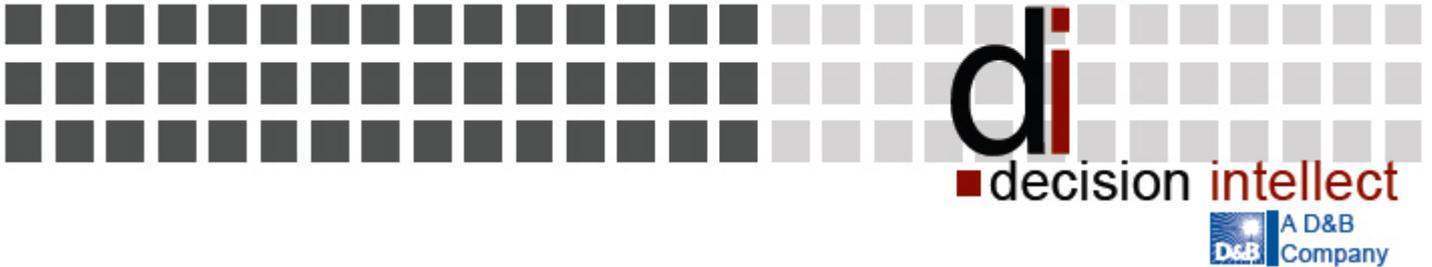


# intellect news



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**News & Whitepapers**

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## From the MD's Desk

As this will be the last newsletter in 2009, all of us at Decision Intellect wish you and your family a safe and happy holiday and we look forward to working with you again in 2010.

## What a multi bureau credit environment can do for you

Since becoming part of Dun & Bradstreet Australia and New Zealand in October of 2008, some of our clients have asked me if we will one day only support D&B's Consumer Credit Bureau and not those of D&B's key competitors. First of all, that's a pretty good question – and the answer may well surprise you.

My thoughts on the matter are that there are real benefits for our clients to support more than one credit bureau. Our experience with credit providers is that whilst the data sets across the two leading credit bureaus Dun & Bradstreet and Veda Advantage have some similarities, there are also subsets of data that are unique to both.

Having a choice of bureau providers can provide significant benefits to credit lenders.

These benefits include:

- 1) The ability to secure tailored offerings
- 2) Even greater levels of customer service
- 3) Competitive pricing

**4) Data Profile:** The type of product offered by the credit provider may attract a specific profile of customer. One or other of the bureaus may hold more in-depth and complete data for that profile of customer and the lender can tailor their solution to reflect the strengths of either bureau.

**5) System Redundancy:** With most high volume users having the bureau call integrated into their business process, the unavailability of the credit bureau service can have a major impact on a customer's business. By setting up a secondary bureau, customers can remove any impact caused through bureau outages.

There are already a high percentage of credit lenders in Australia and New Zealand that are committed to a credit bureau. We wouldn't suggest that all of these need to be removed, but would suggest that there is room for the use of data from more than one credit bureau. The benefits of a multi bureau environment far outweigh the costs associated with implementation. In a market where competition is driving high quality data and reducing exposure to risk this strategy is a straight forward path to success.

To find out more about how your business can reduce credit risk via a multi bureau strategy talk to your Inteflow sales consultant.



## **DI News | all the news since our acquisition**

As most of you know in October of last year Decision Intellect was acquired by global firm, Dun & Bradstreet.

For our existing customers this has meant little change in the way we interact apart from the fact that we are now much more aware of some of the unique adverse data and offerings available from D&B.

For new customers this has meant that Decision Intellect is more than ever before in a position to offer the true benefits of comprehensive and flexible decisioning as well as the complete suite of Dun & Bradstreet credit management solutions.

Throughout the last twelve months the team at Decision Intellect has remained focus on delivering the best credit decisioning tools in the Australian and New Zealand markets with several customers going live with our products. More than anything joining Dun & Bradstreet has enabled us to even further develop our focus and at the same time develop our key learnings from the wider D&B team. To support this, the team has also grown extensively during that period.

Additions to the team include:

- Vladimir Espinoza who is now providing a credit consultancy role
- Aaron Killich, who joined our support team earlier this year and now moved into our delivery area
- Jesse Outhaut who has joined the core product development team strengthening our ongoing product development capability
- And finally Brendan has also recently moved into a support role to maintain the very high standards obtained by that team.

All in all the last twelve months have been an exciting journey for the Decision Intellect team, now supported by the weight of not only the Dun & Bradstreet brand, but also the power of Dun & Bradstreet commercial and consumer credit bureaus. We are excited by what we have seen over the last 12 months, even in the midst of the global financial crisis and look forward to the year ahead.



