World Plus

"Lead Prediction System"

AGENDA
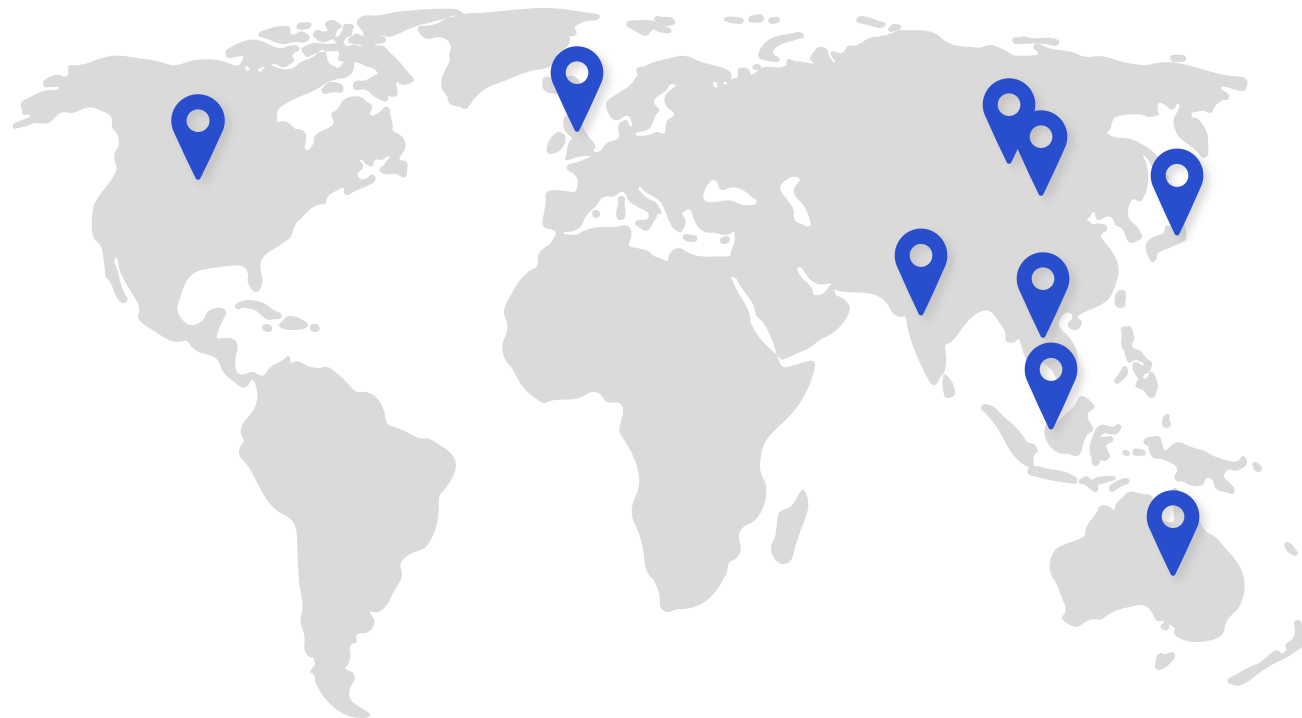
Why "A Grade"

A Grade Consulting specialises in analytics solutions for the financial and insurance sector across countries, with over 10 years of experience.

Analytics solution projects sample:

- New target customers lead
- Customer churn
- Customer satisfaction

Our clients:

AGENDA

- **Why "A GRADE"**

- **Our Understanding**

- **Pain Points**

- **Our Proposed Lead Prediction System**

- **Potential Risks and its Solutions**

- **Scope of Work & Timeline**

Our Understanding- Importance of Lead Conversion

Lead Conversion stands at the core of the bank's success, involving all marketing strategies that stimulates customer interest, and guide them towards making purchase decisions.
This crucial step is directly tied to achieving business success; many companies invest significantly to improve lead conversion.
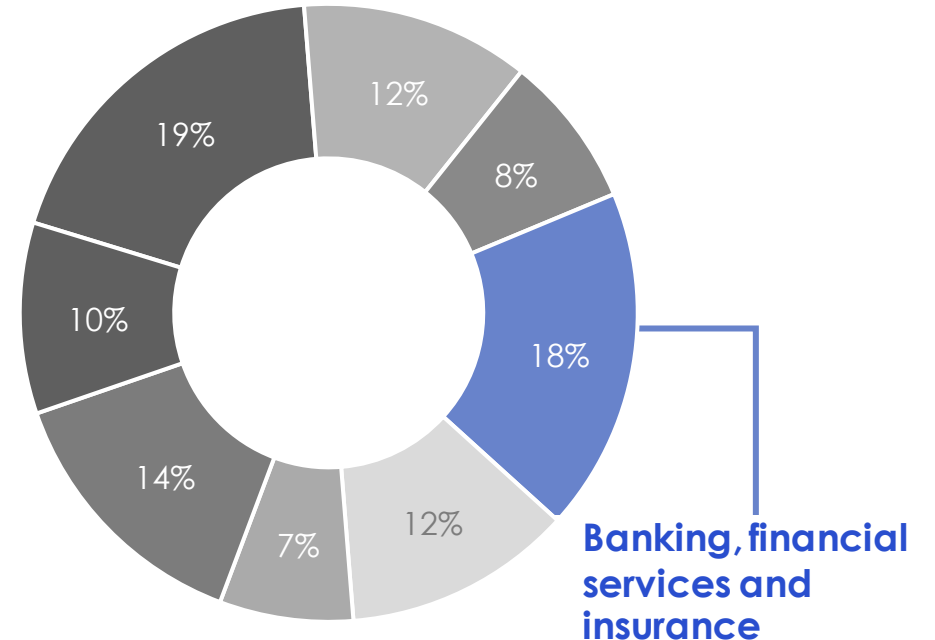
Business Success

