

Experian Learning Day

København, Lyngbyvej 2



25 februar 2020

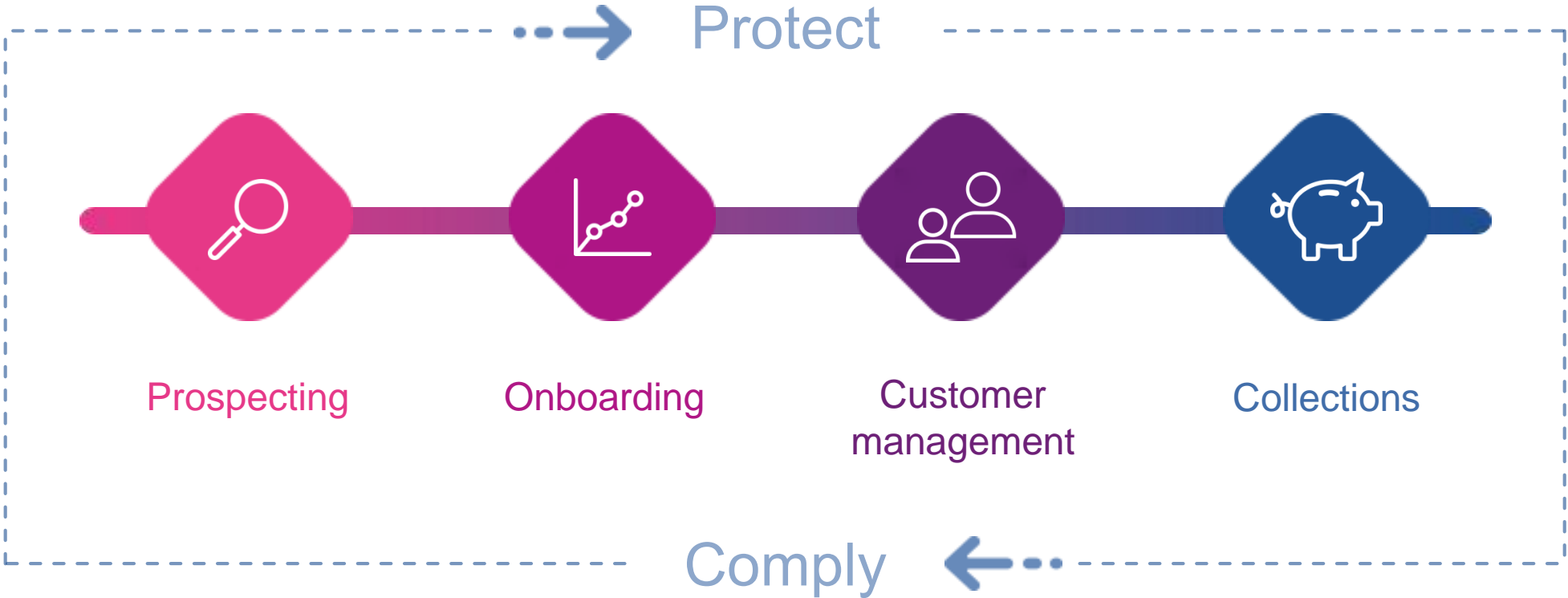




Vækst og Innovation

Jon Marius Bru
Sales Engineer

Hele din kunderejse på en dag



Innovation

Innovation in its modern meaning is:
"a new idea, creative thoughts, new
imaginings in form of device or method".

Innovation is often also viewed as the
application of better solutions that meet new
requirements, unarticulated needs, or
existing market needs.

Source: Wikipedia

Why do clients choose Experian?

A history of continuous innovation and thought leadership = cutting edge solutions, delivering great customer outcomes.

One of Forbes’
“World’s Most
Innovative
Companies” for 5
years in a row

More than
300+
issued and
pending patents

Data Labs
dedicated
Scientists and
machine learning
experts

What is innovation?

The first Tesla model, The Roadster, arrived in 2008.

Most people think that this is innovation



What is innovation?

Gustave Trouvé's personal electric vehicle (1881), world's first full-scale electric car to be publicly presented

