PowerCurve™ Strategy Management

Data Insight: Assisted Strategy Design

29 April 2020

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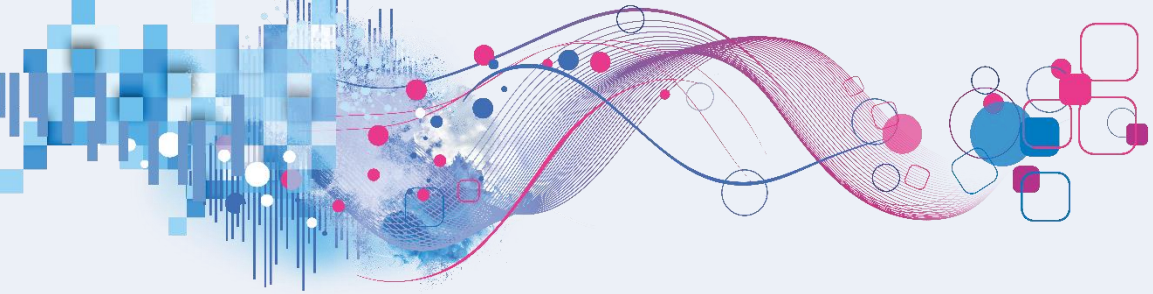

Agenda

1. **What is Assisted Strategy Design (ASD)**
2. When to use ASD
3. Demo
4. Tips and tricks
5. Questions

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What is ASD?

PowerCurve™ Assisted Strategy Design

With the help of PowerCurve's **built in optimization engine**, we can **interactively simulate & develop** new **automated decision strategies** across the entire customer life cycle

Segmentation	Outcome	#Applications	# Non Payer	Non Payer Rate	Average Balance at 6M	Sum Profit 6M
PoB Risk Score <= 550		33,912	685	2.02 %	720.82	-1,343,682.43
TRUE	Decline S002	100	1	1.00 %	114.88	-2,859.83
FALSE		33,812	684	2.02 %	722.61	-1,340,822.60
PoB Risk Index 1 1		33,812	684	2.02 %	722.61	-1,340,822.60
1	Accept A001	0	0	N/A	N/A	0.00
2	Accept A002	874	20	2.29 %	200.09	-47,050.34
3	Accept A003	5,219	346	6.63 %	655.64	-927,713.43
4	Accept A004	7,378	234	3.17 %	722.32	-699,822.41
5	Accept A005	9,624	54	0.56 %	874.53	16,950.63
6	Accept A006	10,454	30	0.29 %	676.20	315,764.61

Hide Measures

Outcomes

	Outcome Name	Colour	Active	Decision Se...	#Applications	# Non Payer	Non Payer Rate	Average Balance at 6M	Sum Profit 6M
1	Decline S002		✓	Decline S002	100	1	1.00 %	114.88	-2,859.83
2	Accept A001		✓	Accept A001	263	0	0.00 %	81.47	1,048.34
3	Accept A002		✓	Accept A002	874	20	2.29 %	200.09	-47,050.34
4	Accept A003		✓	Accept A003	5,219	346	6.63 %	655.64	-927,713.43
5	Accept A004		✓	Accept A004	7,378	234	3.17 %	722.32	-699,822.41
6	Accept A005		✓	Accept A005	9,624	54	0.56 %	874.53	16,950.63
7	Accept A006		✓	Accept A006	10,454	30	0.29 %	676.20	315,764.61

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PowerCurve™ Assisted Strategy Design

