



Collaborating between risk and marketing analytics to fuel growth and profitability

Creating Competitive Differentiation through Analytics

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Big Data, Big Impact

1.8 zettabytes

of data added in 2011¹

50% CIOs

cite² Business Intelligence is #1 priority

200k shortfall

in experienced analytics staff to leverage Big Data³

40% executives

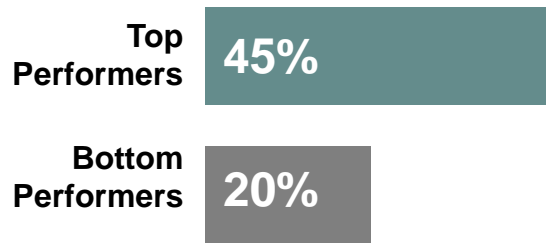
cite⁴ implementing data-driven results as biggest challenge to institutionalizing analytics

1. 2011 Digital Universe study
2. Hilbert & Lopez – Science, 2011
3. McKinsey Global Institute Research titled “Big data: The next frontier for innovation, competition, and productivity”
4. Fractal Analytics internal research

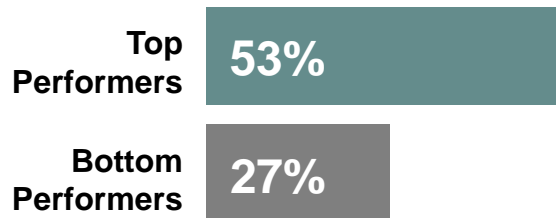
Analytics creates 2:1 competitive advantage

Survey* Results: Higher performing companies leverage analytics

Use analytics for strategic planning



Use analytics for day to day operations



Harvard Business Review, 2006

Analytics has been instrumental to Capital One, which has exceeded 20% growth in earnings per share every year since it became public.

Amazon CEO Jeff Bezos

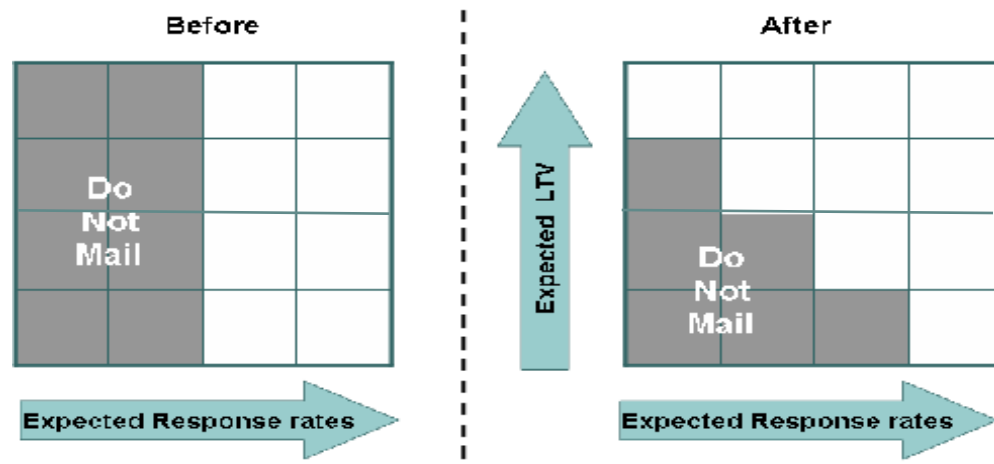
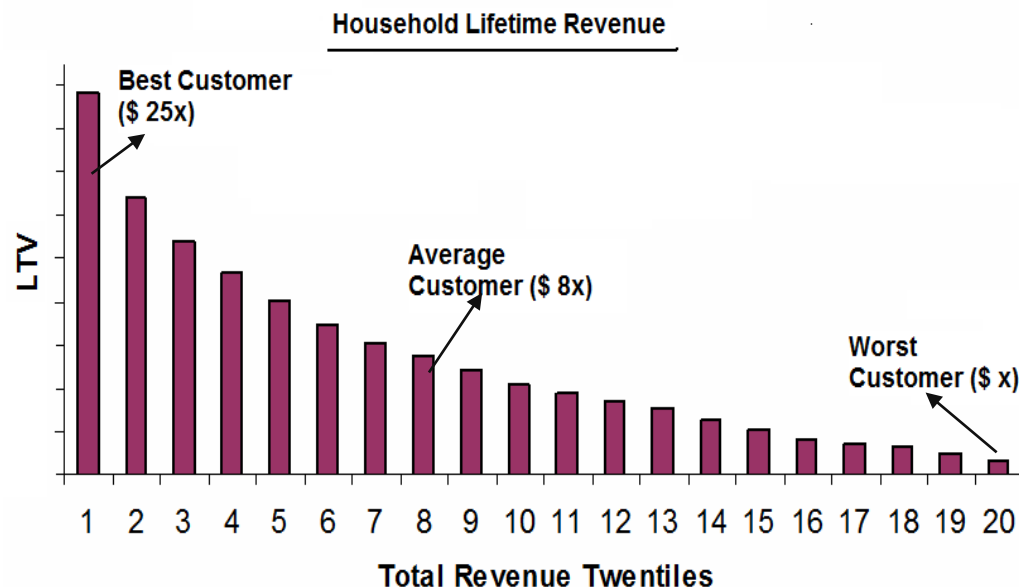
“For every leader in the company, not just for me, there are decisions that can be made by analysis. These are the best kinds of decisions. They’re fact-based decisions.”