Revenue Generation

Customer Retention

Market Competition

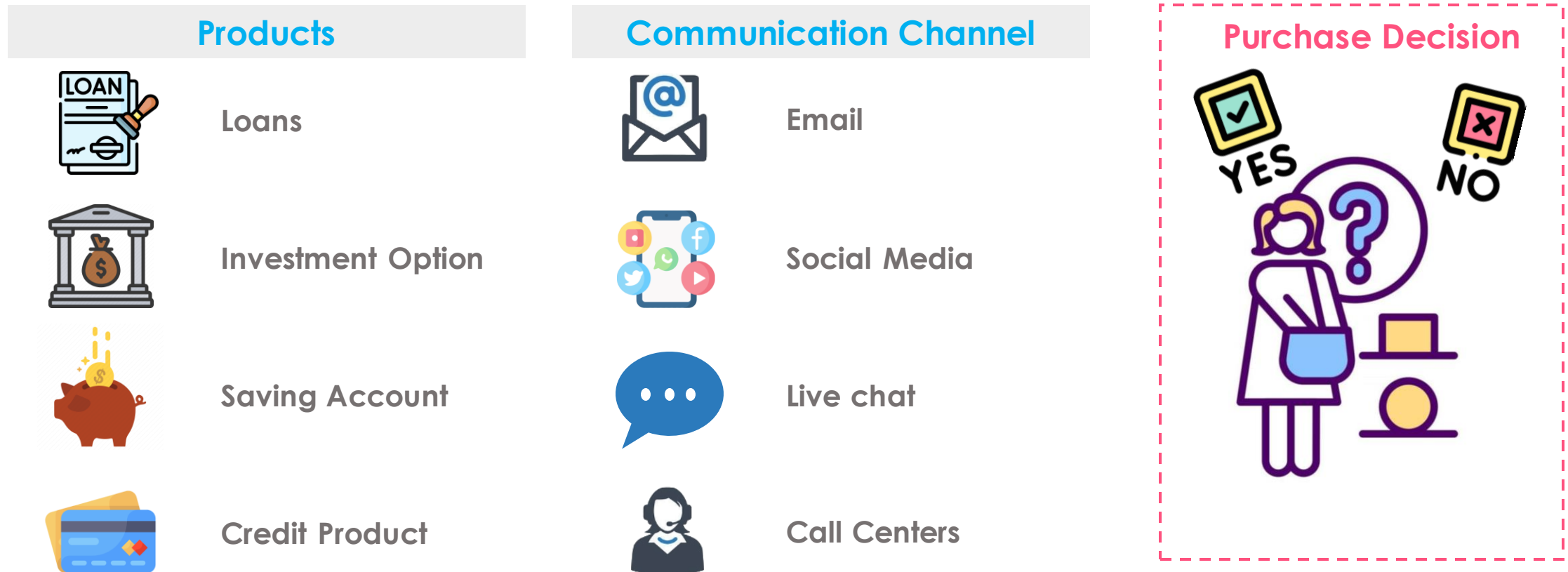## Biggest Users of Machine Learning

- IT and communications
- Healthcare
- Advertising and media
- Banking, financial services, and insurance
- Retail
- Others
- Automotive and transport

12%
8%
19%
18%
10%
14%
7%
12%

Banking, financial services and insurance

Source: Fortune Business Insights, 2022

Our Understanding- World Plus

World Plus uses various communication channels to enhance lead conversion. However, determining which product aligns well with each communication channel to influence purchase decision is a challenge.