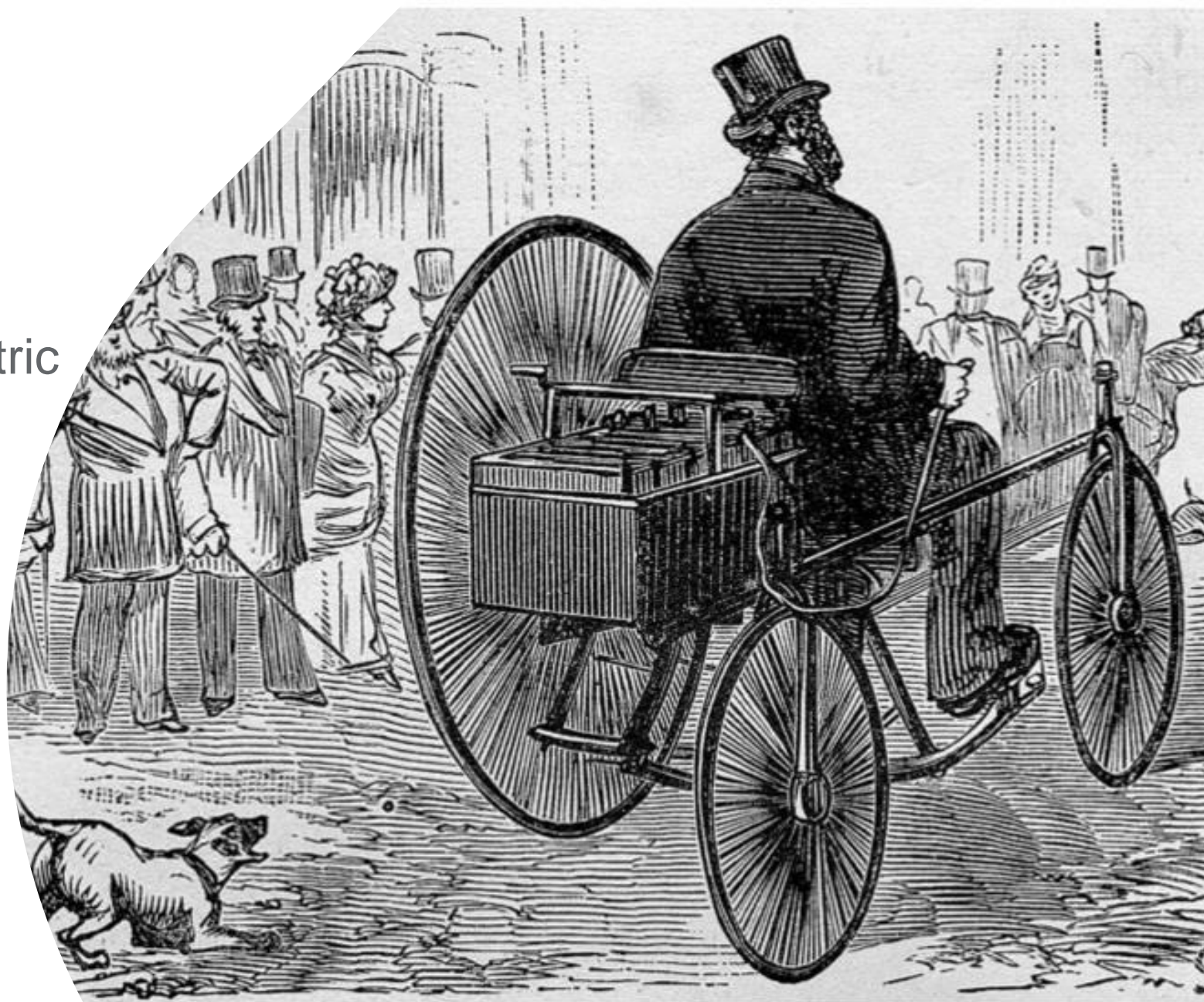


Fig. 13 : Tricycle électrique de Trouvé
(Alexis Clerc, *Physique et chimie populaires*, vol. 2, 1881-1883).

Why do we innovate?

We identify...

- A need for something that isn't there
- A problem that needs fixing
- Natural development of an existing product or service
- An urge to create something new...
- The need to change to meet competition



25% of firms are struggling to keep up with changing customer needs



A changing mobile world

Mobile web growing
8x faster
than web adoption did
in the 1990s and 2000s



Technology and data



Technology (hype cycle), data and changing customer behaviours and attitudes

Attitudes



Behaviour

People want to **manage** their digital world



Manage multiple accounts



Keep track of expenses



Security



Manual search for better deals



Physical issues



Consider how to manage their data exchange



Ideologically opposed to data sharing



Not concerned

Barriers to great experiences...

1

Technical

2

Mindset /
cultural

Technical



45% of firms experience rising customer churn, caused by competitor disruption



33% of firms' see new competitors as the biggest prohibitor to success



The importance of input from the outside

- Listen to your clients
- See the trends
- Seek answers in internal knowledge
- The power of internal data
- How do others see you?
- The power in external knowledge



Co-Creation an effective way of creating value for business advantage

If you want to see the future coming, 90% of what you need to learn you'll learn from outside your industry *(Gary Hamel, leading the revolution)*

