

ERIAN / System of automated decision making in the leasing area

Your customers want to obtain a service as quickly and conveniently as possible using any channel – from a personal visit at the branch up to on-line execution of their request on the website or via a mobile application. You wish to oblige to them and provide the service very flexibly so that you can gain the necessary advantage in a tough competitive environment. However, you also need to be protected against dishonest people. This can be achieved by evaluation of a large amount of data from various sources during interaction with the customer by application of rules of various degrees of complexity.

For these cases we have ERIAN, a well-proven system for detection and management of risks with numerous unique features.

Challenges

Currently the field of finance is characterized by rapid changes in the economy, the financial market, legislation, regulations and advance of the so-called Fintech companies. This trend is accompanied by the customers' rising demands; they wish to be serviced by any available channel, when it suits them, conveniently and quickly. This challenge involves satisfaction of conflicting demands as regards the volume, speed, accuracy and consistency of deciding to whom to provide or not provide the given service, under what conditions, etc.

Automated decision-making

Evaluation of financing can be automated by application of the so-called Decision Engine with the following benefits:

Efficiency

The Decision Engine executes the best-algorithmized part of the decision by itself. The other cases are passed on to an expert who will solve them to a high standard using his erudition because he is relieved of the routine work by the Decision Engine.

Consistency of decisions

The Decision Engine always applies all relevant rules, consistently processing a large number of requests in fractions of a second. It also limits internal fraud.

Auditability

The Decision Engine registers data on each decision and can retrospectively prove which rules were used for the decision and with what result.

Protection of knowledge

The information is conveniently stored in one place with controlled access. It is thus protected against loss caused by fluctuations or deliberate misuse.

Basic features of the ERIAN system

ERIAN meets many other demands besides the work of the general Decision Engine:

Autonomous decision-making, support of the experts' work

In the typical application, ERIAN executes evaluation of all requests. It analyses data of the particular request, historical data and records in internal as well as external registers according to the preset rules. The system makes some of the decisions by itself and passes on some of them to an expert together with detailed materials for further evaluation.

Rules of various complexities

The system allows work with simple and very complex rules, which are based on mathematical methods and expert knowledge.

Sophisticated detection

Evaluation of trends and relationships, smooth connection to outcomes of data-mining models. Matching contexts even on the basis of approximate conformity.

Depth and width management of the checks

The level of the check's detail can be set freely, for example to night or random checks, calculation of aggregated items only for the relevant cases, etc. The calculations are optimized by detailed focus on each rule (e.g. only above a certain limit, only for a specific type of product, etc.), thus effectively guaranteeing preservation of the system's performance if the number of rules and the quantity of processed requests increase.

Safeguarding of the rules' quality

Testing and simulation using historical data and what-if analyses. It is always possible to check and verify that the rules are behaving as expected.

Types of risks and risk groups

With application of the ERIAN system, it is possible to detect risks coming from all groups, i.e. customers who are natural persons, corporate customers, mediators of third parties as well as risks coming from among the company's own employees.

Service channels and phases of the business relationship

The ERIAN system allows detections in all phases of the business cycle, i.e. the newly arriving customers at the beginning of the business relationship, during modifications of financing conditions or other services, in case of a loss or damage of the financed equipment, etc.

ERIAN supports work with all service channels – from traditional channels such as the branches or written correspondence, through electronic channels such as call centres or emails up to modern on-line communication such as websites, mobile applications, etc.

The used data

ERIAN naturally supports a rich data structure, in particular the concrete requests for financing and their parameters, and characteristics of the client or the particular product in relation to the particular situation.

ERIAN also analyses the current and historical data from internal sources of your organization.

It uses values already established in your organization, e.g. the Client's Probability of Default, Loss Given Default, etc.

Connection to special registers such as registers of debtors, etc. is also provided.

Last but not least, ERIAN evaluates aggregated data from all sources and executes their calculation, e.g. suspiciousness of a given request if it has a certain parameter identical to a certain number of previous requests.

The main business benefits of the ERIAN system

The right decisions

You will make more accurate decisions thanks to complex logic in matching the related relations. You will provide financing only to people who have the ability and intention to repay properly. You will provide smooth transactions such as conclusion or modification of contracts to trouble-free customers.

Cost saving

You will free the hands of your own IT department, because the rules are changed by the business users. You will relieve your risk experts of routine work and allow them to concentrate on work with the maximum added value.

Flexibility

With the ERIAN system, you will create and continuously optimize your own decision-making rules, thus ensuring ability of a flexible response to new types of risks. ERIAN is the right tool to increase agility of your business by giving the business departments full control over the entire decision-making process.

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About KOMIX company

KOMIX s.r.o. is a Czech company with 20 years of tradition and experience in IT. It specializes in supplying custom designed IT systems and applications as well as integration and transformation projects. KOMIX also provides consulting services related to the information systems development as well as quality assurance, testing and operation. Our mission is to use ICT technologies to make people's lives easier, their work more effective and provide companies with a long-term competitive advantage.

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