Products	Communication Channel	Purchase Decision
Loans	Email	
Investment Option	Social Media	
Saving Account	Live chat	
Credit Product	Call Centers	

AGENDA

Why "A GRADE"

Our Understanding

Pain Points

Our Proposed Lead Prediction System

Potential Risks and its Solutions

Scope of Work & Timeline

Pain Points

The mis-identification of prospective customers who will purchase the new term deposit product is causing several issues, such as not strategically using communication channels, and causing unnecessary expenses in marketing and sales operations.

Pain Points

? *Not accurately identifying leads* for the new Term Deposit product

? Not able to strategically use communication channel; end up *sending communication to uninterested customers*

? *Unnecessary expenses* in time and money, as well as *opportunity costs* in sales and marketing operations
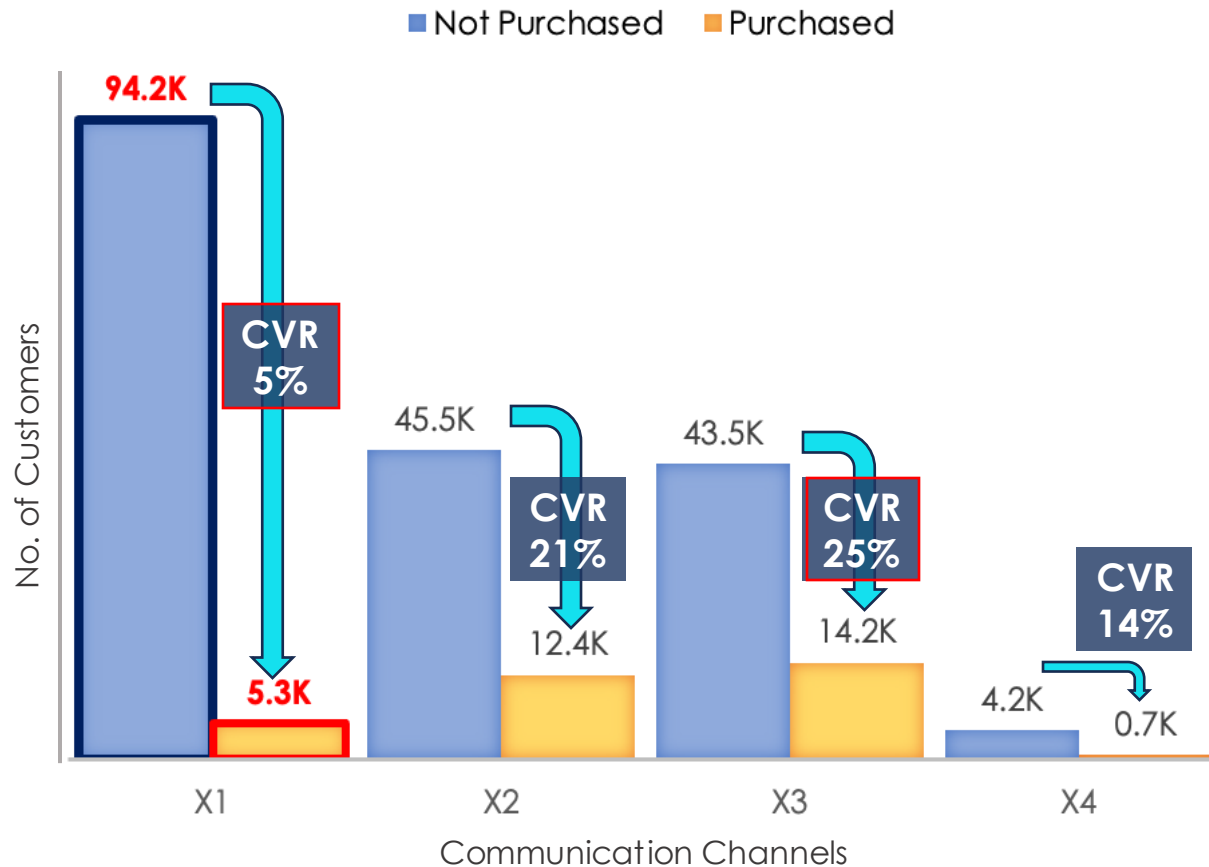
Pain Points – Initial Observations

Mis-use in the communication channels, as X1 has the lowest conversion rate.
Other variables such as "Registration", "Age" and "Vintage" were also noticed to be affecting the problem.