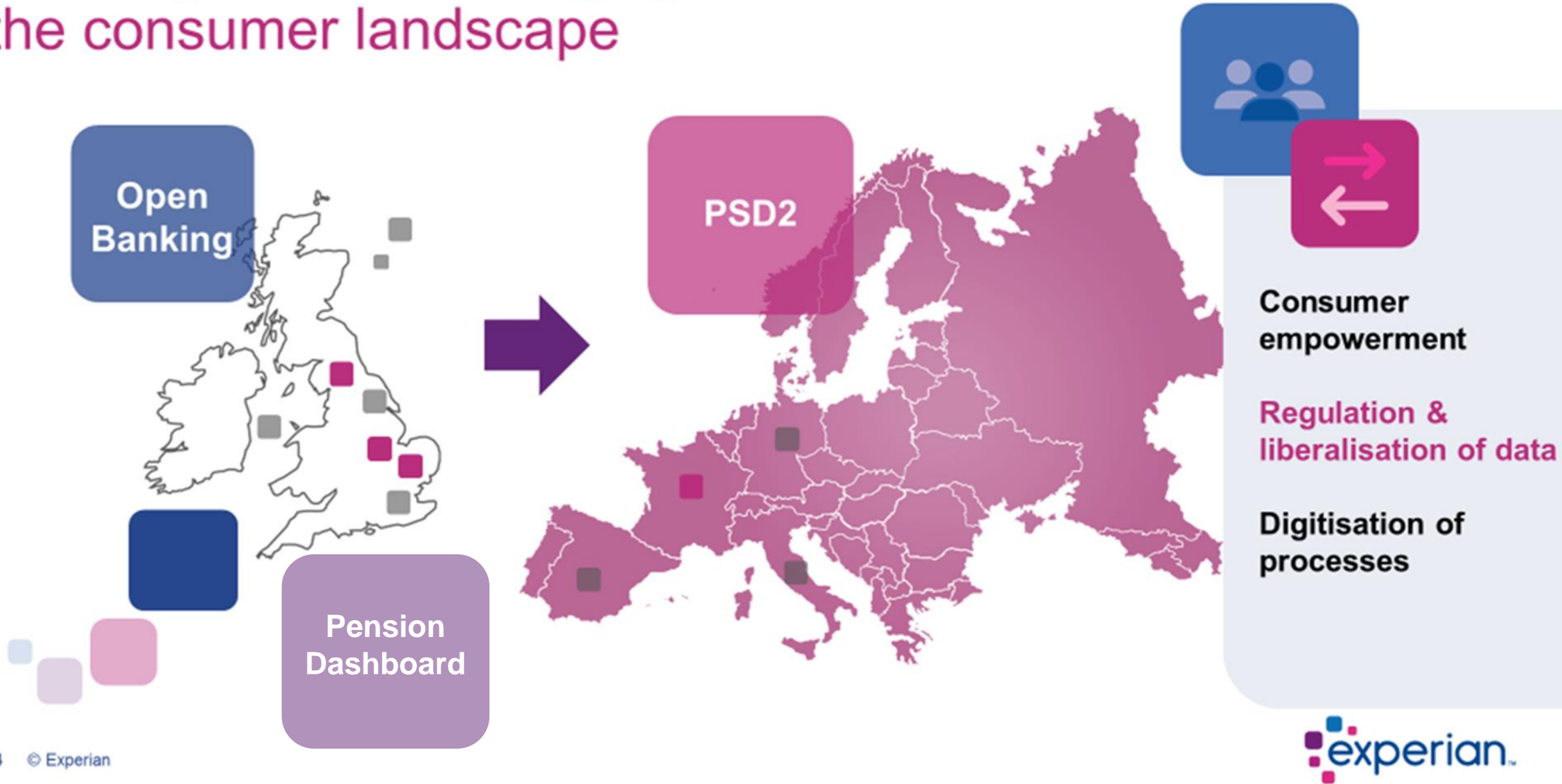


Innovation and regulations

- Improvements with innovation can result in new regulations
- Some innovations is forbidden according to existing regulations
- Some innovations will create new regulations because they are to good
- Some innovations creates new regulations, because the idea is good but not possible today



New regulation is changing the consumer landscape



The effects of Open Banking and PSD2

The rise of Open Banking and the introduction of PSD2 is bringing into a clear focus **new types of competitive advantage** based on the ability to



Transactional Advanced Analytics in action

Multi Usage success story

A Turkey Tier1 Bank aimed to identify new opportunities and manage credit risk estimating unknown salaries from transactional payments

Methodology

- Analysis of raw data
- Spending classification with Machine Learning models
- Advanced Analytics Model for DNA Customer segmentation
- Apply Advanced Analytics Score to have benefits for Client's Multi Usage

The challenge

- Portfolio segmentation based on Transactional Big Data
- Model Development with Machine Learning algorithm for Regulatory
- Implement Machine Learning Algorithms into client's system for multi usage

Business Benefits

+50%

Internal Income Estimation Model improvement

+35%

Uplift in estimated income as compared to the existing model for the **Credit Card** customers

+54%

increase in **Affluent** clients based on spending behavior

Multi Usage

- Asset Estimation Models
- Marketing Models
- Risk Management

However, many organisations face challenges in leveraging data and advanced analytics



26% Not “making the most of” advanced analytics

39% Already combining internal and external data

43% Planning to combine internal and external data

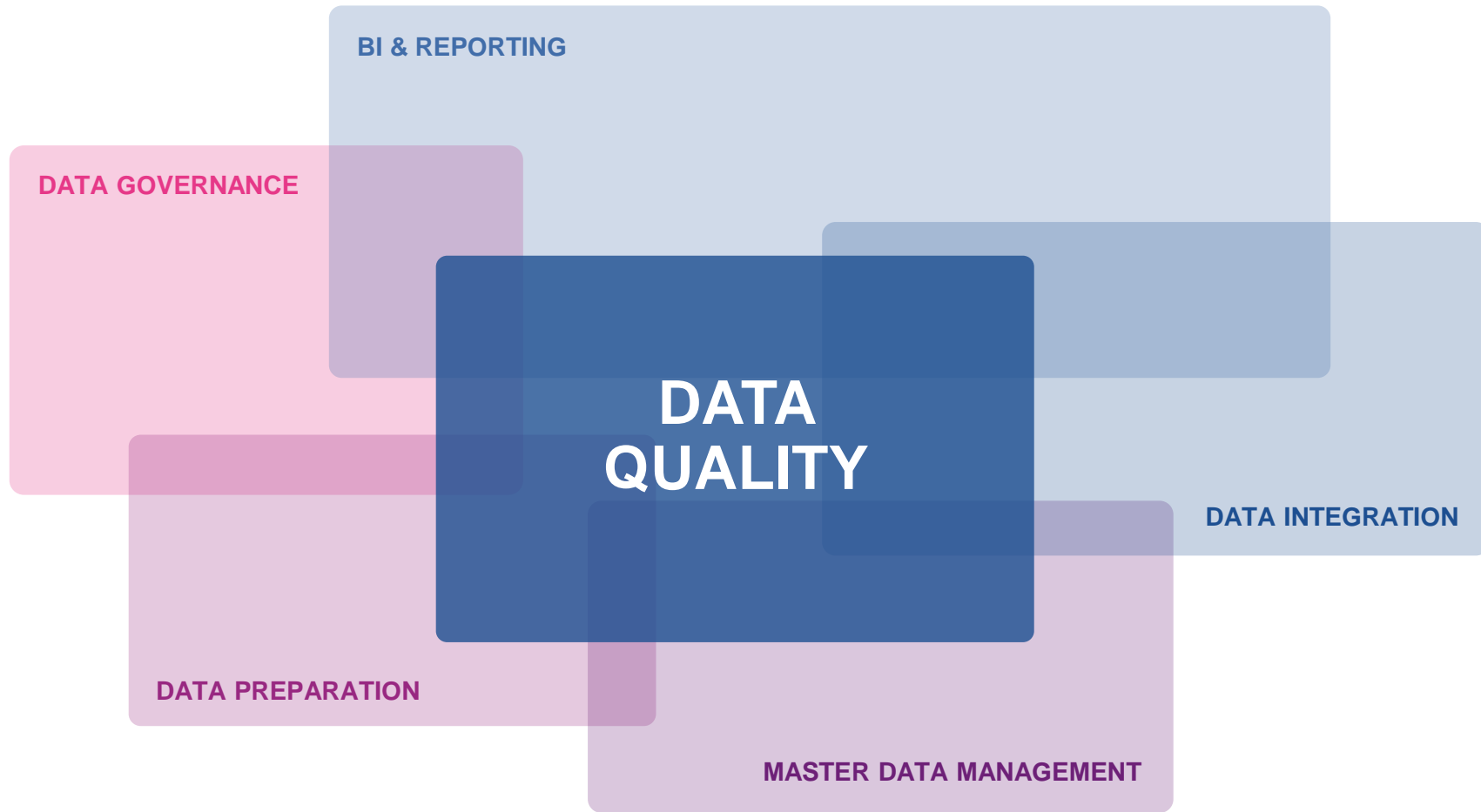
50% Unable to get “relevant insight from data”

