

Analytical Case

Risk Analysis and Monthly Trends Report

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Prelude

Data

Dataset represents applications for Business postpaid mobile accounts submitted between 2020 and 2021 (24 months).

Context

The Business team have requested for a risk analysis with monthly trends and also identify any areas of opportunities to drive incremental revenue while managing overall risk.

Task

- a. Activation rates
- b. Activation trends & Deep dives
- c. Risks
- d. Recommendations or opportunities

1. Data Exploration

- As part of the data exploration process, records flagged as possible duplicates or data mismatches have been filtered out, creating a focused subset for further analysis.
- The dataset exhibits no major data inconsistencies, missing values, or outliers that would require immediate attention or data cleaning procedures

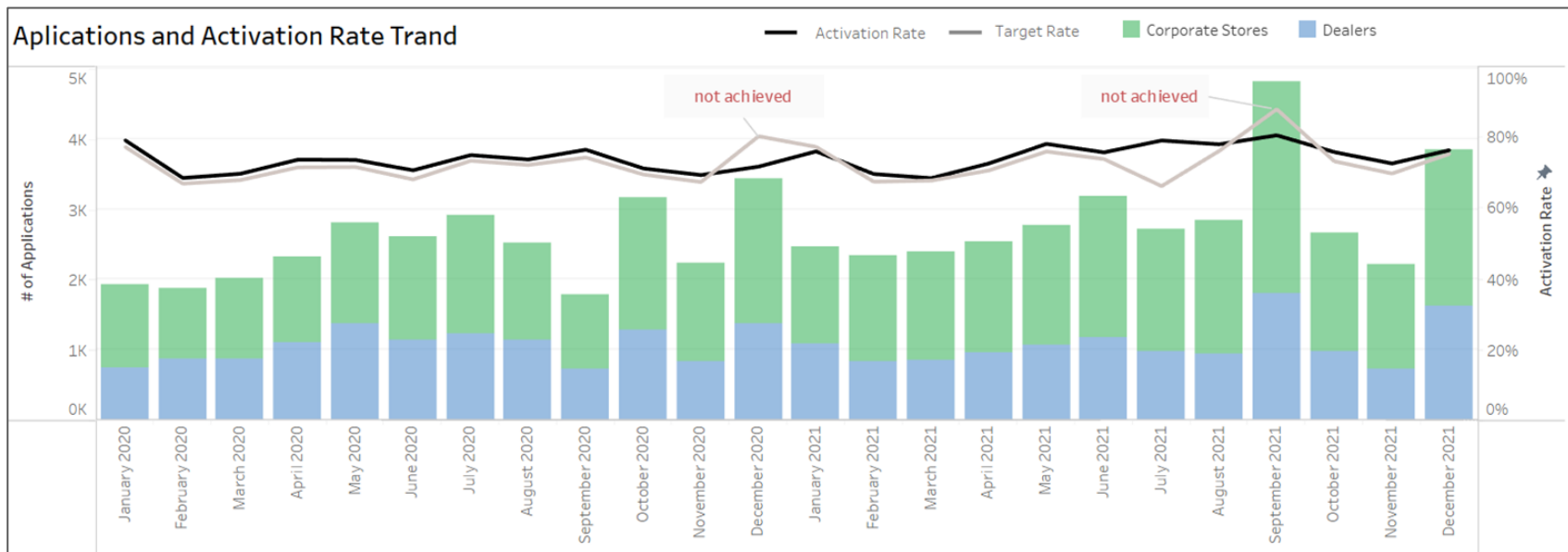
2. Activation Trend Analysis

- Total number of Applications and Activations for each month
- Monthly Activation Rate vs Target Activation Rate
- Distribution by channel types (Dealers and Corporate Stores) and across provinces
- Conclusions and recommendations

2. Activation Trend Analysis

Channel Distribution: **60%** from Corporate Stores, **40%** from Dealers.

Activation Rate: Average activation rate is **74%**, surpassing the average target rate **by 2%**.