Effectiveness of Communication Channels

■ Not Purchased   ■ Purchased

No. of Customers

94.2K

CVR 5%

45.5K

CVR 21%

43.5K

CVR 25%

CVR 14%

5.3K

12.4K

14.2K

4.2K

0.7K

X1   X2   X3   X4

Communication Channels

CVR: Conversion rate = Purchased / (Not Purchased + Purchased) *100

Variables affecting the problem
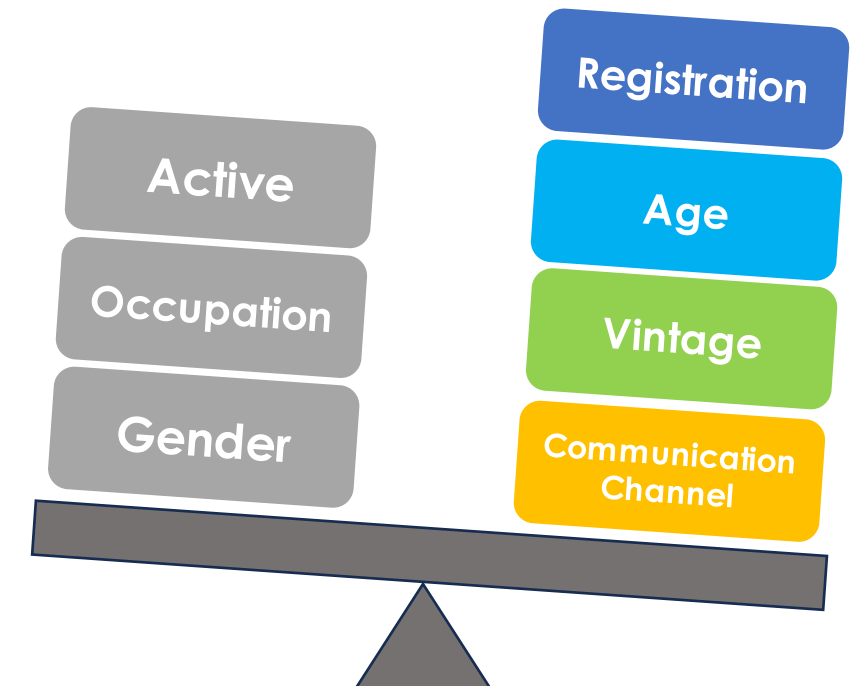
Active

Occupation

Gender

Registration

Age

Vintage

Communication Channel

AGENDA

Why "A GRADE"

Our Understanding

Pain Points

Our Proposed Lead Prediction System

Potential Risks and its Solutions

Scope of Work & Timeline

Our Proposed Lead Prediction System

1 of 20 models is selected as the best approach for the lead prediction system "Pro-Fit Finder 2.0"

Pro-Fit Finder 2.0

Customised for World Plus

50,000

25,000

20   30   40   50   60
AGE
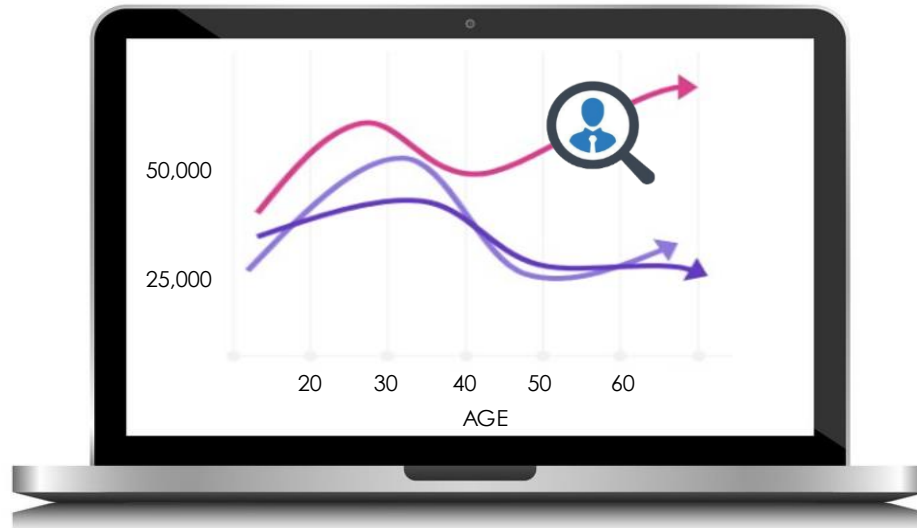
5 Selected Models x 4 different attributes

= 20 models

One best model

Pro-Fit Finder 2.0

Our Proposed Lead Prediction System

Our cutting-edge technology is designed to help World Plus excel in four key areas, providing World Plus with the tools and resources necessary for success.
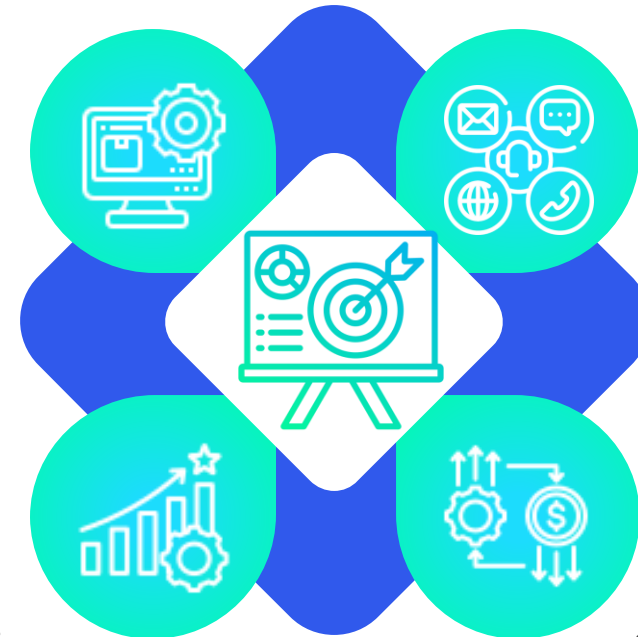
Pro-Fit Finder 2.0