57% Experiencing rising overall cost-to-serve

Research conducted across EMEA by Forrester Consulting on behalf of Experian, during August 2018. Results based on findings from 705 global managers and above with responsibility or influence over customer data, analytics, risk, and SME services



The importance of Data



Issues within our client landscape



Regulation



Single Customer View



Data Architecture

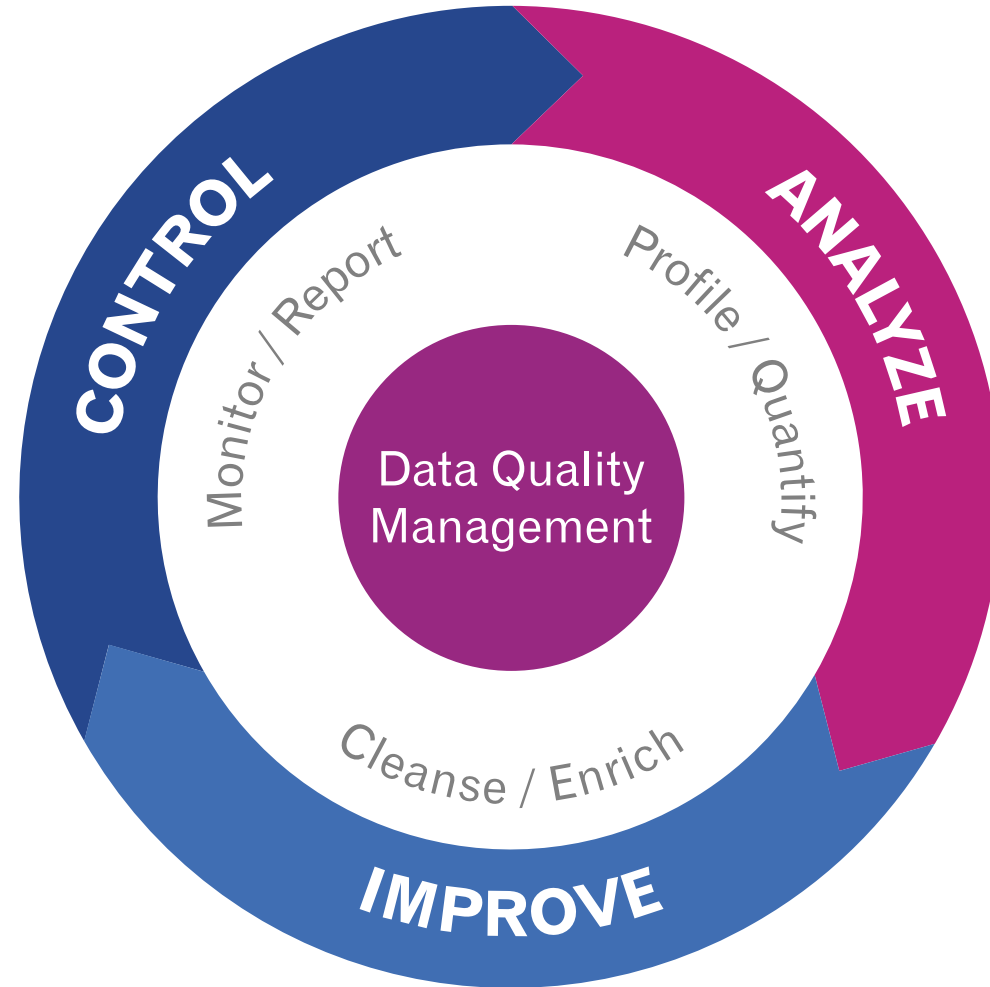


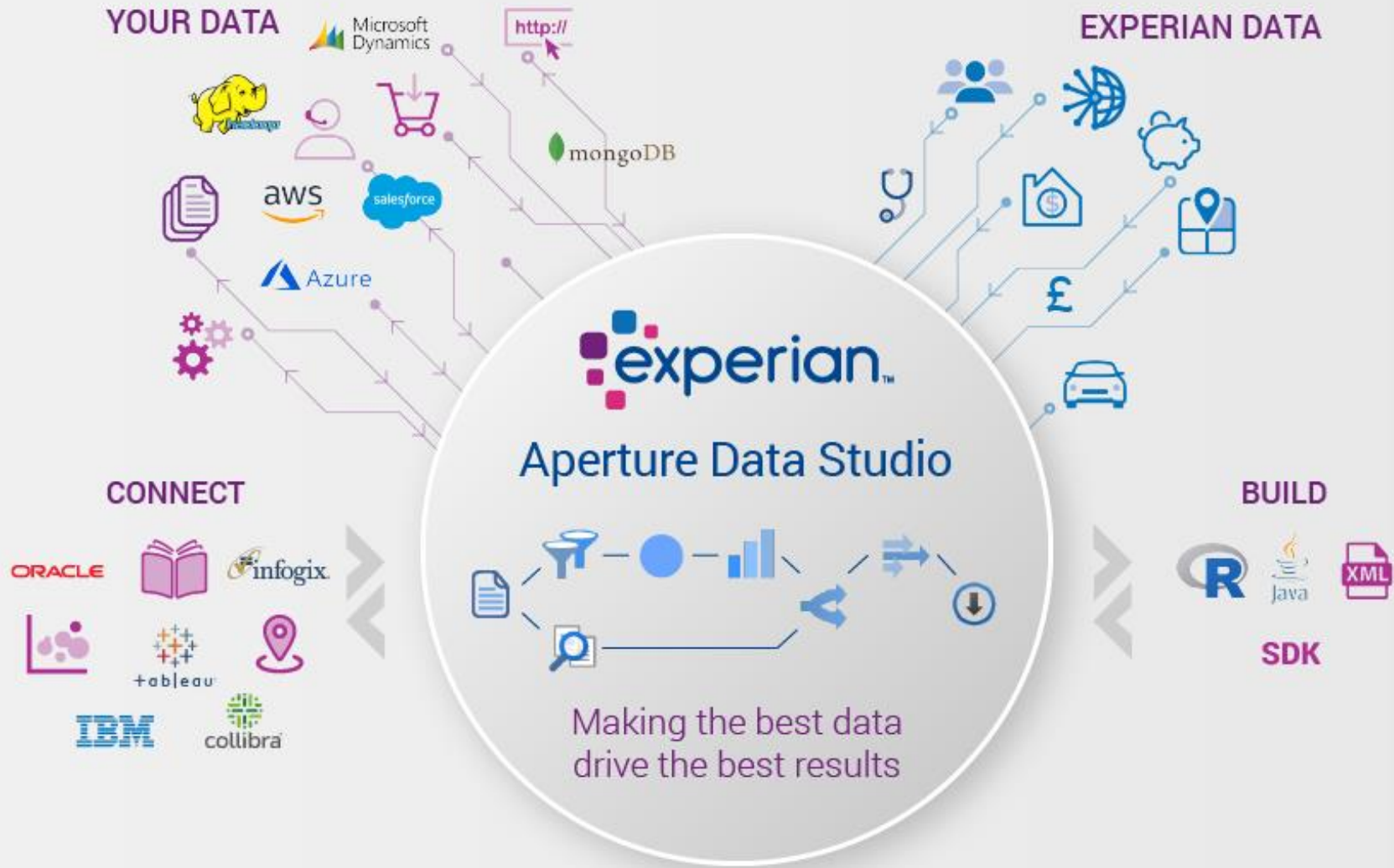
Data Governance



Data Quality

Aperture Methodology





FASTER
MIGRATIONS



IMPROVED
SCV



TRUSTED
DATA



DE-RISKED
COMPLIANCE





Experian Ascend Analytical Sandbox

recognized as the

“Best Overall Analytics Platform”

at

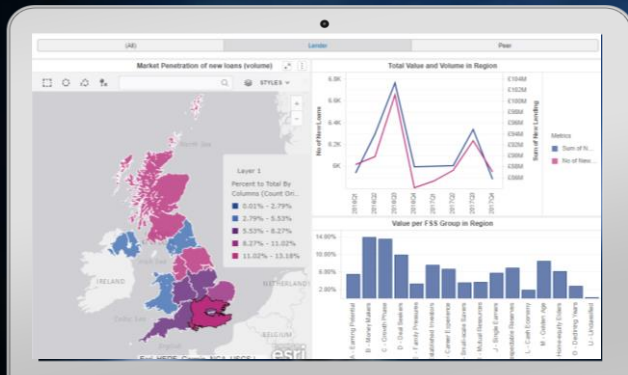
A powerful, Analytics on-demand Platform which allows Clients to anticipate and evaluate critical business decisions faster, and with better insight than ever before.

Big Data Platform

Securely Cloud hosted environment

Analytics and ML Models as a Service

Easy Integration into Clients Systems



Multi Functional Infrastructure

What Ascend is

1 by 1 Services

Big Data Storage

Cloud Infrastructure /
Scalable Computing Power

Operational & Service Support

Products and Projects Management

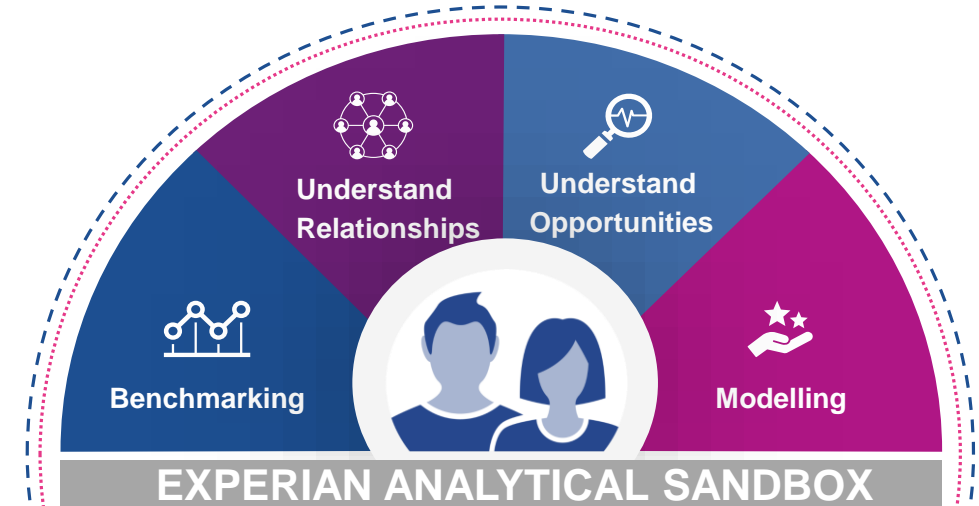