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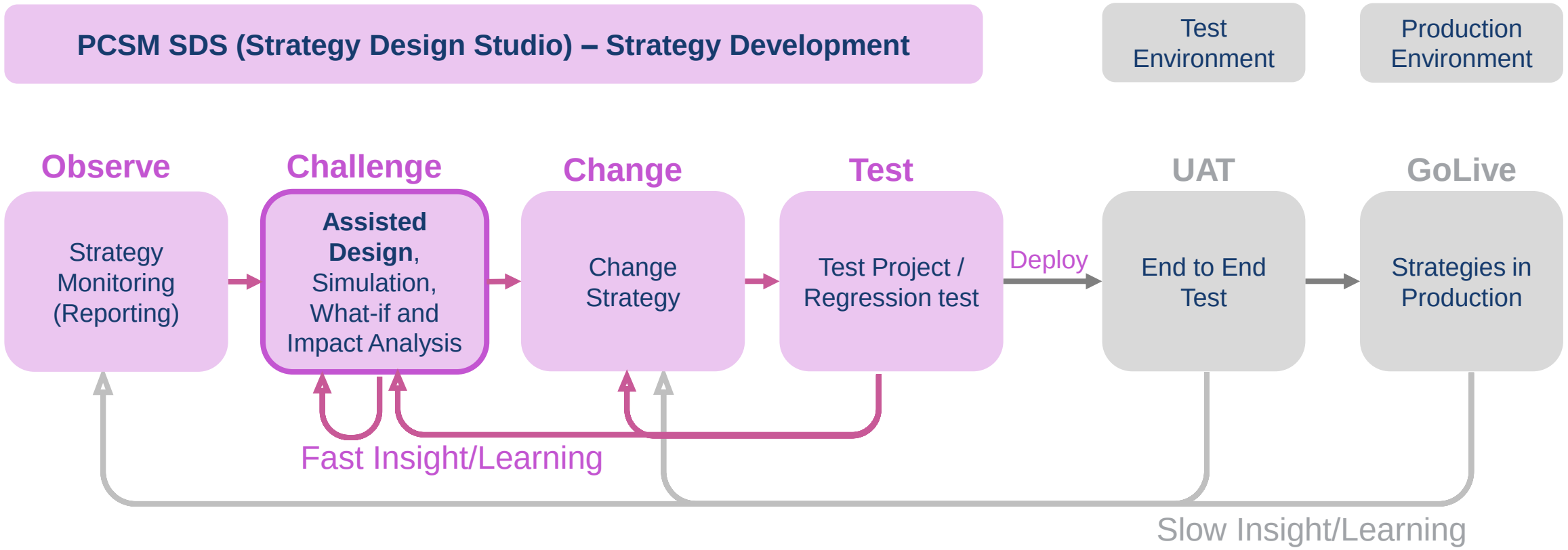
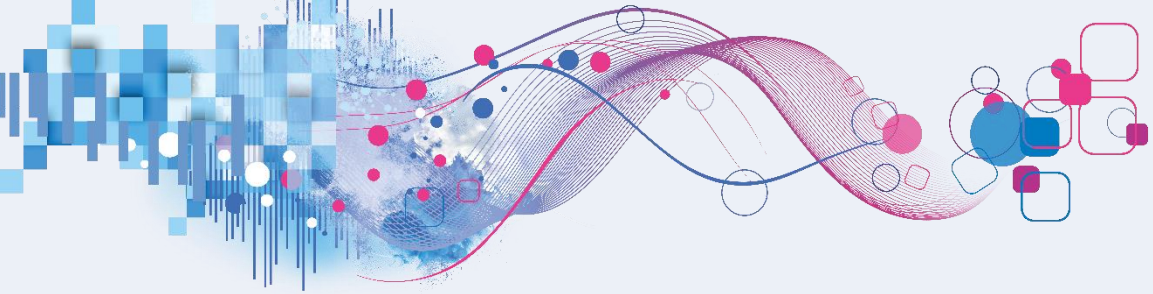
How does it integrate?





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Adapting customer experience in the time of coronavirus

Four actions can address immediate customer needs and prepare for the future.