Customised for **World Plus**

Perform **Predictive modelling system** to identify new customers for **term deposit** product

Analysis of **appropriate communication channel** for new target customers

Upscaling business performances after deployment

Reduce unnecessary **expenses & opportunity costs**

Our Proposed Lead Prediction System

Number of Mis-forecasted Customers

3006

-6.2%

2821

Other Models (Average)

Pro-Fit Finder 2.0
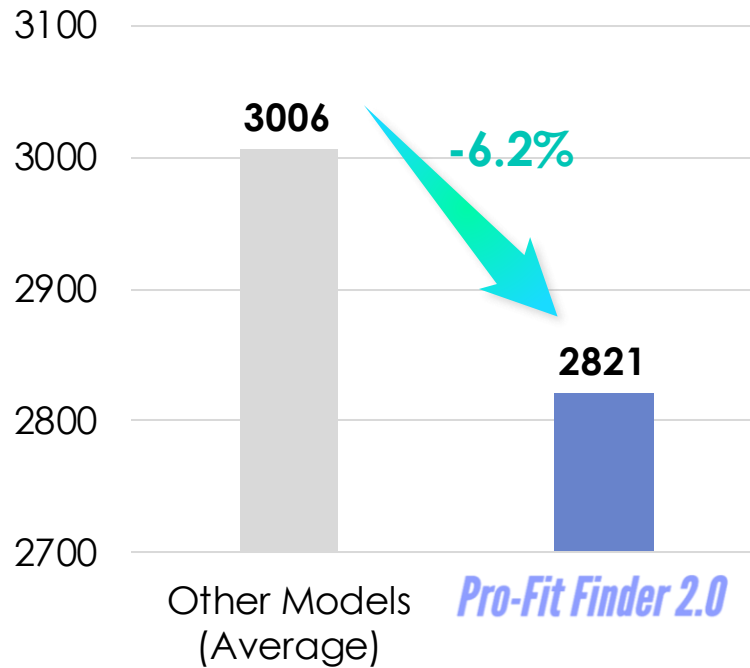
Number of Missed Opportunities

4061

-4%

3902

Other Models (Average)

Pro-Fit Finder 2.0
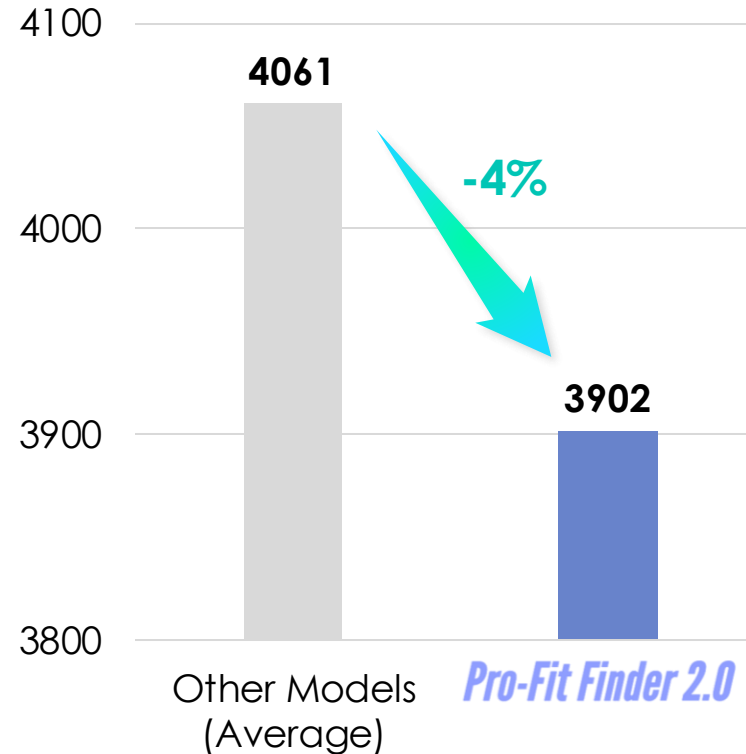
Overall Expected Profit

