

Strategy Tree Optimisation

Value maximising trees,
implemented fast



Strategy Tree Optimization offers a simple solution to maximise business goals across a strategy tree. It enables achievement of these goals while simultaneously considering policies, operational constraints and regulatory requirements.

Rapid deployment is achieved as trees can be designed to fit within the constraints of the existing decision engine.

Strategy Tree Optimization is a strategic tool that uses a unique patented mathematical process to help business users design trees to make value-maximising decisions across the consumer credit cycle, across all portfolios from prospects through to recoveries, including originations, customer management and collections.

Designed for the business professional, it enables trees to be created to manage important business, risk and operational objectives such as increased profit, RARORAC and bad debt.

Optimised trees that maximise profitability and manage risk:

- **Maximises the impact of decision strategies** – supports customer-level decisions using industry leading, patented mathematical optimisation technology
- **Rapid time to value** – new trees exported in a standard format for rapid implementation

- **Integration with existing infrastructure** – trees can be designed around existing decisioning structure and logistical limitations. Precise, highly configurable strategy planning with faster results
- **Interactive “what-if” simulation** – improves business planning and forecasting by determining the most profitable decision strategies
- **Multi-goal analysis** – allows quick evaluation of the trade-offs between different metrics such as profit versus bad debt, probability of default or loss given default
- **Comprehensive visualisation** – simplifies the decision process and supports internal justification for changing strategies, leading to faster actions. Integrated decision strategies that reflect business needs and market conditions



StrategyTree Optimization as a service

An optimisation project can be run as an analytical and consulting service by Experian.

- **Rapid results, high gains** – a single analytical project, akin to a scorecard development, with the aim of delivering a deployable optimised strategy, with low resource requirements from the client
- **Leverage optimisation expertise** – Experian's team of consultants have extensive experience of implementing optimisation projects across the credit lifecycle, over the full breadth of the credit industry
- **A consulting relationship** – the strategy would be developed in a consultative approach, with regular ongoing reviews of the deployed strategy

StrategyTree Optimization software

An alternative to the service offering, the StrategyTree Optimization software can be licensed, enabling the full benefits and flexibility of optimisation to the business user to apply optimisation across their organisation.

- **Highly configurable and flexible application** - aligns decision strategies with business goals and practices
- **User-definable actions** – such as accept / reject / refer, limit setting, letter / phone, price
- **User-definable goals** – such as minimise bad debt, maximise profit, minimise roll rates
- **User-definable constraints** – such as maximum bad debt value, available underwriting capacity, exposure at portfolio and node level
- **Intuitive graphical user interface** – allows business managers and analysts to rapidly produce optimised trees in a graphical environment.

New optimised trees are easily created allowing the business to rapidly adjust to changes in resources or modified plans

- **Trees are easily implemented** – the tree is optimised offline, and implemented in the existing decisioning environment
- **Highly scalable** – proven to operate in the most demanding environments

StrategyTree Optimization enhances the effectiveness of decision strategies – allowing a business to get more from the existing resources than previously thought possible. It can be used independently or combined with other key capabilities from Experian to generate the highest return for the business:

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- **Strategy Management** – solutions for originations, customer management and collections, in markets such as unsecured lending, telecommunications, retail and utilities
- **Optimisation Consulting** – our experts provide best-practice risk optimisation roadmaps, design and implementation services
- **Advanced Analytics** – data intelligence, analysis and custom model development

To find out more about StrategyTree Optimization, contact your local Experian Sales Representative, or send an e-mail to optimisation@uk.experian.com

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