Focus on care and concern

- Reach out, but with support, not marketing
- Make a priority of employees and community
- Stay true to company purpose and values

Meet your customers where they are

- Innovate digital models to help customers weather the crisis safely from home
- Expand home delivery options
- Consider contactless operations

Reimagine the post-COVID-19 world

- Economic hard times will force cost cuts
- Migrate customers to digital channels to save money and boost satisfaction
- Brick and mortar stores may look very different post-crisis

Build agile capabilities for fluid times

- Tap social media, not surveys, for quick customer readings
- Solicit employees for ear-to-the-ground insights
- Save time with "test and scale" labs
- Pay attention to "failure modes" indicating that you've missed customer signals

McKinsey & Company

https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/adapting-customer-experience-in-the-time-of-coronavirus

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Covid-19 Related Examples for ASD

Originations

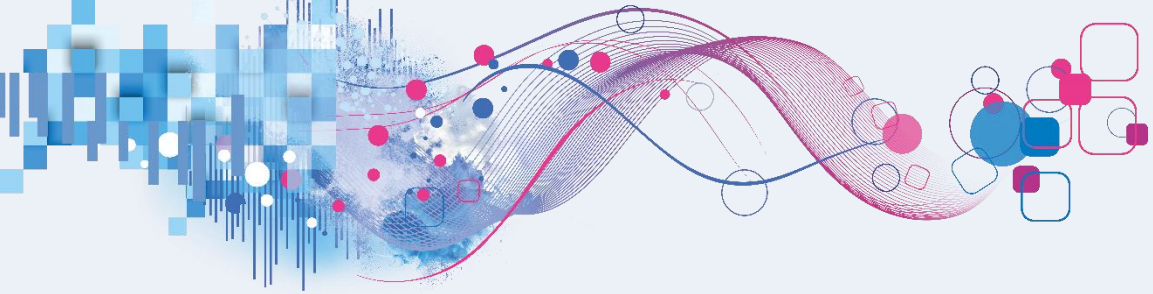
- Impact of shift in applicants profiles (population distribution)
- What-if analysis for reduced income due to part time work
- Model adaptations with next best split
- Impact on portfolio profitability (temporary interest rate caps, increased ECL)

Customer Management

- Impact on behaviour score distribution
- What-if analysis for limit management affected by reduced income (part time work)
- Apply next best split for improved limit allocation
- Simulation and impact analysis of new early waring indicators
- Payment Moratoriums

Collections

- Impact on manual and automated collections actions
- Next best split for quick fix of segmentation models with focus on automated routes
- What-if analysis to control manual collections workload



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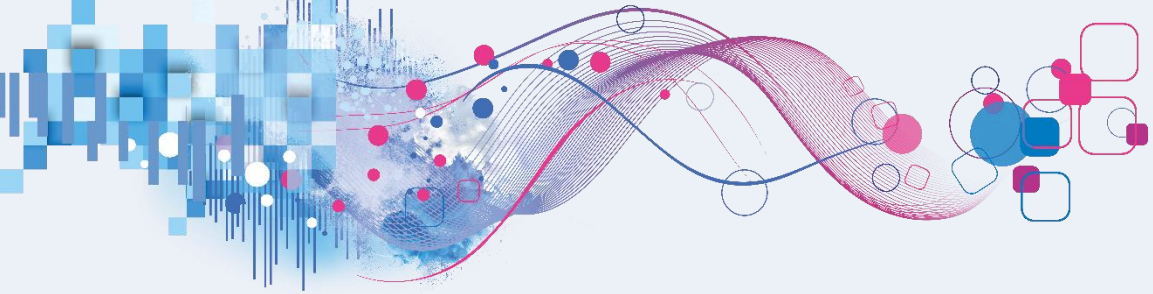

