAUD

EW07 – Confirm Income
KYC1 – Request income slip

VALUE

MX08 – Propose Overdraft
MM07 – Propose Salary transfer
MR01 – Renew Credit Card

ACCOUNT Level Insight

GROUP Level Insight

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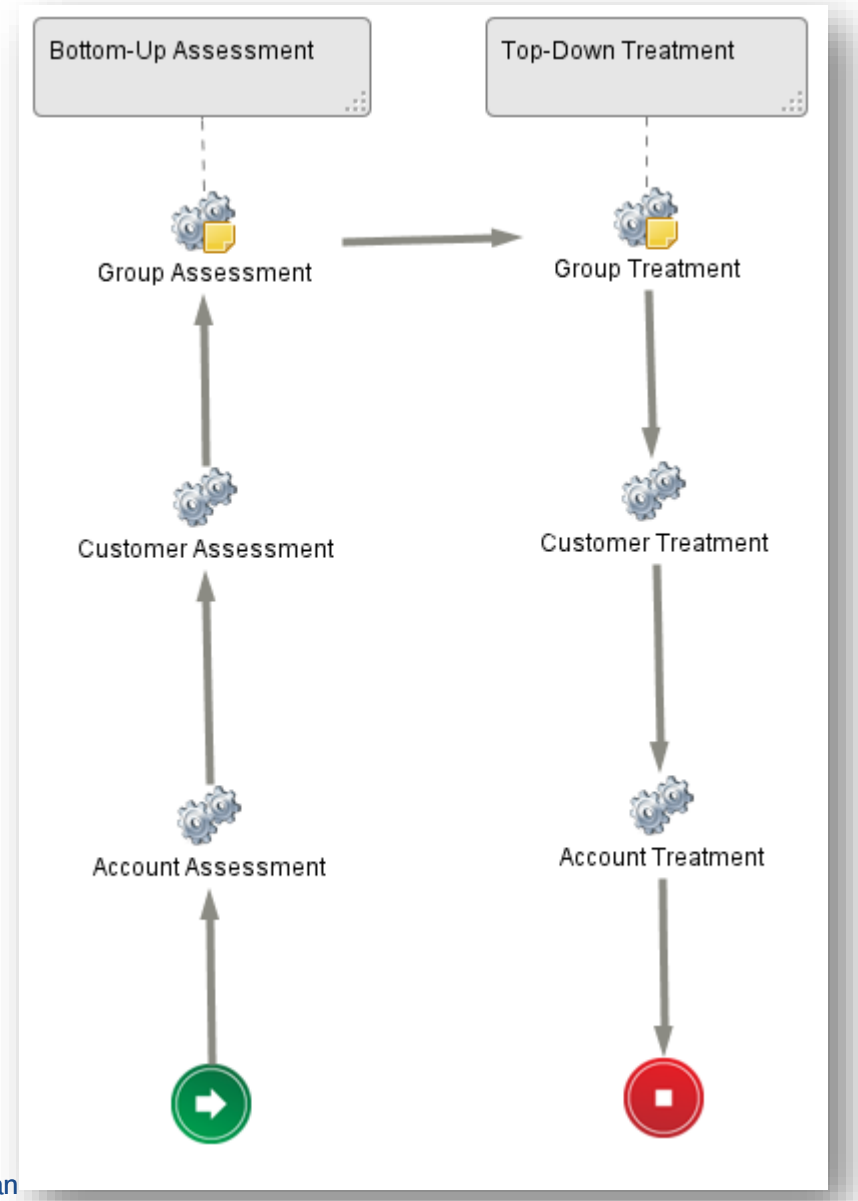
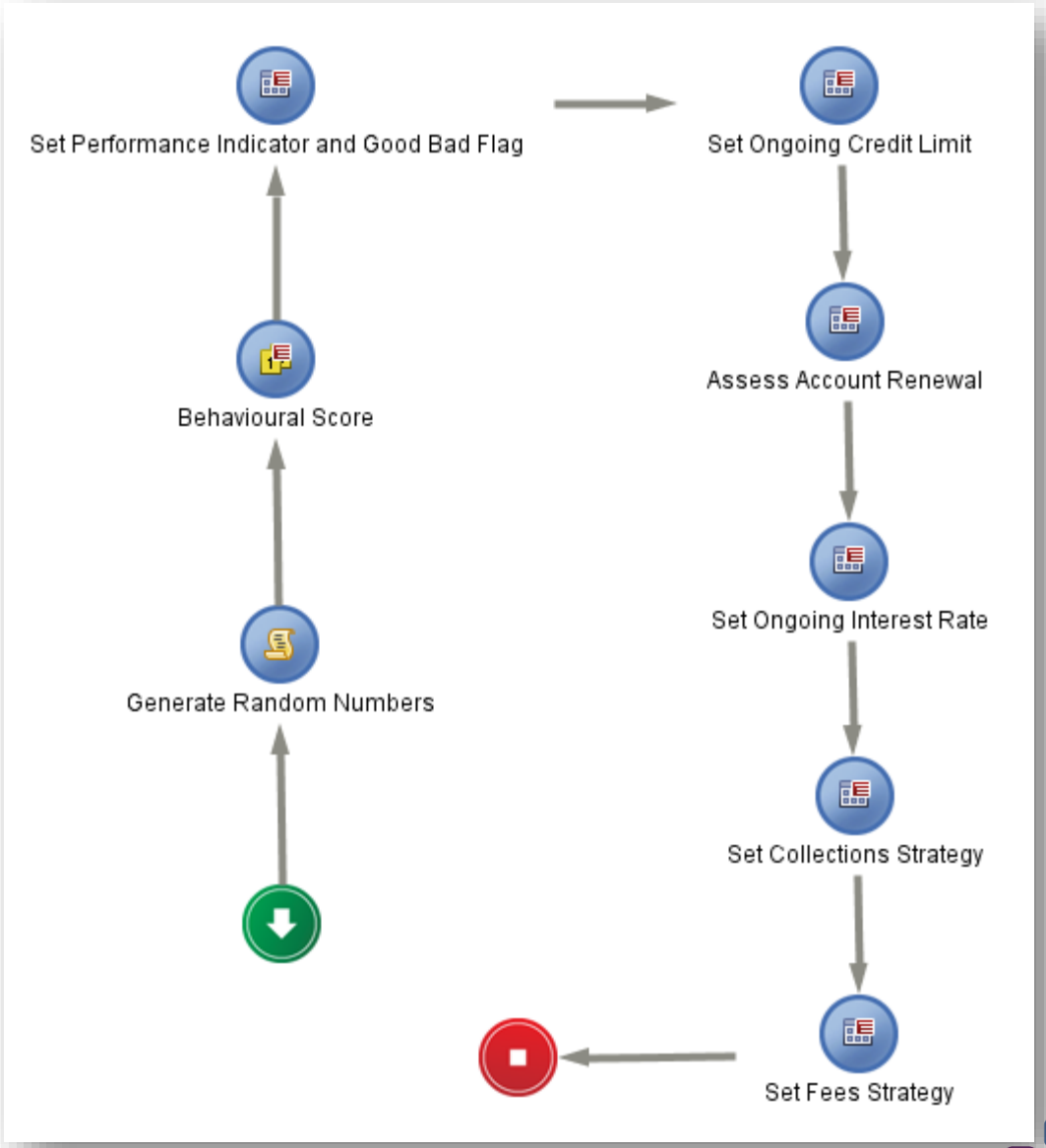
Example Approach: Customer Value Management Strategies - Demo