Thousands

543K

+3%

527K

Other Models (Average)

Pro-Fit Finder 2.0
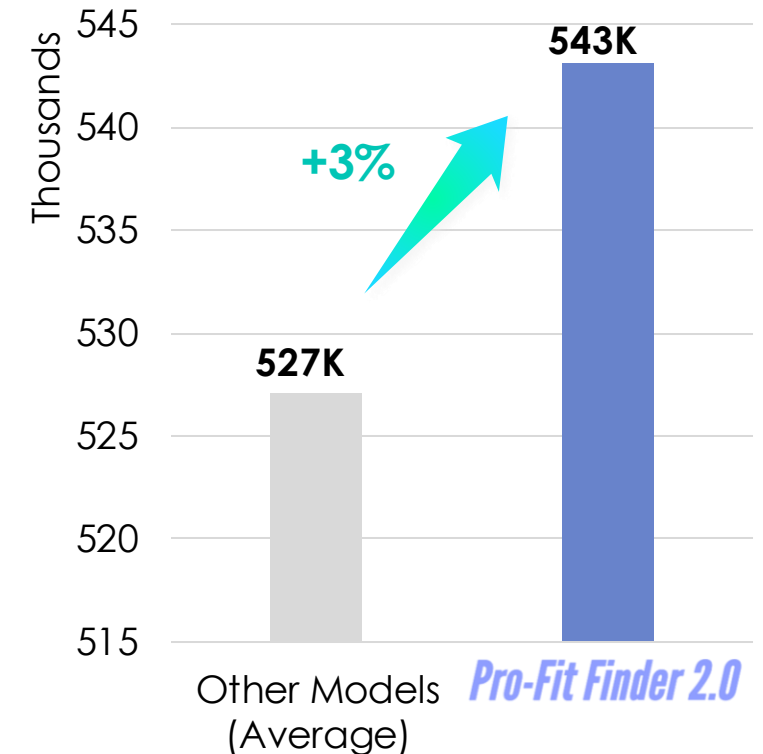
Accuracy 90% Percentage of Correct Predictions

*Assumption for expected profit: £5 communication cost and £100 profit per customer conversion

AGENDA

- Why "A GRADE"

- Our Understanding

- Pain Points

- Our Proposed Lead Prediction System

- Potential Risks and its Solutions

- Scope of Work & Timeline

Potential Risks

The four potential risks that might influence Pro-Fit Finder 2.0 are listed below:

Model Misinterpretation

Misunderstand prediction results

Over-reliance on Model's Predictions

Human factors need to be considered together with prediction results

Outdated Data

Unable to predict long-term marketing situation due to outdated/un-updated model

Change in Customer Behaviour

Model's accuracy may decrease due to change in customer purchasing habits

Risk Mitigation Solutions

To mitigate risks, we keep tracks of all process during system implementation from pre-to-post system deployment.

2. User training for decision making Case by Case
- To consider users characteristics along side with modelling result

4. Model Update and Maintenance
- Update model by including new data, category or change in customer trends

Before Deployment

Short Term After Deployment

Model Deployment

Long Term After Deployment

1. User training for model interpretation
- To Understand the meaning of model results
- To minimise human error and incorrect approaches

3. Keep Tracking on Model Results
- Monitor model performance continuously to ensure model accuracy

AGENDA

- Why "A GRADE"

