Credit Corp Group

CASE STUDY:

Credit Corp: Optimising and Scaling Financial Models

» ABOUT CREDIT CORP

Credit Corp Group Limited is Australia's largest provider of sustainable financial services in the credit impaired consumer segment. The company specialises in debt purchase and debt collection services. Credit Corp purchases past-due consumer and small business debts from major banks, finance companies, telecommunication companies and utility providers in Australia, New Zealand and the United States of America.

With a strong focus on compliance and controls, the company prides itself in developing long-term partnerships and adherence to a high-level of operational standards. This is echoed throughout the organisation including the Finance team who chose SolveXia to automate, optimise and future-proof their financial modelling.

> " SolveXia were very professional and could follow our complex financial modelling quite easily. Their solution has enabled us to run our financial models in an efficient manner with automated checks and exception reporting. "
>
> Finance Manager at Credit Corp

» THE CHALLENGE

Valuation modelling is a key activity for the Finance team at Credit Corp. These models produce important financials (such as amortisation) as well as data for management reports. Furthermore, the team leverages the modelling to analyse the impact of changes in debt collection behaviour to assist with budgeting and planning.

The team at Credit Corp has for many years relied on Excel and macros to perform the modelling. This reliance has become increasingly cumbersome with growth in the business and transaction volumes resulting in the Excel models taking up to 2.5 hours to run. Significant pressure on the Finance team left them with little time to prepare, analyse and, if required, re-run the models whilst simultaneously trying to meet their reporting deadlines.

Management also felt that the manual solution lacked the ability to scale in line with the business's ambitions for future growth both in terms of the volume of transactions and entry into new markets. There were also concerns around the dependence that the manual process had on the knowledge of key staff. Finally, the team had ambitions to improve the process by adding additional data quality checks to help ensure the information being presented to management was accurate, timely and insightful.

≫ SOLUTION

Credit Corp chose SolveXia to automate their valuation modelling. By incorporating their existing Excel models into SolveXia, with minimal re-engineering, Credit Corp was able to significantly reduce the time to run the models by as much as 80%. Automation also gives them the ability to perform multiple model runs in parallel, an extremely valuable facility to utilise when preparing budgets. In addition to saving time, the solution also ensures the models are able to scale without limitation as Credit Corp continues to grow.

To ensure rapid delivery, the SolveXia solution leveraged the existing Excel models already developed and trusted by the team at Credit Corp. Rather than starting from scratch, the team utilised SolveXia's unique capabilities to interpret and adapt their existing Excel data and formulae for use by the system.

This ensured that a robust and fully functional solution was delivered to meet the ambitious 3-month timeline set by senior management.

Key financial data and forecasts are ingested into the SolveXia platform. The solution then performs checks and validations to ensure the information is accurate before running the data through the models. Results from the model runs are then collated into a series of reports ready for analysis by the Finance team.

The solution also leverages SolveXia's robust governance capabilities, allowing the team at Credit Corp to enforce strict access controls and version control as well as providing audit trails of every change relating to the modelling.

≫ KEY RESULTS AND OUTCOMES

Having automated their valuation model using SolveXia, Credit Corp is now able to produce key financials and analysis in a fraction of the time, down from hours. This time saving helps reduce pressure on the team, who can instead focus on analysing the results produced by the model and communicating insights to management.

The significant increase in modelling performance also means that Credit Corp can run the valuation models much more frequently and for many more scenarios. This helps the Finance team to forge a meaningful partnership with the business and drive strategy across the organisation.

Management is now confident that the models are future-proof and can easily handle the anticipated growth in data volumes while also ensuring the models remain highly controlled with strong governance, visibility and audit capabilities.

≫ KEY METRICS

3 months

Solution delivered in under 3 months.

80% reduction

Up to 80% reduction in time needed to run models.

10,000 assets

Over 10,000 assets valued rapidly processed in the financial model.

KEY DATA AND SYSTEMS

Sun GL