



Euristix Partner with Buy As You View to Enhance Risk Management

Buy As You View (BAYV), a leading asset-based specialist lender, have chosen Euristix to help them achieve analytical excellence in risk management.

Risk management practices are constantly evolving, driven by fresh developments, new regulation and a changing marketplace. Maintaining class-leading capability can be vital to ensure continued success in a competitive market, but can be difficult or time-consuming to achieve. One option which is growing in popularity throughout the industry is the use of outsourcing solutions, leveraging the skills and experience of a trusted external partner.

Euristix Partner, Vincent Bordes, describes how this relationship has proved highly successful in this particular case: “Buy As You View are a successful, forward-thinking business who want access to a best practice risk management framework to help drive growth and development. The partnership with Euristix provides this capability without the need for them to support an expensive internal team. This is a great example of how we can best create value for our clients by working together in a true partnership”

Euristix have designed a suite of Management Information packs to help monitor and control the quality of the BAYV portfolio. By analysing the monthly MI and recommending the most relevant actions on a monthly basis, Euristix have helped BAYV to embed a strong governance and risk culture within their organisation. The risk profile of the BAYV clients is now fully understood and monitored, not just at portfolio level but also at segment level (customer demographics, product type, region etc.) to give true insight into the key drivers of risk performance.

The insight delivered through the partnership with Euristix has become a key consideration within the Loan Risk Committee, where the book's performance and the required risk strategies are discussed, reviewed and signed-off. Not only has this robust monitoring process helped BAYV better understand the risk profile of their book, but it has also helped strengthen the relationship with funders. In the current environment, a strong risk management infrastructure is a key requirement from funders and drives understanding and confidence in the business and its direction.

Buy As You View are using their relationship with Euristix to drive continual improvements in their risk management infrastructure, to underpin growth, ensure stability and exploit opportunities. Euristix are helping to identify the key areas where further analysis is required, helping BAYV to focus their analytical efforts. New risk initiatives and strategies are examined and selected during the committee. One such current initiative is the construction of bespoke behavioural scoring models for BAYV existing customers. When embedded in the business, this will help to improve the targeting and risk assessment of existing customers to drive the secondary sales activity which is a key aspect of BAYV's success.

This scoring solution is designed to deliver benefit in three key areas:

1. Customer management

- More successful targeting of existing customers for marketing campaigns
- Fast tracked application process for low risk customers
- Support the development of sector-leading responsible lending practices

2. Secondary sale underwriting

- Allow graded lending guidelines to be set across regions using different score cut-offs and risk bandings
- Enable risk-based product selection, so higher risk products are only sold to the correct customers
- Implementation of a champion-challenger approach within regions with a common basis to review results

3. Portfolio quality tracking:

- Track the portfolio quality and risk profile over time
- Identify concentrations of risk that exist in the book
- Provide a universal view of each region and a objective comparison of performance

With Euristix providing robust risk management components built specifically for their business, the Buy As You View management team can focus on taking their business forward, safe in the knowledge of secure risk management foundations. Tony Morris, the Risk Director at Buy As You View, says the following about the partnership with Euristix:

“We found that we had lots of great data but not a great deal of insight and recommendations around the bigger picture and possible actions. We could see from the core metrics that the quality of the loan book was good and that our decision making was generally sound, but with so much data it was difficult to focus in on areas that, if we improved upon, would deliver maximum return.

Each month now we provide Euristix with the data which they analyse and present back to us at our monthly Loan Book Committee. We discuss findings, decide upon the focus areas, agree actions and then report back on progress at later committee meetings.

We feel that we have found a great business partner in Euristix, they have really worked hard to understand how we tick. We are passionate about our customers and take our responsibilities seriously and we have been impressed how quickly the team at Euristix have tuned into our values. So much so that we have recently asked them to review our existing customer Sales Scorecard, which can sometimes be a little black and white, with a view to developing an enhanced Behavioural Scorecard that will provide management with a balanced guide around managing each of their accounts in terms of both arrears management and additional sales requests.”

About Euristix Ltd

Euristix is a financial services consultancy company dedicated to the generation of material value through the application of advanced analytics and practitioner experience. Formed in March 2005 by senior executives from a number of leading financial institutions, Euristix leverages this financial acumen and risk practitioner background for its clients that include names like Lloyds Banking Group, Barclays, 3i, Alchemy, Advent International, Virgin Money, Palamon, Brighthouse, 1st Credit, Wescot and Equidebt.

Euristix has the following three business lines: Outsourcing, Consulting and Mortgage Services. These allow it to offer comprehensive risk management services that include Risk MI design and production, Risk Modelling and Forecasting, Scorecard building and maintenance, Portfolio valuation, due diligence and management, Collections & Recoveries optimisation and turnaround, Fraud Management & Prevention, and Debt Sale.

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