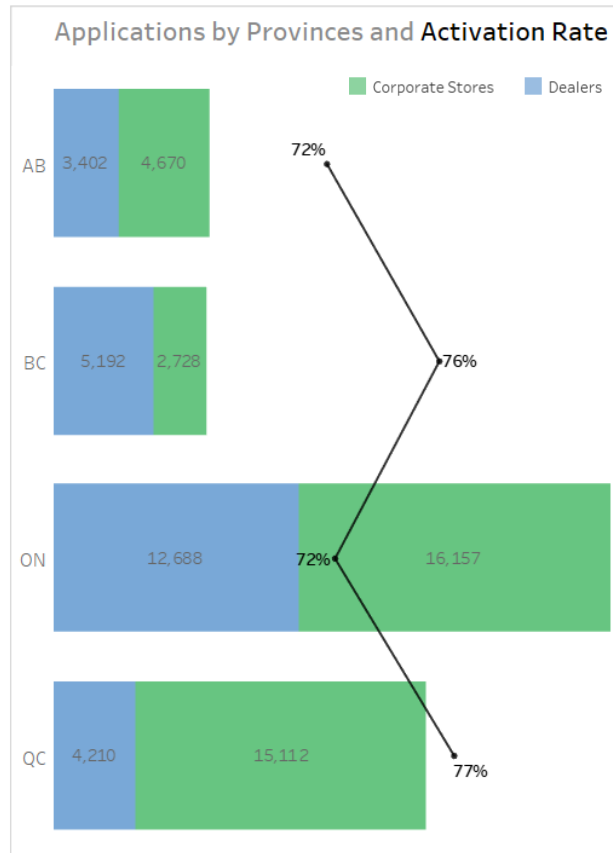
2. Activation Trend Analysis

Provincial Analysis:

- The provinces with the highest average activation rates are QS (77%) and BC (76%).

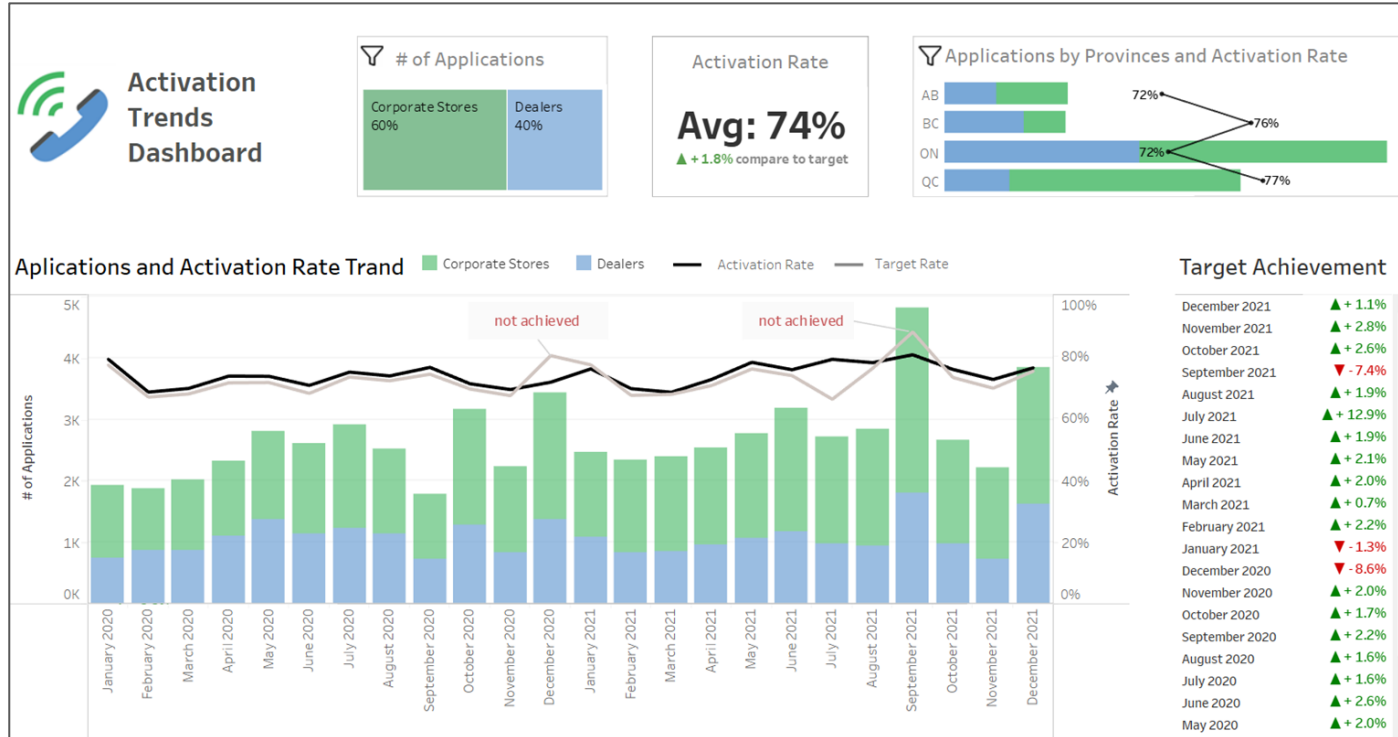
Despite ON having the largest number of applications, the average activation rate in the province is 72%

