

FICO™ Model Central™ Solution Testimonials: Driving Smarter Decisions with Advanced Predictive Models

Changes in the economy are fueling a growing need for powerful predictive models. Being able to compete effectively requires the ability to streamline model development across business units and locations to get models into market faster, reduce deployment costs, shorten time-to-value and improve ROI. It also requires greater control and visibility to meet increasing regulatory demands.

For more than 50 years, FICO has been at the forefront of advanced predictive modeling, pioneering the technologies that have helped leading companies worldwide achieve greater success. The four case studies presented here show just a few of the ways that the FICO™ Model Central™ Solution—and its component products such as FICO™ Model Builder—help you take model management to a new level of efficiency.



“With Model Builder our lives changed; we’re more methodical. We have better tools and models that are much more predictive and when needed, we can change much more rapidly.”

—Tomas Casamayor,
Head of Business Intelligence,
Tarjetas Cencosud

Tarjetas Cencosud accelerates scorecard delivery by 400%, improves financial visibility

Client: Tarjetas Cencosud

Challenge: Better visibility into consumers’ credit health, ability to adapt quickly to changes in consumer behavior and a volatile credit marketplace.

Results: Time-to-value for developing and deploying new predictive scoring models improved by 400%; increased precision in the company’s short- and long-term financial projections and risk management strategies.

Expecting an increase in household credit risk, Tarjetas Cencosud knew it needed to be more careful about extending credit to new customers while making sure that their best customers continue to receive excellent service. They set out to understand customer behavior and the development and deployment of models that would allow them to grow while effectively managing financial risk.

There were challenges, including a small team of specialists and manual, low-tech methods. With slow turnaround times, deeper segmentation studies weren’t viable. They chose FICO™ Model Builder to improve and accelerate their model development efforts. It gave them everything they needed to analyze historic data in order to predict how a given credit cardholder or applicant would behave in the future.

Model Builder dramatically improved the modeling team’s ability to respond quickly to new analytic requirements. The overall development time for a new predictive model dropped from one year or more to just three months, a 400% improvement. They can now do deeper segmentation, and in two years, with a team of just two model builders, they have created nearly 20 highly effective predictive models.

Learn more about Tarjetas Cencosud’s success with Model Builder by reading the [complete case study](#).



The bank's Pacific Credit Card Center is able to rapidly develop application and behavior models to ensure profitable growth.

Bank of Communications fast tracks its credit card business

- Client:** Bank of Communications
- Challenge:** With little data for the China credit card market, and upward of 10,000 credit card applications daily, Bank of Communications needed to quickly develop application and behavior models to determine applicant risk levels, customer account limits and best rates and terms to offer.
- Results:** Reduced the time and costs in developing and deploying new credit risk scoring models by several months, making a direct impact to their bottom line.

When Bank of Communications entered China's relatively new credit card industry, it quickly saw explosive growth. It partnered with HSBC to set up the Pacific Credit Card Center, and had soon issued more than 5 million cards and was processing up to 10,000 new applications a day.

To manage this level of growth while minimizing risk exposure, the bank needed a standardized process to develop application and behavior models and conduct data-driven risk management strategies.

Bank of Communications chose FICO™ Model Builder as their development environment to accelerate the creation and execution of advanced analytic models for several decision management requirements, including originations, initial credit limit, collections, fraud and Basel II compliance.

With Model Builder, Bank of Communications now creates, tests and deploys application and behavior models much faster than before. This provides Pacific Credit Card Center with the agility to respond to changes in the market, reduce costs and avoid operational pitfalls inherent in conventional model deployment.

Learn more about Bank of Communications' success with Model Builder by reading the [complete case study](#).



"We are confident that with FICO Model Builder we have an unmatched combination of modeling power and ease of use."

— John Linfield,
Head of the Retail Credit Lab,
Nedbank

Nedbank streamlines audit process to simplify Basel compliance

- Client:** Nedbank
- Challenge:** Improve score development, simplify audit and governance process.
- Results:** Nedbank expects FICO™ Model Builder to simplify the audit and validation process, cut development time in half.

Nedbank, one of South Africa's largest banks, was looking to improve data quality and identified the scorecard development process as an area in need of investment. They wanted a solution to help develop predictive analytical models across the retail banking business to more easily manage their risk profile and loan decisions, while complying with the Basel II and incoming Basel III capital adequacy regulations.

When they began searching for the right solution, it was critical that it provide a thorough audit trail so that an external party could track and replicate the model. After an exhaustive evaluation process, Nedbank chose FICO™ Model Builder.

Nedbank is now confident that their sophisticated analytics team has the best modeling tool available to facilitate and simplify the audit and validation process. In addition, they expect Model Builder to improve and streamline their model development process, cutting their development time of 6 to 12 months in half.

Learn more about Nedbank's success with Model Builder by reading the [complete case study](#).



"We are deeply impressed by the outstanding performance and usability of FICO Model Builder. The solution enables us to build new models within a very short period of time."

— Maximilian Fervers,
Head of Finance,
neckermann.de



"FICO Model Builder provides everything we need in a modeling tool now and for the future."

— Marcus Siljander,
Risk Manager,
Ferratum Group

Neckermann speeds development of predictive analytics

Client: neckermann.de GmbH

Challenge: Improve risk management by developing and optimizing scorecards for new customers.

Results: The seamless integration of FICO™ Model Builder within neckermann.de's customer management system will allow the retailer to quickly build better scorecards for new customer purchases.

Neckermann.de GmbH, a leading German online and mail-order company, offers flexible payment methods that allow new customers the option of purchasing on account or by installment. To improve risk management while rapidly processing customer orders, the company wanted to develop several scorecards to precisely estimate credit risk.

Having worked with FICO for about 20 years, neckermann.de was highly satisfied with the performance of FICO's solutions and the collaboration with their team. Based on this positive past experience, the retailer chose FICO Model Builder to develop and optimize scorecards for its new customers.

Neckermann.de has been very impressed by the performance and usability of Model Builder. "The solution enables us to build new models within a very short period of time," said Maximilian Fervers, head of Finance with neckermann.de. "In addition, the tool fits perfectly into our system environment and seamlessly integrates with our customer management system."

Learn more about neckermann.de's success with Model Builder by reading the [press release](#).

Leading microlender centralizes model development across 15 countries

Client: Ferratum Group

Challenge: Produce more than 100 models by the end of 2014 to support its growth plan.

Results: FICO™ Model Builder gives Ferratum a common development approach to increase speed of development while keeping staff costs low.

Ferratum Group, the largest mobile microlending institution in Europe, provides short-term, unsecured microloans to borrowers across 15 countries, serving up to 1 million customers worldwide. To support its growth in all of these countries over the next two years, Ferratum wanted to develop more than 100 predictive models.

Ferratum needed a system for model develop that was very fast, but also easy to use to minimize the need for a large staff. This demand for building a high volume of models with a small team drove the selection process. In the end, the lender chose FICO™ Model Builder, which beat out products from SAS and other competitors.

"FICO Model Builder gives us a common development approach with a well-structured process, which increases our speed of development while allowing us to keep our staff costs low," said Marcus Siljander, Risk Manager at Ferratum Group. "It also meets our requirement of using multiple modeling technologies. FICO Model Builder provides everything we need in a modeling tool now and for the future."

Learn more about Ferratum's success with Model Builder by reading the [press release](#).



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