Analytics as a Service and Consultancy

Dashboards and Reports as a Service

Easy Integration Analytics into Systems



Ascend: all in 1



Up to **50% less one-off
and running costs**
combined with to **30% to
50% faster Time to Value**

Experian Ascend

Why Clients Love Ascend

Ascend is what we need to **face** many **challenges together**

Head of Credit Algorithms Office Italian Tier1 Bank

Clients data,
CB Data,
any data...

Strategic
Decisions

Fast
Innovation

Reduce
Time to
Market

Grow
productivity

Cost
Reduction

Analytics Management

Fraud

Market expansion

Risk Management

Artificial Intelligence





Vision setting: Design studio co-creation projects to establish vision, requirements, solution, roadmap and timelines

Sprint

Define the project blueprint

- ✓ Intensive project to explore, prove and plan for innovation
- ✓ Rapidly agree a product & technical delivery strategy
- ✓ Co-create with product, tech, business & UX experts

Sandbox

Test Sandbox data and APIs

- ✓ Experiment with platform & data
- ✓ Quickly build technical proofs of concepts
- ✓ Receive expert technical support

Prototype

Demonstrate the technical possibilities

- ✓ Delivery teams to quickly prove viability
- ✓ Includes access to aggregation sandbox APIs and data
- ✓ Test complex designs, data uses or solution architecture