- Our Understanding

- Pain Points

- Our Proposed Lead Prediction System

- Potential Risks and its Solutions
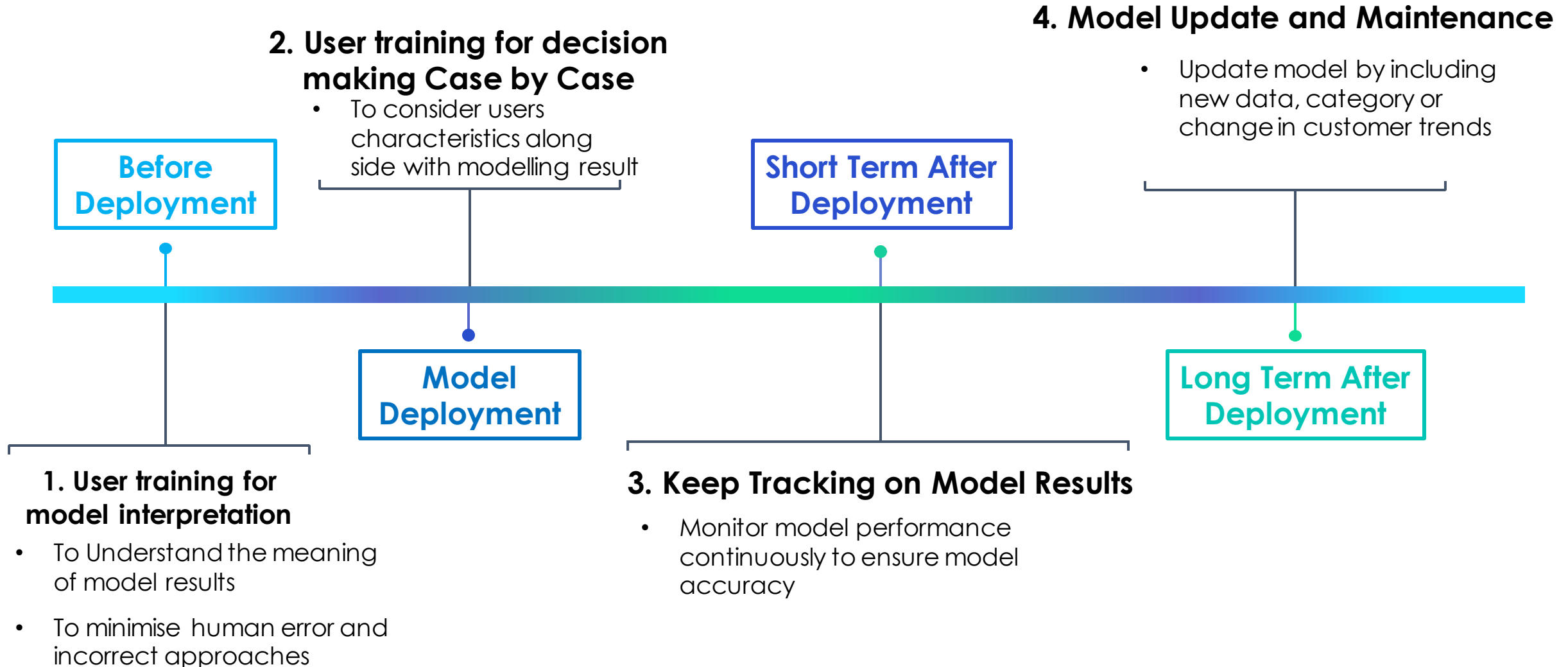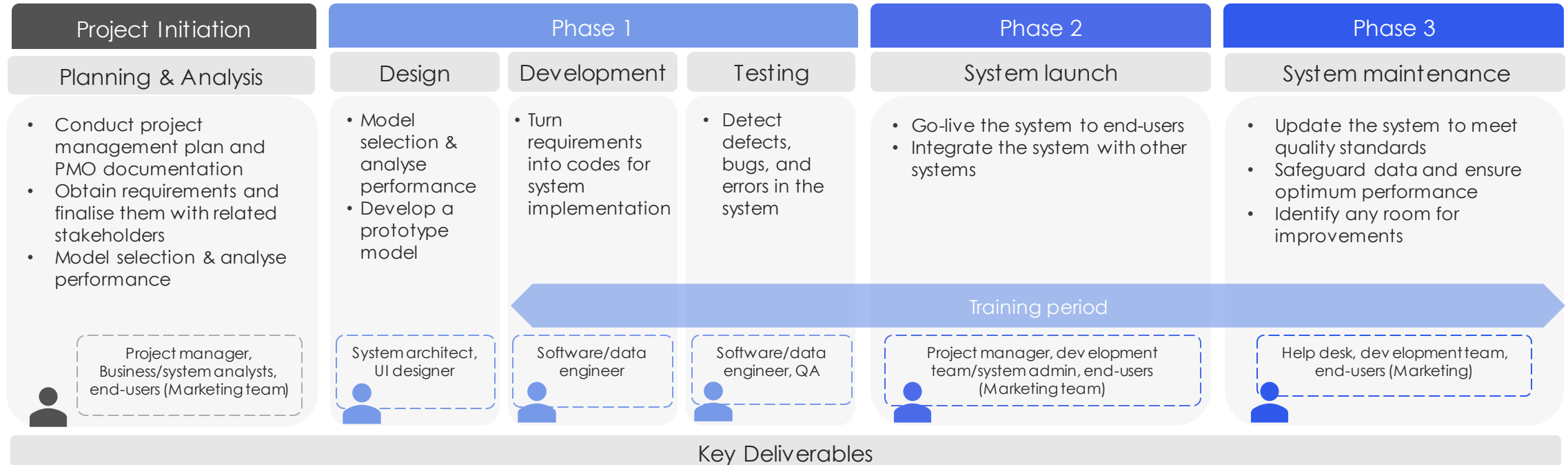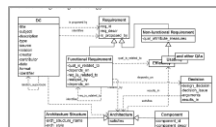
- **Scope of Work & Timeline**

Proposed Scope of Work

Apply system development life cycle (SDLC) for World Plus' lead prediction system for high-quality software on budget & on time.