PCSM Demonstration screenshots





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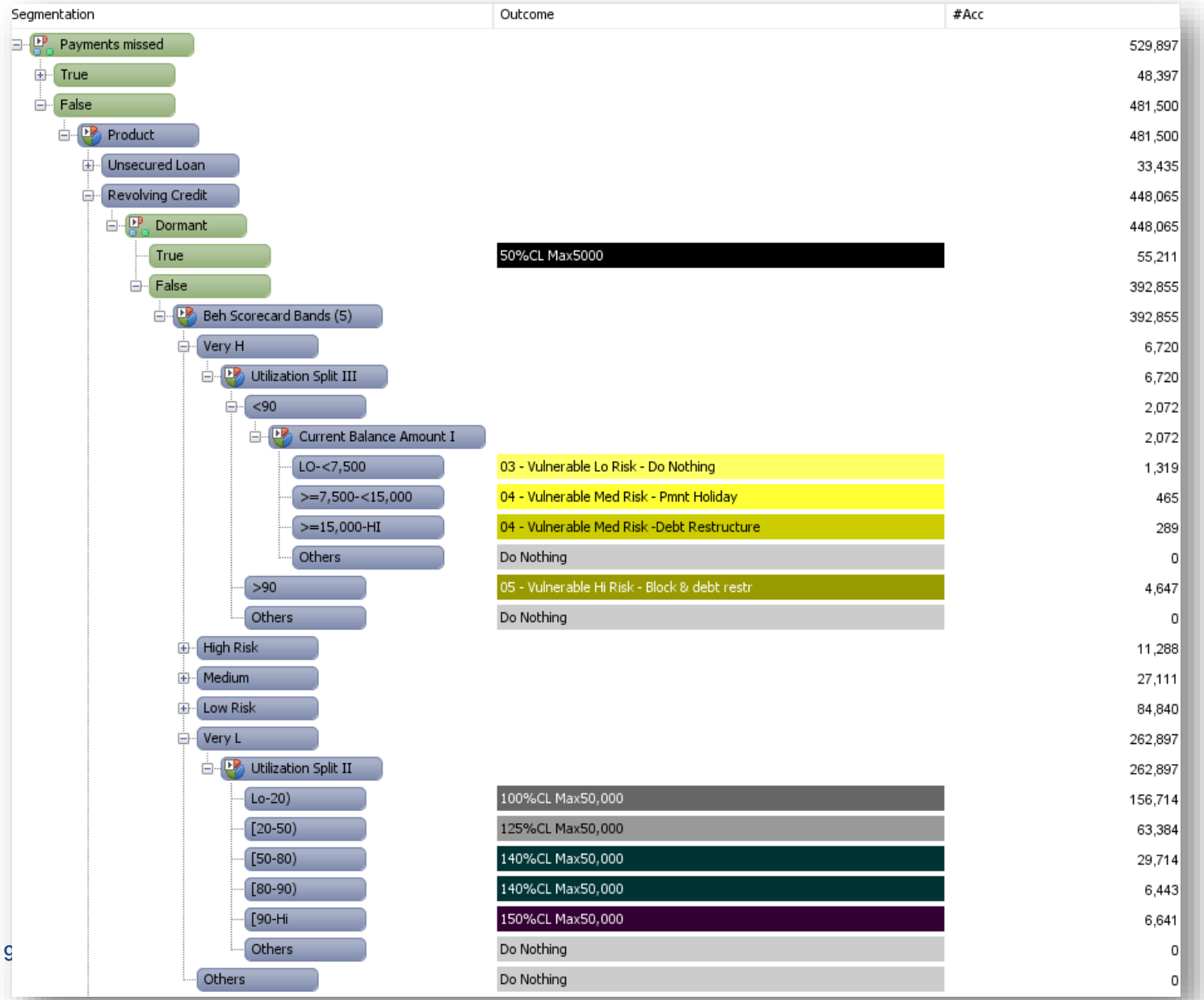
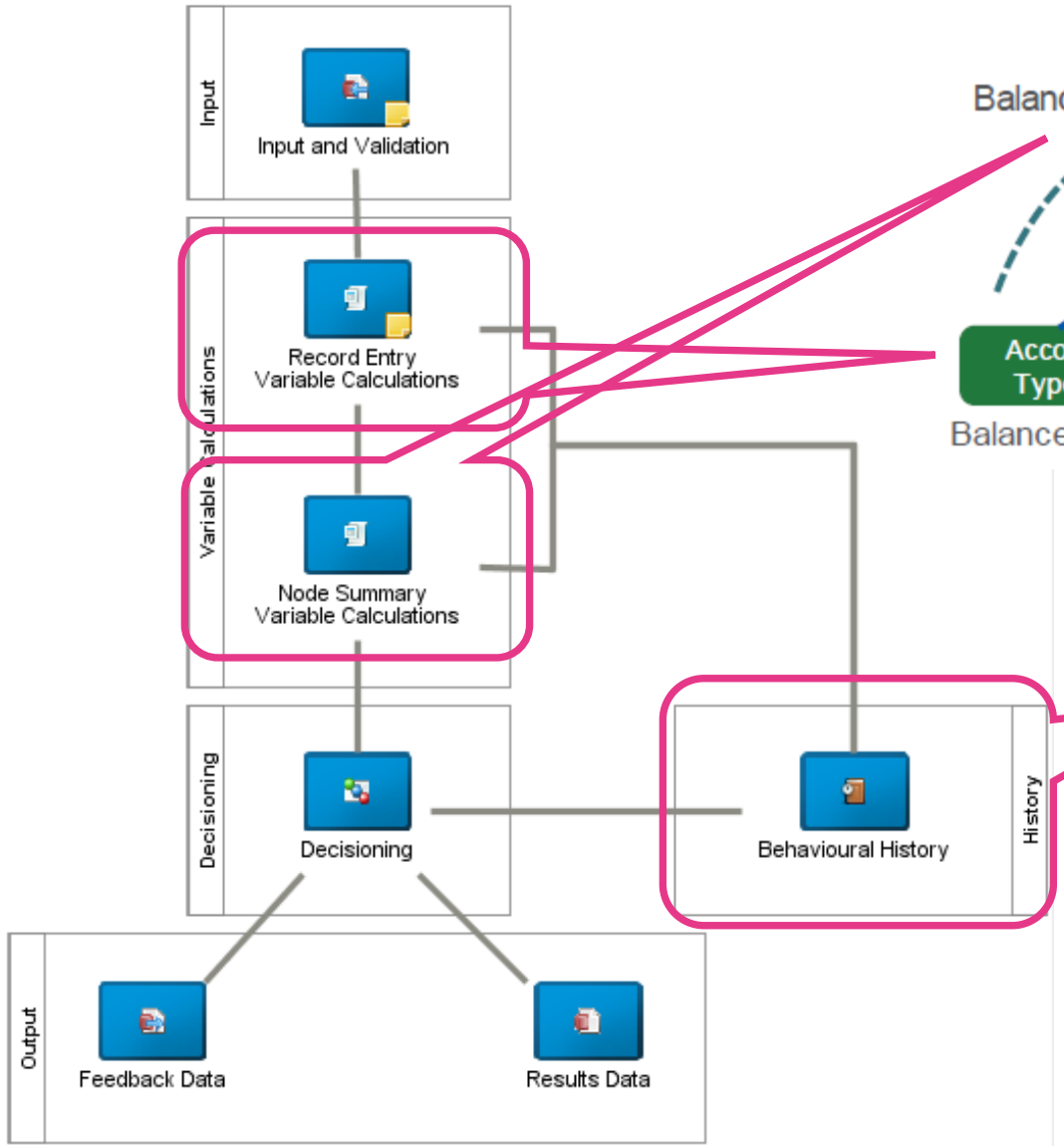
PCSM Demonstration screenshot