Ascend Case Study Italy

Tier 1 Italian Bank

Turnaround the mortgage market

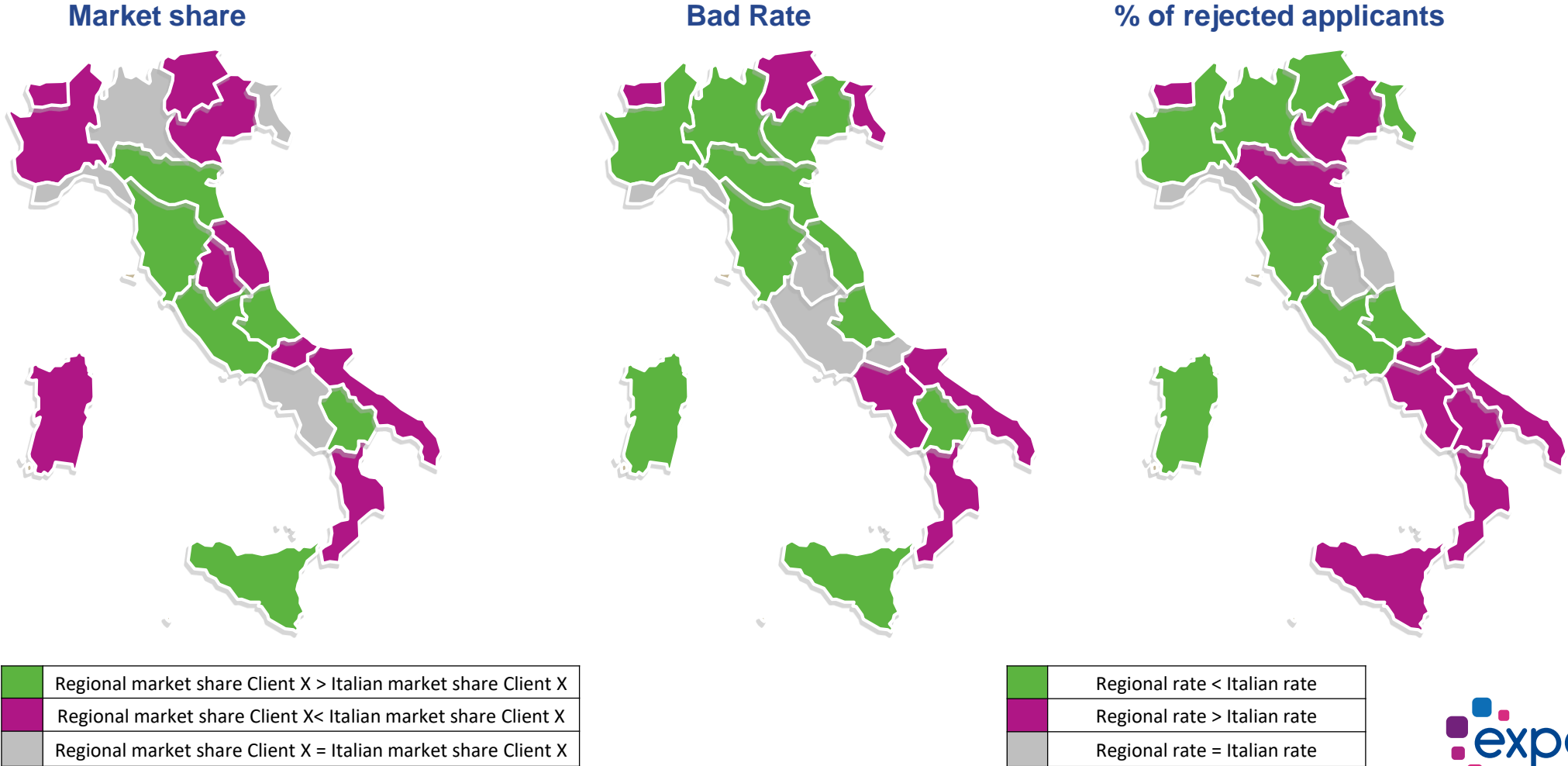


Benchmarking

Credit card and Mortgages portfolio Analysis

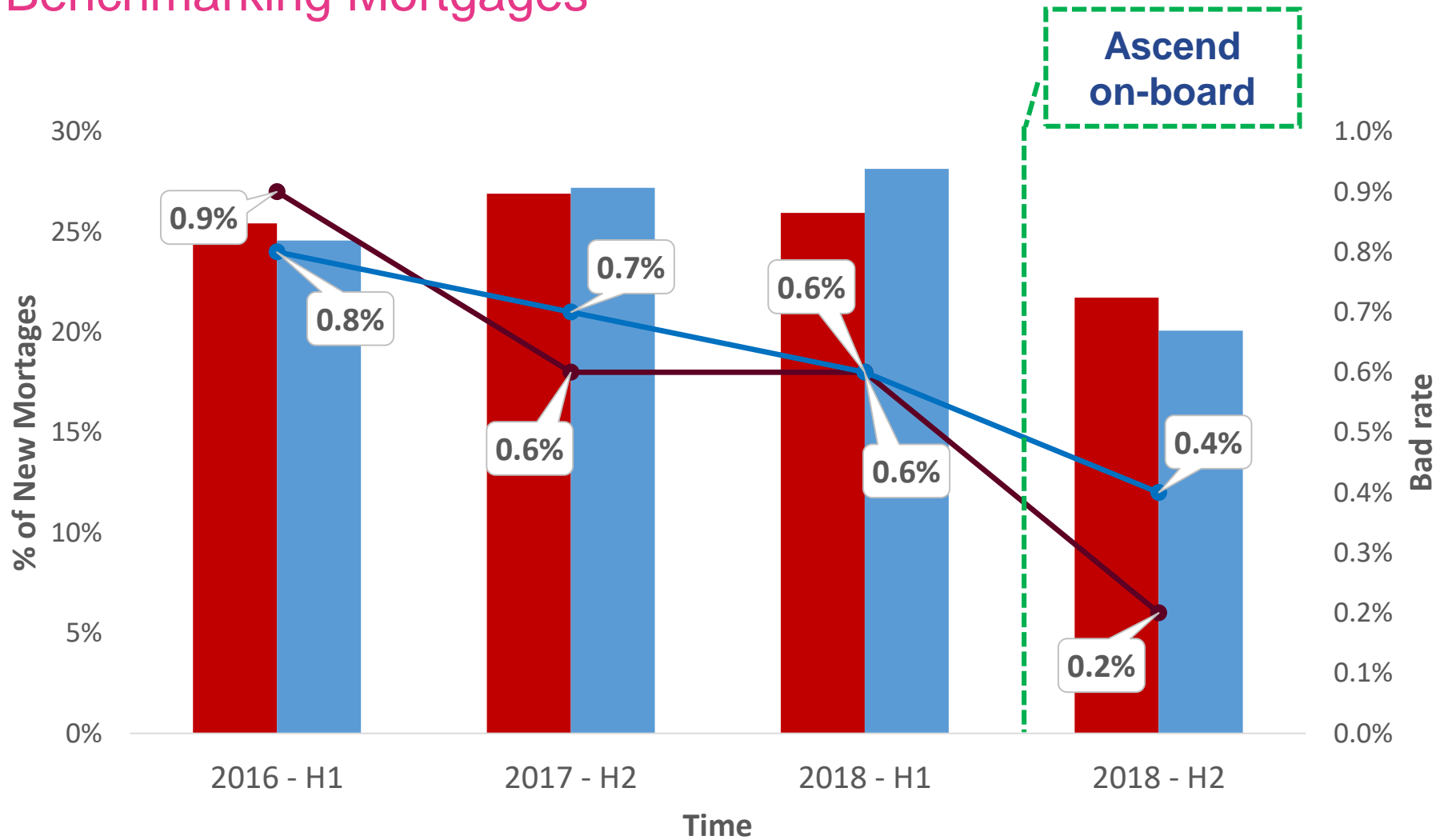


Comparison by region in Italy



Benchmarking

Benchmarking Mortgages



Ascend Impact

-66%
Bad rate reduction

+10%
More mortgages than the rest of the market

■ % mutui - MPS
 ■ % mutui - Benchmark
 ● Bad rate - MPS
 ● Bad rate - Benchmark

