Using Business Intelligence to Reduce Costs

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What is Business Intelligence?

Business Intelligence is the process of, or applications and technologies for, gathering, storing, analyzing, and providing access to data to help make better business decisions.

- Query & Reporting
- Analytics, both Descriptive & Predictive
- Data Access & Integration
Predictive Analytics: Optimizing Your Future

What’s the best that can happen?
What will happen next?
What if these trends continue?
Why is this happening?

Degree of Intelligence

Optimization
Predictive Modeling
Forecasting
Statistical Analysis
Alerts
Query Drilldown
Ad hoc Reports
Std. Reports
Reduce Costs

- Streamline marketing processes
- Streamline credit scoring process
- Reduce cost to manage existing members
- Manage Balance Sheet & Income Statement
## Credit Card Servicer

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Solution</th>
<th>Results</th>
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</thead>
<tbody>
<tr>
<td>Increase ROI on marketing spend</td>
<td>Using analytics, the firm created customer segments and then targeted direct mail campaigns based on highest value prospects</td>
<td>✓ $750,000 reduction in marketing costs</td>
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<td>✓ Higher response rates</td>
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<td>✓ Reduced delinquencies among new customers</td>
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<td>Increased costs of managing existing customers</td>
<td>Using analytics, the firm was able to reconfigure automated voice system to minimize requests that led to un-necessary live calls, which decreased operating costs.</td>
<td>✔ $150,000 in cost savings per year</td>
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### Challenge

Increase return on collections spend

### Solution

Created models to predict which delinquent accounts are most likely to respond to collections efforts, and which delinquent accounts will pay with no collections efforts

### Results

- Increased collections with 30% reduction in collections effort
Challenge: Satisfy regulators requirements for improved credit loss forecasting

Solution: Thru analytics, firm was able to create automated forecasts of loan losses incorporating internal and external data.

Results:
- ✓ Forecast accuracy within 1% of actual
- ✓ Improved balance sheet management
For More Information on This Topic

www.nafcu.org/sas

www.sas.com/industry/fsi/credit-unions/index.html