*MIT Sloan Management Review Research Report “Analytics: The new path to value,” Fall 2010.

Advanced analytics enables smarter decisions

Customer Lifetime Value (LTV):

- ▶ Is a powerful cross-functional analytic
- ▶ Critical to increasing profitable decisions
- ▶ Needs collaboration between risk, marketing and finance
- ▶ Enables more effective target of profitable segments



Embarking Institutionalizing analytics journey

Situation

- ▶ Leading global bank seeking higher card profit
- ▶ Need to develop and implement data-driven decisioning

Challenges

- ▶ Disparate data sources
- ▶ Lack of organizational readiness
- ▶ Support for data-driven decisions
- ▶ Insufficient analytics staff



Overcoming Integrated Campaign Challenges



Integration Constraints	Business Impact	Overcoming Constraints
Non-optimized data and infrastructure	Limited insights	Integrate data, analytics to optimize decisions
Trust in analytics	Lack of cohesive engagement	Measured and publish results
Analytic talent	Unrealized ROI and ineffective decisions	Leverage 3 rd party analytics team with business insights
Translating results into actionable decisions	Lost opportunity	Connect results to organizational goals and celebrate success

Journey

Institutionalizing analytics journey

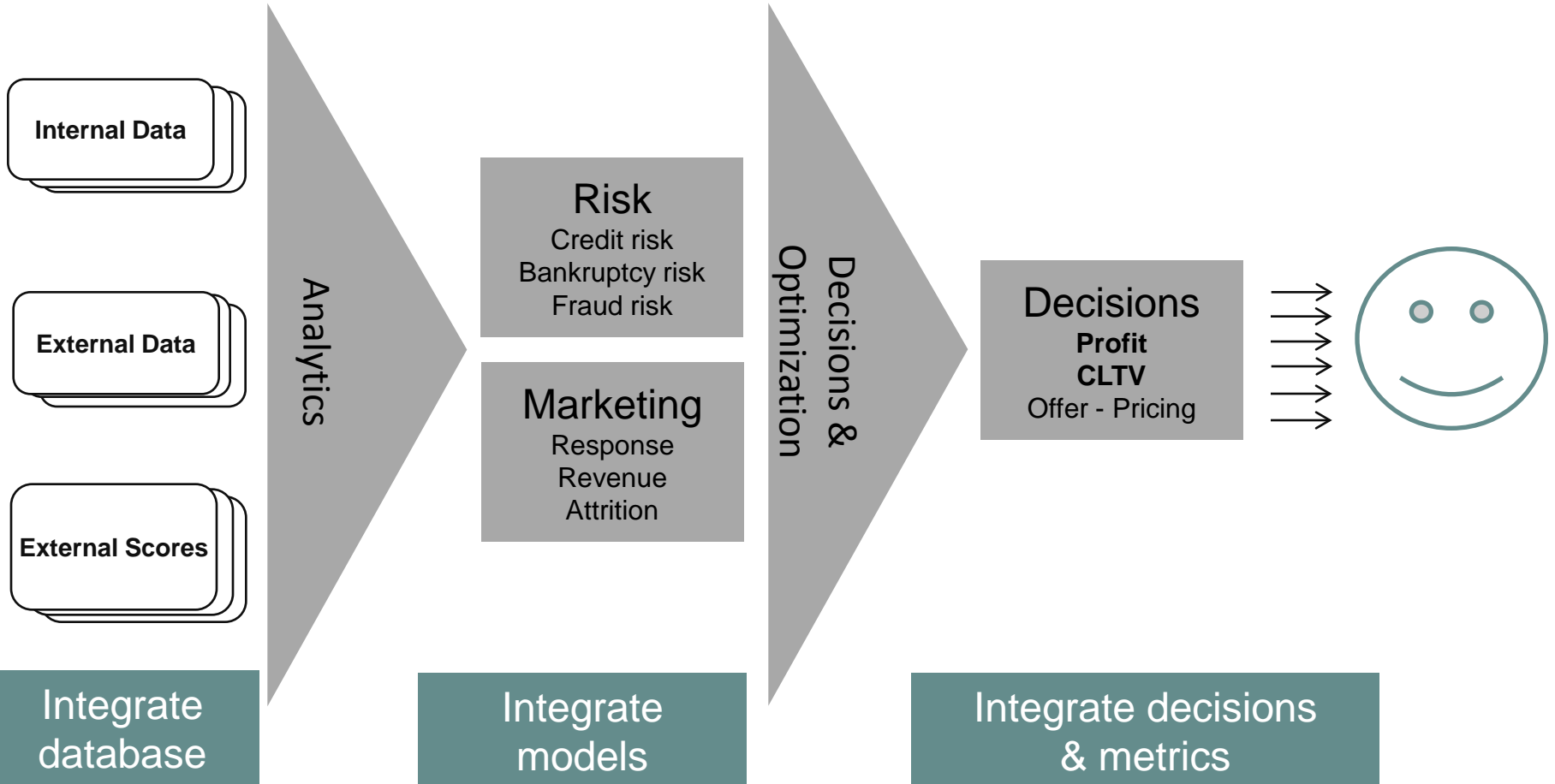
Approach

- ▶ Multiple card portfolios
