

# Volkswagen Doğuş Finans

Increasing application processing capacity by 25%

## Acquiring new customers more effectively

Volkswagen Dogus Finans (vdf) wanted to streamline its application process to make it quicker and more efficient to accept customers for a loan. The business also wanted to achieve a holistic customer view to ensure that it was lending responsibly, while also making profitable lending decisions.

vdf sought to implement a consistent decisioning system for customer acquisition across its business lines. It was important that the system allowed flexibility to manage and change strategies centrally in a shorter time frame, while reducing costs. Crucially, the system needed to have the flexibility to integrate seamlessly with vdf's existing operating environment and to allow it to analyse customers according to their risk profiles and vdf's strategies.

vdf selected Experian's PowerCurve™ Strategy Management for Originations. Experian performed a thorough analysis of vdf's existing credit risk management practices, including the processes, systems, tools, and strategies already in place across vdf's lending portfolios. Experian's consultants then developed an in-depth understanding of the existing credit underwriting procedures for customer acquisition, particularly the use of databases, scorecards and decision trees.

A collaborative approach was applied to assess the business impact of the new acceptance rate for each attribute, combined with the known bad rate, to ensure that fewer of the previously identified bad accounts would be accepted in future.

## Results: Improved customer service and faster decisioning

vdf enhanced its capability for making automated lending decisions. PowerCurve Strategy Management for Originations allowed it to process a higher volume of applications, with 50% being processed automatically on day one of the implementation.

Leveraging relevant data, vdf has gained powerful insight and a deeper understanding of applicant risk exposure, indebtedness and profitability. This has allowed vdf to promote responsible lending and improve the time-to-decision for customers, while offering them the most appropriate loans and services.

Application processing capacity has improved by 25%, while maintaining existing resources. In addition, 16 months after the

implementation, the non-performing loan ratio is realised as 0.1% for applications assessed automatically.

PowerCurve Strategy Management for Originations supports rapid strategy changes to enable vdf to respond more quickly to dynamic market conditions and to evolve its lending strategies to meet changing regulations. The system is also scalable to allow new product and service innovations to be added.

### About Volkswagen Doğuş Finans (vdf)

A leading consumer auto finance company in Turkey and part of a large multinational finance group. The company processes over 150,000 applications per year and manages a loan portfolio size of 1,9 billion Euros.

“Our aim was to process more applications while minimising IT dependency - and keeping resources unchanged.

One year after the implementation of PowerCurve Strategy Management for Originations, I'm very pleased to see that we have not only reached and surpassed our targets, but also enhanced our customer service, and improved our efficiency.”

— **Esra Acaruşığı**, Operations and Credit Assessment Manager, vdf

### Benefits:

- Application processing improved by 25% with the same resources
- Decisions automated for 50% of applications on day 1
- Non-performing loan ratio is realised as 0.1% for applications assessed automatically