

# IMPROVE CUSTOMER RETENTION (SERVICING)

Project Goal: Reduce rate of early pay-offs by 15%

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All financial institutions bear great costs to generate leads, underwrite, close and service loans. To ensure optimal levels of profitability, performing loans should be retained as long as possible in the portfolio, minimizing early payoff. In order to decrease early payoff rates, the project is to:

- *Develop a model to predict with statistical certainty, the loans likely to payoff early*
- *Generate an effective marketing approach to retain 25% of these customers*

## Business Case:

- Minimize revenue loss
- Understand reasons/customer behavior behind early payoff

## Six Sigma Improvements:

- Developed and implemented a customer retention process to address specific needs of pay-off requests
- Created a dedicated team, trained to address payoff inquiries and requests
- Identified top 3 reasons for early payoff – resulted in new product and additional process improvement projects
- In process of data collection and model development

## Delivered Benefits:

- \$50 million incremental funding volume

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