Project Initiation	Phase 1			Phase 2	Phase 3
Planning & Analysis	Design	Development	Testing	System launch	System maintenance

Project Initiation — Planning & Analysis
- Conduct project management plan and PMO documentation
- Obtain requirements and finalise them with related stakeholders
- Model selection & analyse performance

Phase 1 — Design
- Model selection & analyse performance
- Develop a prototype model

Phase 1 — Development
- Turn requirements into codes for system implementation

Phase 1 — Testing
- Detect defects, bugs, and errors in the system

Phase 2 — System launch
- Go-live the system to end-users
- Integrate the system with other systems

Phase 3 — System maintenance
- Update the system to meet quality standards
- Safeguard data and ensure optimum performance
- Identify any room for improvements

Training period

- Project manager, Business/system analysts, end-users (Marketing team)
- System architect, UI designer
- Software/data engineer
- Software/data engineer, QA
- Project manager, development team/system admin, end-users (Marketing team)
- Help desk, development team, end-users (Marketing)

Key Deliverables

- Project Plan
- Data flow diagram (DFD/ERD)
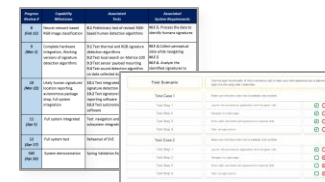- Model analysis (i.e., AUC)

- Software design document (SDD)
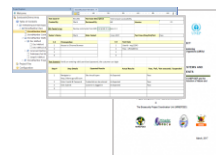
- Source code documentation
- Test cases
- Training material
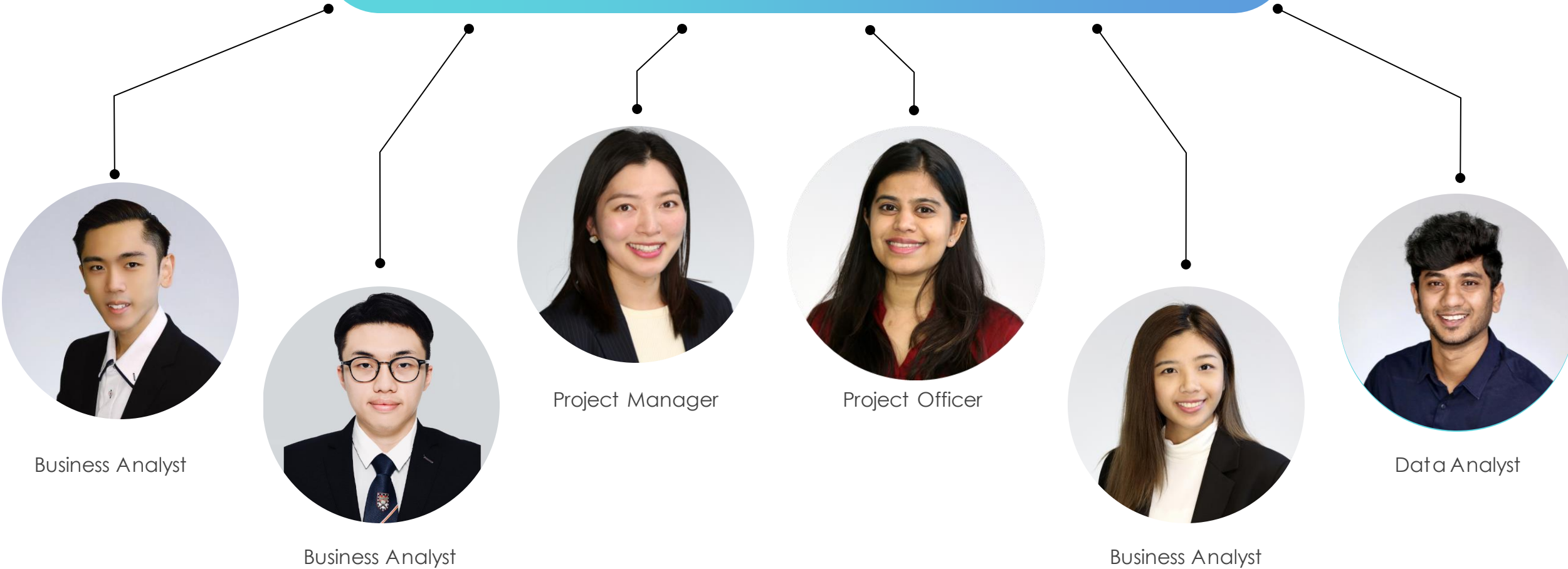
- User Acceptance Testing (UAT)

- Test plan
- Test cases and scenario

- System performance dashboard

PROJECT TEAM

Business Analyst

Business Analyst

Project Manager

Project Officer

Business Analyst

Data Analyst

Thank You

A Grade Consulting Co., Ltd

www. AGradeConsulting.com