## **Positive credit reporting update**

In October the Commonwealth Government announced that they have accepted the Australian Law Reform

Commission (ALRC) recommendations to introduce comprehensive credit reporting in Australia.

The Government has accepted ALRC recommendations to allow additional data elements to be included in consumer credit reports, which will provide lenders with a clear picture of a borrowers' true financial position. (*full report available at [http://www.dpmc.gov.au/privacy/alrc\\_docs/stage1\\_aus\\_govt\\_response.pdf](http://www.dpmc.gov.au/privacy/alrc_docs/stage1_aus_govt_response.pdf)*)

In particular, the Government proposals will allow credit reports to record:

- whether a credit application has been approved and accepted and if so, what type of credit is involved (i.e. credit card, personal loan, mortgage);
- the date the account was opened;
- the current limit of the account; and
- the date the account was closed.

In addition the Government has accepted proposals to allow repayment performance history, subject to compliance with responsible lending provisions.

Historically, credit reports in Australia have only been allowed to record basic identification details, credit applications (but not whether they had been approved) and negative events such as defaults and bankruptcies.

The Government's decision will have significant implications for the quality of consumer credit in Australia, including increased competition and improved prices for consumers, and a greater capacity for lenders to adequately assess whether consumers can afford the credit they are seeking.

The next critical step in the reform process is ensuring the legislative and regulatory framework adequately identifies and responds to the opportunities and challenges of this reform.

While to date there has not been announcements as to the exact timing a draft bill is expected early in 2010, with the changes scheduled to take effect on January 1, 2011 – the same time as responsible lending laws come into play under the new National Consumer Credit Code.

Decision Intellect and Dun and Bradstreet are working with a number of organisations to assist them with understanding the impact of positive reporting on their credit processes. We will also be fully supporting positive reporting within upcoming releases of Inteflow. If you have any questions about how positive reporting may impact on your business please feel free to contact us.

## Q&A

*Every newsletter we will profile one of our customers to highlight their successes. This month Linda Perkins from NZ's Meridian Energy is in the spotlight to talk about her experiences with Inteflow.*

The Meridian Energy story - A quick Q&A with Meridian Energy's Linda Perkins

### Who is Meridian Energy?

Meridian Energy is currently the largest electricity generator in a sector dominated by four major players (in NZ). Meridian was created after the Electricity Commission of NZ (ECNZ) was split in April 1999, along with two other state owned enterprises Genesis Power and Mighty River Power.

Meridian supplies electricity to the largest customer, the Tiwai Point Aluminium Smelter and over 180,000 residential, business and rural customers throughout our country.

Our electricity is generated entirely from renewable resources. We are proud to be New Zealand's only supplier of carbonZero certified electricity. As a State-Owned Enterprise, we are owned by New Zealanders for New Zealanders.

**What is your role there?**

I am the Customer Operations Manager.

**When did you start with the company?**

I joined Meridian Energy in January 2007.

**What was your business challenge that led to you starting discussions with Decision Intellect?**

The key challenge for the business was being able to reduce our costs for maintaining a effective and best practice credit management department, given we are working to increase our customer base.

**How did you find DI?**

Meridian has been working with D&B for some time in the collections space and heard about Decision Intellect through our contacts there.

**Can you describe the process of how DI has helped your business?**

Decision Intellect worked with us very closely to truly understand our key business drivers and was able to provide a compelling business proposition that met our needs both now and into the future.

**What has this meant for Meridian Energy?**

Decision Intellect has enabled Meridian to gain immediate and ongoing business benefits. DI's Inteflow product is flexible, fast and efficient. It will allow Meridian to be flexible in how we manage risk now and into the future.

**Do you have any personal insights from your experience at working with DI?**

Decision Intellect set very high standards for themselves and this has been reflected throughout the relationship and in the delivery of Inteflow into our business.

**Would you work with Decision Intellect again?**

Yes, absolutely.

**DI Whitepapers****The power of automated credit decisions**

The ability to make fast and accurate decisions is a critical component of effective credit management. But, in an economic environment where every dollar makes a difference, traditional methods of manual assessment may be hindering your company's ability to improve cash-flow.

**Credit scoring in a global crisis**

This paper examines the impacts of the global credit crisis on scoring models and outlines how those models need to be adjusted to ensure that credit providers avoid an onset of delinquencies and bad debt.

These whitepapers are available for download at <http://www.decisionintellect.com.au/newsletter.aspx>

*If you have any stories you would like to share with the Decision Intellect team please email: [nathanwilliams@decisionintellect.com.au](mailto:nathanwilliams@decisionintellect.com.au) for further information.*