



Millennium bcp fuels growth with customer-focused risk strategies

success story:
customer management



Client	Millennium bcp, the largest banking network in Portugal with branches and affiliates across Europe, America and Africa
Challenge	Make faster, more precise credit decisions; balance corporate risk goals with individualized customer service and local branch needs
Solution	FICO Decision Management platform powered by advanced analytics and FICO® TRIAD® Customer Manager
Results	Grew customer base, reduced delinquencies, increased customer service



“The holistic customer view provided by the TRIAD system is fantastic. It’s a key reason we’ve been able to keep up a superior level of customer service and lower delinquencies despite our rapid growth.”

—Manuel Gonçalves,
Millennium bcp

Enterprise-wide view leads to sound, more consistent, faster credit decisions

» CHALLENGE

For Millennium bcp, the goal “think global, act local” was not just a corporate mantra but something that needed to be put into practice with every customer management decision.

Due to aggressive acquisitions and organic growth, Millennium bcp has become the largest banking network in Portugal, and has branches and affiliates across Europe, America and Africa.

As a result, the bank is constantly challenged to institute consistent corporate credit risk goals yet still meet individual customer and local branch needs.

To meet this challenge, Millennium bcp relies on FICO Decision Management analytics and TRIAD Customer Manager for customer management.

“The TRIAD system helps us collect benchmark information and set up per-formance-driven best practices, which are passed on to acquired and affiliated companies to speed profitability,” explains Manuel Gonçalves, manager of Retail Risk Models at Millennium bcp. “Yet the system is flexible enough to integrate differences in each market—legal requirements or local practices, for instance.”

This balance of best practices with flexibility is essential to the bank’s ability to maintain strong risk control and customer service despite significant organizational growth. And the TRIAD system has offered other benefits, from reducing operational costs to boosting revenue. “The TRIAD system has had a major positive impact on day-to-day processes at the bank,” adds Gonçalves.

» SOLUTION

Millennium bcp uses the TRIAD Credit Facilities decision area to calculate risk and set limits for all credit products for both consumers and small business customers. The system operates online, with limits updated each time credit is used.

“It’s important to be online, so all branches can take advantage of powerful TRIAD system functionality in real time,” says Gonçalves.

Within seven months after going live with the TRIAD system, the bank was already reaping the benefits of automation, from faster, more accurate credit decisions to improved customer service. Previously, the bank relied on judgmental decisioning for most of its customer management.

"Before, we didn't have an empirical risk tool, but now the FICO® TRIAD® Customer Manager gives us a strong risk perspective," says Gonçalves. "Much of the success we've had is due to the risk function of the FICO behavior models within the system."

Since then, Millennium bcp has continued to obtain benefits. The bank has dramatically increased acceptance rates, reduced delinquencies and driven more profitable pay/no pay decisions, as well as experienced impressive cost savings and service-level improvements.

"The goals of the bank have not only been achieved but have been outperformed by far," says Gonçalves. "We now make sounder, more consistent and faster credit decisions, and proactive risk-based credit offers. We also achieved better customer service, and discovered new opportunities for cross-selling and up-selling. And the TRIAD system will be an important advantage in our efforts to comply with Basel II requirements."

» RESULTS

Central to Millennium bcp's success is the TRIAD system's ability to manage customer-level risk. TRIAD system incorporates advanced analytics to analyze all data on each customer's total product holdings to set credit limits across products.

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Another reason for success is ongoing consulting support from FICO. "FICO has an outstanding team of savvy, professional and dedicated consultants," says Gonçalves. "They have helped the bank better understand the system's potential and how to deal with specific data or software issues. They also helped us deal with corporate cultural issues during rollout, such as working with branch personnel to understand and react favorably to such a big change. This was crucial to the project's success.

"TRIAD system results and capabilities are being used in several projects that will further improve processes and enhance profits," adds Gonçalves. "There is great potential for ongoing improvements."

Decision Yield

Agility

TRIAD Customer Manager is flexible enough to integrate differences in each market—legal requirements or local practices.

Precision

The ability to make proactive risk-based credit offers has helped Millennium bcp achieve better customer service while discovering new opportunities for cross-selling and up-selling.

Consistency

The system operates online, with limits updated each time credit is used. It is important to be online so all branches can take advantage of powerful TRIAD system functionality in real time.

Speed

Within seven months of going live with the TRIAD system, Millennium bcp was already reaping the benefits of automation, from faster, more accurate credit decisions to improved customer service.

Cost

TRIAD system results and capabilities are being used in several projects that will further improve processes and enhance profits. There is great potential for ongoing improvements.



For more information

US toll-free

+1 888 342 6336

International

+44 (0) 207 940 8718

email

info@fico.com

web

www.fico.com