Portfolio Management

Geo Analysis Focus *Puglia* Credit Card

**BUSINESS
CASE**

Market Analysis (Region vs. Country)

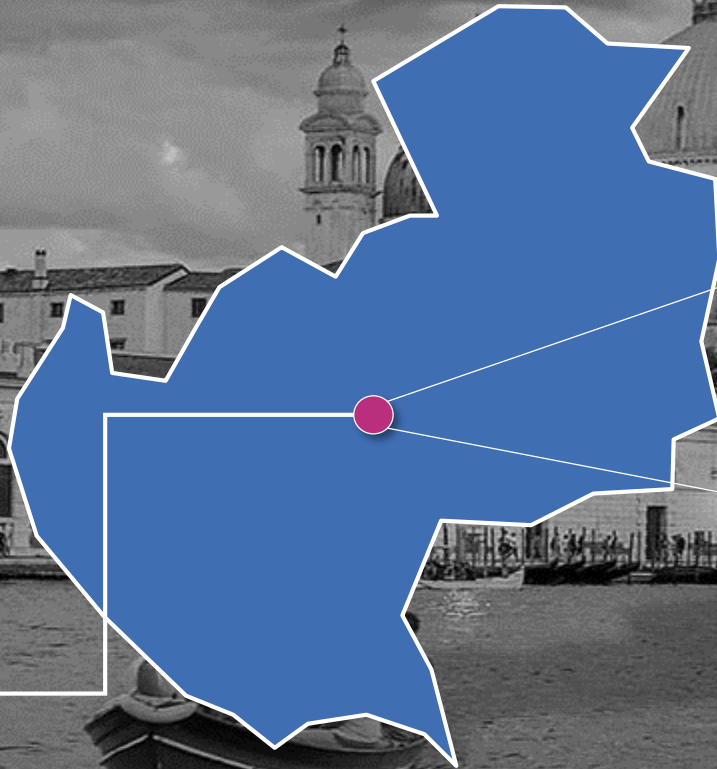
Bad Rate: 2,4% vs. 2,0%

Reject Rate: 20% vs. 19%

Reject Rate
Higher than
Country Average
Bad Rate Higher
than Country
Average

Portfolio Management

Geo Analysis Focus Puglia Credit Card



Reject Rate Higher than Country Average
Bad Rate Lower than Country Average

Market Analysis
(Region vs. Country)

