Credit Risk Management

Case Study: Fortune 100 Financial Services Institution

Background

For financial institutions to be competitive, a top priority is to correctly assess risk for the credit they are providing, in order to avoid costly delinquencies while maximizing revenue through increased lending. One major credit card company found that with their existing analytic tools, it was taking more than 3 weeks to generate the insights identifying recent credit risk trends and their underlying causes in order to make optimal operational decisions. This gap between insight and action resulted in delinquencies that could have been avoided if they had been identified and acted upon earlier. Despite the size of the team, they were unable to keep up with the demand for insights from an ever-changing business landscape. As a result, tens of millions of dollars were lost to missed opportunities: delinquencies that could've been avoided, and credit that was extended too late.

Countless hours were spent by an army of business analysts sifting through data to support basic operational decisions, rather than more valuable activities like guiding the business into new opportunities.

diwo streamlined this process by acting as an intelligent advisor for decision makers. Its continuous analytics worked in the background to sense trends in the data and proactively identify high-risk segments. diwo's Decision Intelligence determined the appropriate new accounts based on the segment risk, balance, and loss rate, then recommended whether to approve or reject, while showing the potential impact of each option. For existing accounts, diwo identified portfolio deterioration and flagged segments likely to

be delinquent in the future, enabling risk managers to quickly and easily understand each segment's risk and prevent delinquencies.

diwo Impact

Before diwo, it took several weeks to secure and understand historical trends, risk segments and Accounts Receivable impact assessments. With diwo synthesizing relevant data and insights, managers were able to access this information in minutes in natural language through intuitive visuals.

As a result of diwo's analysis, managers were alerted to the top-priority risk situations and received optimized strategies to address them in time. diwo's decision levers allowed risk managers to explore different scenarios and understand the potential impact of each decision.
In addition to the immediate risk reduction in high-priority situations, managers could also more quickly and accurately assess risk to prevent future delinquencies and optimize approval rates. By implementing diwo's recommendations to shift credit to safer segments, they saw increased profitability with a balance of maximized revenue and minimal risk.

Rather than adding more data for overwhelmed decision makers to consider, diwo relieves their burden by showing them how its insights apply to the decisions they need to make right now. It focuses its insights on specific business issues, showing users real-time, quantified opportunities that they can act on for immediate ROI. Sector-agnostic and scalable, with a friendly, conversational interface, diwo immediately augments users in their current decision-making process.

diwo works continuously to identify High Risk Segments, suggesting adjustments to approval rate and credit limit, while maintaining revenue by shifting risk to safer segments.

diwo is an intelligent advisor that helps business decision makers accelerate and optimize their decisions. With its patented Decision Intelligence framework, diwo automatically identifies business opportunities tailored to users' unique context, recommends strategies for addressing them in time, and quantifies the impact of each adjustment—to radically simplify decision-making.