- Alberta's Corporate Stores exhibit the lowest activation rate compared to other provinces, consistently falling 3-4% below the target.
- Ontario's Dealers also require attention, as their average activation rate stands at only 70%.



2. Activation Trend Analysis

The following Dashboard has been developed to perform analysis:

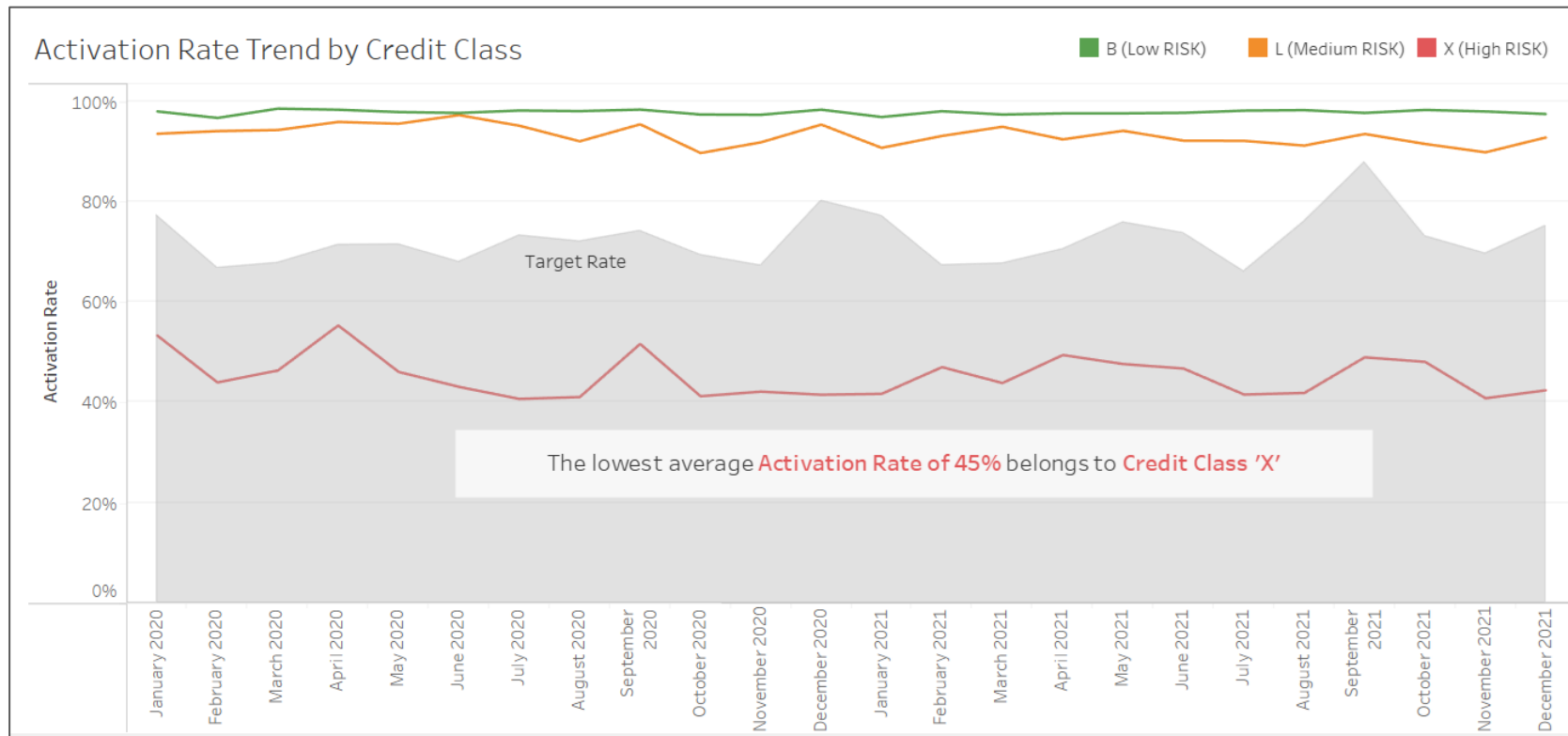


3. Risk Analysis

- Activation Rate Trend by Credit Classes