- ▶ Standardized datamart
- ▶ Increased analytic development
- ▶ Translated analytics into data-driven decision strategies
- ▶ Implemented across functional areas
- ▶ Measured results
- ▶ Feedback learning into next campaign



Analytics drives growth and profitable acquisitions

Credit Card, Auto, Mortgage, Personal Loans
Checking, Savings, Investments



Key learnings and best practice

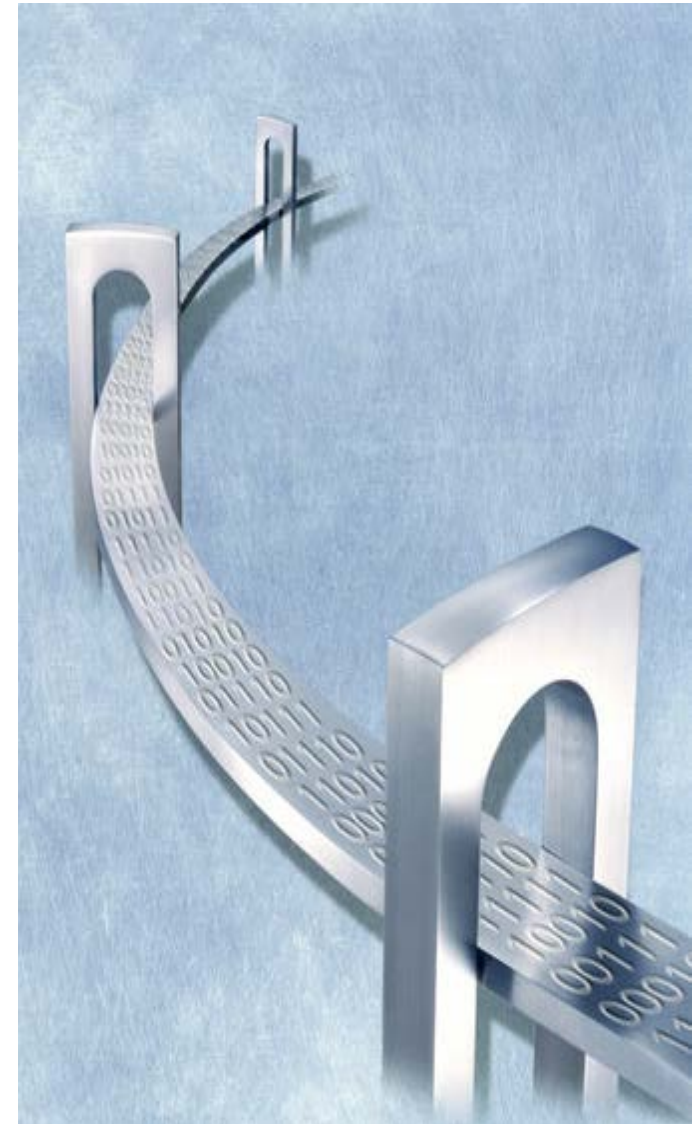
Institutionalizing analytics journey

Business Impact

- ▶ Analytics supported growth and profitability 4x in 3 years

Best Practice Success Factors

- ▶ Executive sponsored analytic culture
- ▶ Infrastructure investment in data and analytics
- ▶ Deep analytics talent acquisition
- ▶ Results tracking and reporting
- ▶ Integrated adaptive feedback
- ▶ Relentless execution



Summary

Success today requires greater competitive differentiation

Market leaders making data-driven decisions create differentiation

Integrating data across functions and LOB creates more value

Best practices:

Standardize and integrate data, variables, models & metrics

Develop customer-centric analytics

Continuous test and control environment

Create data-driven decisioning culture



Fractal delivers analytic excellence at unparalleled value to scale analytics in your business.

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