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ASD in practice

1
Sample preparation
Observation & Outcome/Target, Meta data, Nulls

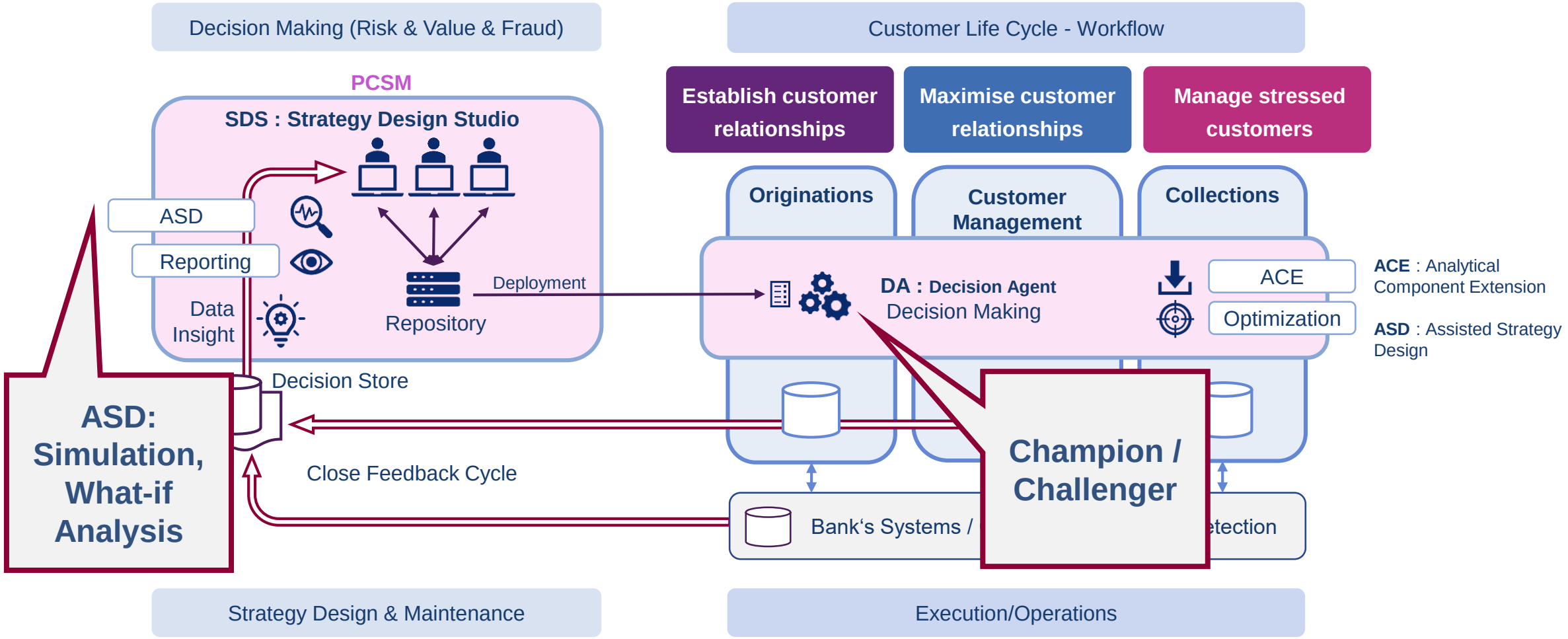
2
System Setup
ASD Project, Measures, Logical Data Set/Data Model Project

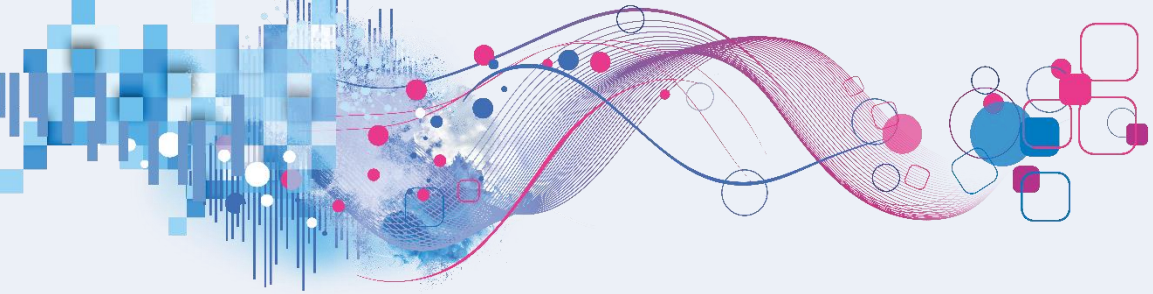
3
Simulation
Test known segmentation, Use Tree growing options

4
Test & Learn
Champion challenger, monitoring, follow-up

PowerCurve Strategy Management - PCSM

Impact Analysis: Simulation vs. Champion/Challenger





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