- Province Risk Level's Share
- 1 Year Bad debt Rate by Credit Class
- Conclusions and recommendations

3. Risk Analysis

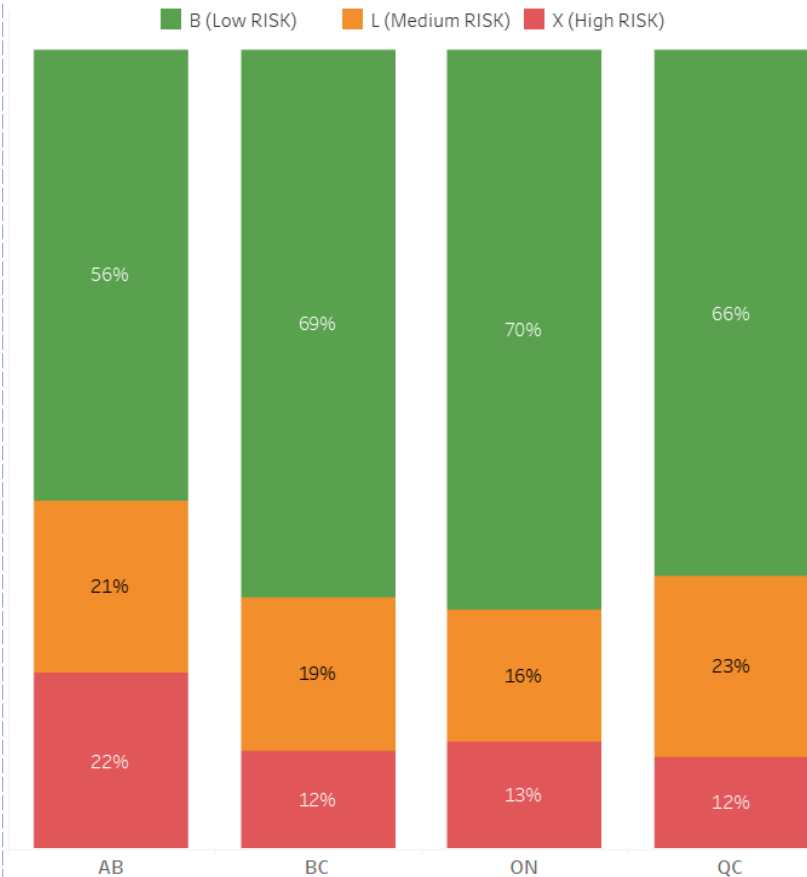
- The following chart presents the Monthly Activation Rate by Credit Classes



3. Risk Analysis

- Ontario has the largest share of Low Risk Applications, accounting for 70% of all activations
- Alberta shows the highest share of 'X' Risk Level out of all Activations.