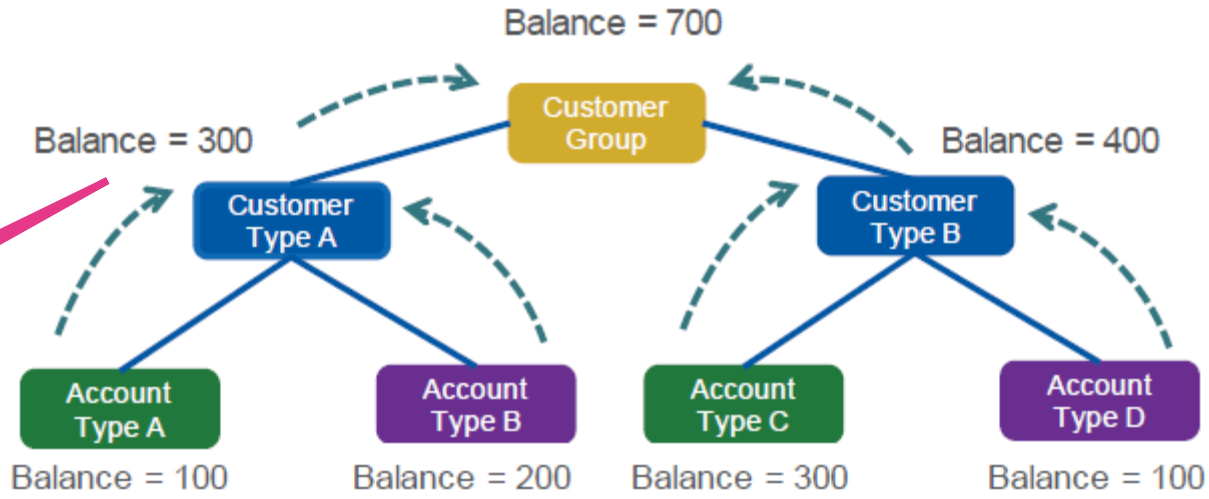


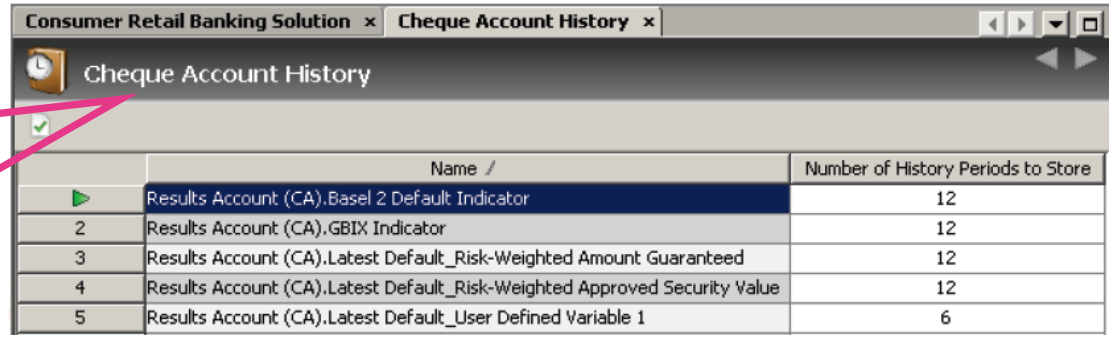
Segmentation	Outcome	#Acc
Payments missed		529,897
True		48,397
False		481,500
Product		481,500
Unsecured Loan		33,435
Revolving Credit		448,065
Dormant		448,065
True	50%CL Max5000	55,211
False		392,855
Beh Scorecard Bands (5)		392,855
Very H		6,720
Utilization Split III		6,720
<90		2,072
Current Balance Amount I		2,072
LO-<7,500	03 - Vulnerable Lo Risk - Do Nothing	1,319
>=7,500-<15,000	04 - Vulnerable Med Risk - Pmnt Holiday	465
>=15,000-HI	04 - Vulnerable Med Risk -Debt Restructure	289
Others	Do Nothing	0
>90	05 - Vulnerable Hi Risk - Block & debt restr	4,647
Others	Do Nothing	0
High Risk		11,288
Medium		27,111
Low Risk		84,840
Very L		262,897
Utilization Split II		262,897
Lo-20)	100%CL Max50,000	156,714
[20-50)	125%CL Max50,000	63,384
[50-80)	140%CL Max50,000	29,714
[80-90)	140%CL Max50,000	6,443
[90-Hi	150%CL Max50,000	6,641
Others	Do Nothing	0
Others	Do Nothing	0

How to bring Customer Value Management to Life

Customer Management Workflow







	Name	Number of History Periods to Store
▶	Results Account (CA).Basel 2 Default Indicator	12
2	Results Account (CA).GBIX Indicator	12
3	Results Account (CA).Latest Default_Risk-Weighted Amount Guaranteed	12
4	Results Account (CA).Latest Default_Risk-Weighted Approved Security Value	12
5	Results Account (CA).Latest Default_User Defined Variable 1	6

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Thank You!