Case Study: Svyaznoy Bank

Improving operational efficiency by 25 percent with collections automation

Experian™
Decision Analytics

SVYAZNOY BANK

About Svyaznoy Bank

Svyaznoy Bank is a full service bank with one of the most extensive service networks in Russia. Launched in 2010 when Svyaznoy Group of companies and Promtorgbank cooperated, the bank offers a wide range of banking products to both private individuals and corporate clients.

"Experian's systems allow us to more flexibly approach the process of risk analysis at every stage of the customer relationship. This includes both assessing new customers and managing the existing database."

"As a result, customers get a higher level of service, and the bank is able to significantly cut its operating costs, while efficiently managing the portfolio."

Andrei Kozliar, Chief Risk Officer, Svyaznoy Bank

Challenge

Svyaznoy Bank's retail customer base grew rapidly, reaching 1.6 million two years after the launch. To successfully manage its fast-growing customer base and continue to expand, the bank needed to implement more robust credit risk management controls.

With one of the most extensive networks in the country - over 3000 points of sale within Svyaznoy shops and around 35 branches - the bank recognised that, to minimise potential losses, it needed to improve its collection operation. Svyaznoy Bank wanted to identify and act on delinquency early and maximise the amount of debt collected from customers in arrears with their loan repayments.

Svyaznoy Bank is an innovative company committed to customer service and satisfaction. The forward-looking company offers a variety of products, services and features that are uncommon in the Russian market, such as payment holidays for cash loans.

To overcome its challenges, the Bank sought a collections system that could help them maintain their commitment to customer service, while meeting improved collections goals.

Decision Analytics answer

Svyaznoy Bank selected Experian's Tallyman system to manage its delinquent customers. The system was part of an investment in a comprehensive enterprise credit risk management infrastructure, including a full suite of systems to manage risk at each stage of the customer life cycle.

In this investment, Svyaznoy Bank also selected Experian's Probe SM to manage the customer relationship from credit limit management to identifying opportunities for cross-sell and upsell; Hunter fraud detection technology to minimise application fraud; and New Business SM to manage its loan originations.

Experian's unique ability to deploy resources with local expertise and knowledge, as well as its global expertise, was key to the bank's decision to partner with Experian.

Benefits

- **Improved collector productivity** by 25 percent by automating collection processes
- **Increased account processing** by 20 percent by enabling collectors to work more accounts
- **Reduced operational costs** by 20 percent
- **Improved customer relationships** by adopting the most effective, proven collection techniques
- **Minimised provisioning** by reducing delinquent accounts
- **Faster rehabilitation of customers**, enabling them to return to a positive profit contribution
- Champion/Challenger analytical tools support **collections strategies testing**

Resolution

The new Tallyman system plays a key role in the bank's operations. Delinquent accounts are transferred to Tallyman as soon as a customer misses a payment, and the system automatically assesses the customer using all available information. Advanced segmentation ensures customers receive appropriate handling – which is critical in a competitive environment. Customers who are identified as responding better to customer interaction, or who carry a higher risk are placed into a collector's worklist, matched to the skill and experience required, to maximise collections success.

Tallyman provides Svyaznoy Bank with a complete overview of customers in arrears, enabling the bank to deploy customer-centric activities that closely match both the value of the customer and their overall credit risk.

With Tallyman Svyaznoy Bank can accurately assess the risk factor of each account and adopt a more targeted and personalised approach to debt collection. At the same time, automating standard collections practices frees collectors to focus on higher value activities, such as interacting more closely with high risk customers.

Results: Consolidated information drives efficiency

The Experian system has enabled Svyaznoy Bank to realise substantial improvements in the area of management information. Instead of accessing multiple systems and manually generating reports, the bank now uses a single, seamless, automated reporting system.

Real-time information is available in an on-screen dashboard, providing a complete overview and graphic summaries of collections activities, with the ability to quickly drill down for more detailed information if needed. The bank can also monitor the current performance of the collections team, compare it to key performance indicators, and use the information to identify situations where early management may be required.

Champion/Challenger analytical tools enable Svyaznoy Bank to test new strategies in a real-time, controlled live environment to enable a cycle of continuous improvement.

Enhanced customer relationships

Svyaznoy Bank has enhanced collections efficiency by adopting the most effective, proven techniques for ensuring provisioning and bad debt write-off is minimised.

The Experian system has helped the bank boost productivity of its collections department by providing controlled queue processing and consolidated information at the account level. Employees no longer need to access multiple systems and a full work list.

By enabling appropriate treatment to be applied to all customers, the bank can protect its customer relationships, rehabilitate them faster, and help safeguard future revenue streams.

Future outlook: Building long-term success

By deploying Experian systems to manage the acquisition of new customers, detect application fraud and manage customers, Svyaznoy Bank has implemented a strategic system for retail credit risk management at each stage of the customer relationship.

This complete solution has enabled the bank to move forward in a challenging economic environment, leveraging its efficiency to build a foundation for sustained growth.