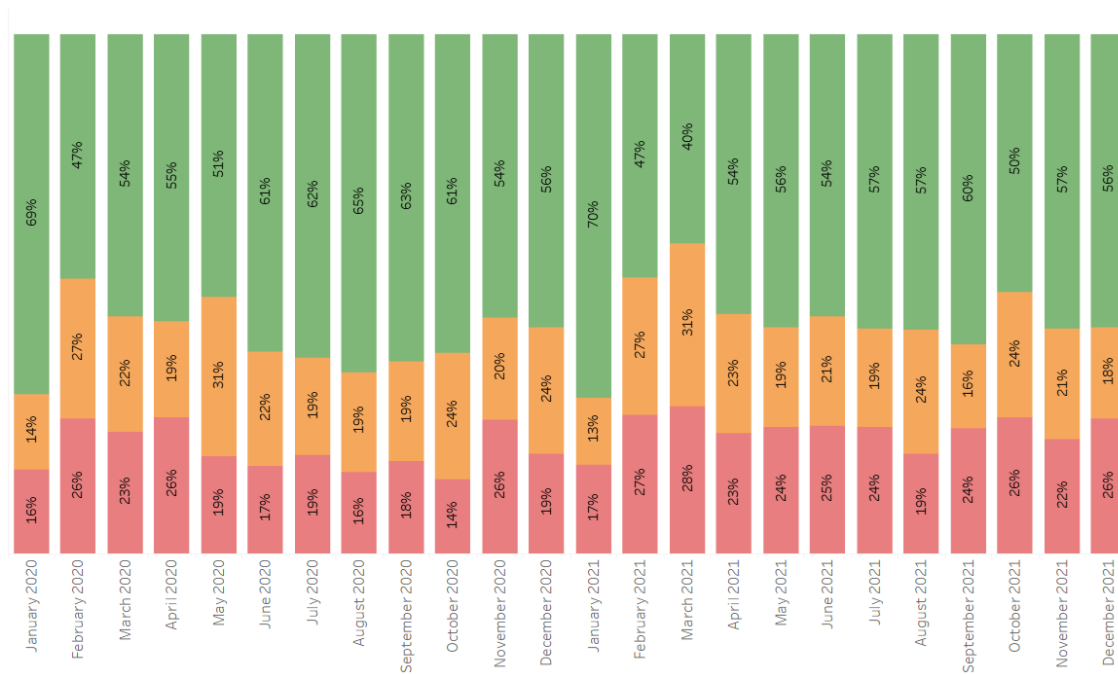
The share of **Risk Levels** out of total number of Activations



3. Risk Analysis - Alberta

- In 12 out of 24 months, the share of **High Risk** applications exceeds the share of **Medium Risks**.
- In 2 months, the share of **Low Risk** applications falls below 50%.

The share of **Risk Levels** for each Month - AB



3. Risk Analysis

Alberta has the largest share of clients who are considered to be delinquent;
Ontario has the largest number of clients who are considered to be delinquent;

of Activations vs # of Bad Debt



4. Conclusions

- The overall average activation rate of 74% exceeds the target rate by 2%, indicating a favorable performance in driving activations.
- Alberta's Corporate Stores and Ontario Dealers exhibit lower activation rates, highlighting the need for targeted strategies to improve performance in these channels.
- Alberta province has a higher prevalence of **High Risk** applications compared to **Medium Risks** in 12 out of 24 months, indicating a potential risk management challenge.
- Ontario has the largest number of clients who are considered to be delinquent so that reducing the share of such application will drive incremental revenue while effectively managing overall risk

5. Recommendations

- Focus on decreasing the number of **High Risk** applications in Ontario in order to drive incremental revenue while effectively managing overall risk
- Implement targeted initiatives in Alberta's Corporate Stores and Ontario Dealers to enhance activation rates, such as refining sales and marketing tactics or providing additional training and incentives.
- Develop risk management strategies in Alberta to mitigate the higher share of **High Risk** applications, such as implementing stricter credit assessment processes or offering tailored risk mitigation solutions.

Thank you for your attention

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