



## Driving Profitable Growth with Predictive Analytics: A Case Study

A leading North American provider of alternative business loans for small and medium sized businesses started to experience explosive growth just as the traditional credit markets began to tighten in 2008. Loans defaults and bankruptcies were skyrocketing and spreading increased risk across the entire credit industry.

The increased demand and higher risk made it increasingly difficult for the company to accurately assess credit worthiness. Its underwriting experts were overwhelmed with the increase in new applications and began to struggle to meet their goals for quick processing times. These challenges became a threat to its profitability and its plans to launch new distribution channels. The company needed to reduce the number of defaults without compromising profitability. Fortunately, the company had compiled a rich customer database with very detailed information about each loan using salesforce.com. They knew their customer database had the keys to the insight they needed; they just needed the right tools to unlock it.

However, most solutions were too expensive, generic or difficult and time-consuming to implement. The company's executives were clear: they wanted a cost-effective solution tailored to their environment that could be deployed quickly with minimal disruptions. They wanted to use their historical data to predict the risk and profit of each loan (beyond the standard credit scoring) in near-real-time. This combined prediction would lead to a next-best-step recommendation in their process (such as fast track approvals or rejections). This smart loan application routing and automation would allow the company's underwriting experts to focus on the most important deals.

The company needed a solution that was dynamic and could adapt over time; typical predictive models were static and needed manual refreshing. It was critical that their solution learn from their changing business conditions on a daily basis and adjust automatically. Finally, it needed to integrate seamlessly with their existing salesforce.com technology infrastructure, be fully automated and implemented with minimum assistance from their overburdened operations staff.

The company turned to in2clouds and its Predictive Analytics platform to meet these ambitious goals. *"When we found in2clouds, I knew it was exactly what we needed. Their innovative technology had the right features and they understood our needs from day one,"* said the company's president.

The in2clouds solution was completed in 6 weeks and produced tangible results from day one: 14% productivity gains and close to 20% in risk reduction. The ROI could be well over 900% in the first year alone. *"The project could not have gone any smoother and I am very pleased with the initial results and immediate benefits, especially the risk reduction and ROI,"* the company's president continued.

The company is planning to leverage its new analytical capabilities to develop new marketing campaigns to target customer acquisition as they plan for 2010 and beyond. *"This analytical insight is an integral part of our business and a key to achieving our strategic objectives profitably,"* concluded the company's president.

*in2clouds, a 2009 Force.com 40 Innovation Finalist, is a salesforce.com partner with a native application for predictive analytics in the cloud. For more information contact [info@in2clouds.com](mailto:info@in2clouds.com).*