Bad Rate: 1,6% vs. 2,0%
Reject Rate: 19,6% vs. 19%

Next Generation Score

New version Indicators overperform older one

Score Distribution Score New vs Score Old



Better Bad Rate Score distribution with new generation CB Scores

Higher bad rate in the most risky class

Innovative Analytics

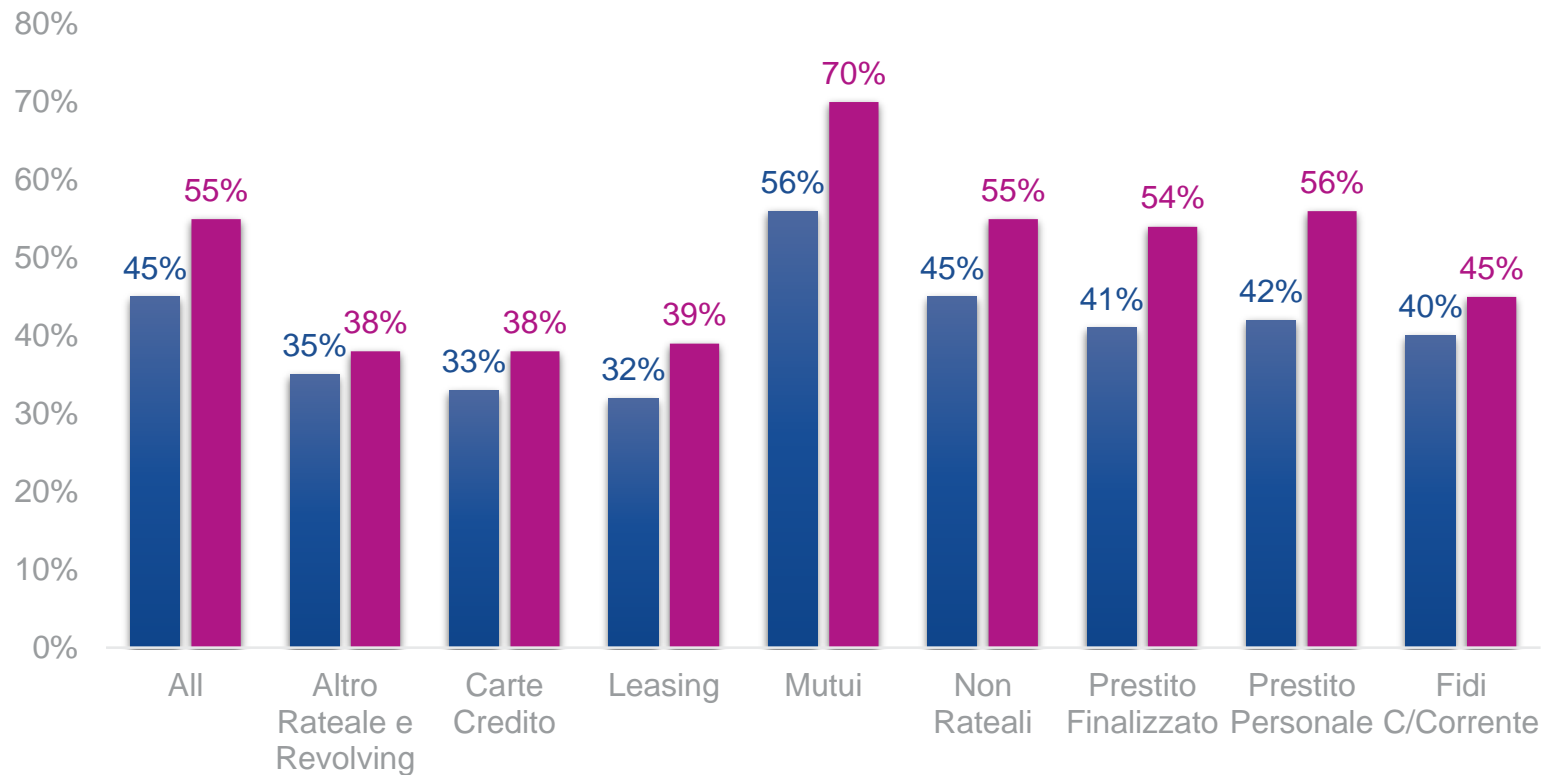
Score Migration – An Example



Performance per segment

Performance per segmento

■ Score OLD ■ Score NEW



Complessivamente il nuovo score Experian aumenta la propria capacità predittiva del 22%

+ 25% accuracy on Loans

+ 32% accuracy on Small Tickets Loans

+ 22% of accuracy more in average on all financials



Case study *African airline*





Background info

- Started using Fraudnet in 2017
- Experienced significant losses due to chargebacks
- Implemented 3D secure
- Started a POC with Experian autumn 2019 to reduce friction for clients and costs to 3D secure



POC CrossCore and Fraudnet *powered by Machine learning*

- The task was to reduce external referral, not reduce chargebacks (already very low with use of 3D secure)
- Experian used the data scientist team in Sophia to analyse the data from Safai, Fraudnet and 3D secure.
- Built a ML model in CrossCore based on the available data.
- The results?

The results from the POC

Reduction of total referrals
by **34%**

Remove the 3DS friction
for **39%** of the
previously referred
genuine customers

- Experian's Machine Learning was applied to the entire 2018 data set based on test data
- The purpose was to reduce 3DS referrals while keeping fraud detection as high as possible.
- Using only a limited number of variables, machine learning was able to reduce total referrals by 34% and remove the 3DS friction for 39% of the previously referred genuine (authenticated) customers
- This was done at the expense of 13% of the potential bad (not authenticated through 3DS) customers, that will not be referred.
- - This POC highlights how these results can come in the form of not only fraud detection, but also reduction in customer friction which will inevitably increase sales.

Three take-aways

Seek insight from the outside, you will gain insight interacting with others

Remember the power in your data so get control and insight, and enrich it!

Having the right tools is half the job done.



Tak for i dag

Jon Marius Bru

Jonmarius.bru@experian.com

Find din næste session her:

Tidspunkt	Breakout-session og talere	Mødelokale
08:30	Morgenmad og registrering	Foran Konferencelokale 1 og 2
09:00	Velkomst og intro Bo Rasmussen, Experian	Konferencelokale 1

Breakout-session 1

09:15	Onboarding Matthys Rossouw, Experian	Konferencelokale 2, Kælderetagen
09:15	Customer Management Michael Jensen og Søren Molander, Experian	Mødelokale N, Stueetagen
09:15	Collections Jakob Færgeman og Glen Østergard, Experian	Mødelokale B, Stueetagen
09:15	Vækst og innovation Jon Marius Bru, Experian	Mødelokale C, Stueetagen

Breakout-session 2

10:15	Beskyt din forretning Jon Marius Bru, Experian	Konferencelokale 2, Kælderetagen
10:15	Customer Management Michael Jensen og Søren Molander, Experian	Mødelokale Y, Stueetagen
10:15	Compliance Kaare Smit, Experian	Mødelokale X, Stueetagen
10:15	Fra indsigt til handling Mikkel Lykke Platz, Experian	Mødelokale B, Stueetagen

Tidspunkt	Breakout-session og talere	Mødelokale
11:00	Pause Tag en kop kaffe og et lækkert stykke kage på vej til din næste session! Kage og kaffe kan findes foran det lokale du befinder dig i.	

Breakout-session 3

11:15	Onboarding Matthys Rossouw, Experian	Mødelokale O, Stueetagen
11:15	Vækst og innovation Jon Marius Bru, Experian	Konferencelokale 2, Kælderetagen
11:15	Collections Jakob Færgeman og Glen Østergard, Experian	Mødelokale Y, Stueetagen
11:15	Fra indsigt til handling Mikkel Lykke Platz, Experian	Mødelokale B, Stueetagen

12:00	Frokost og networking	Foran Konferencelokale 1 og 2
12:30	Tak for i dag!	