

ENTERPRISE TECHNOLOGY – SOFTWARE SPECIAL REPORT  7

CASE STUDY FLEXIRENT

Flexible approach cut costs and tripled revenue



Intelligence: With new business intelligence tools Flexirent is now able to make better credit decisions based on scoring and risk assessment

WHEN Ben Taylor joined finance company Flexirent as chief marketing officer two years ago he found its potential stifled by segregated customer information that was difficult to access.

Since then an investment in business intelligence tools from US software developer SAS has enabled Flexirent to halve its direct mail costs and triple its revenue from cross-selling products to existing clients.

Despite its strong position, claiming market leadership in Australia for leasing computers and office equipment, Taylor says it was impossible to gather all the

Changing focus to customer needs paid off for financier, reports Brad Howarth

information required for targeting offers to customers.

"We didn't understand our customers very well," he says.

"We were very contract-specific, rather than customer-centric, so we didn't have a great deal of information on who our customers were and how they were interacting with us."

Taylor immediately set about finding a way to ensure the company had a complete view of its customers and its credit risk by combining all databases into a single data warehouse structure.

Several options were investigated, but SAS was selected because it represented the best value for money. Although it was installed quickly, Taylor says Flexirent spent almost another six months with two SAS consultants importing various databases into the new environment.

He says Flexirent was a little overwhelmed by what it got.

"The organisation wasn't used to this information-rich environment that we were coming to, so it took us a little time to make use of the data," Taylor says.

Since then, the company has much better knowledge about who its customers are and what their needs are, and this information has improved its ability to cross-sell products.

It is also able to make better credit decisions based on scoring and risk assessment, he says.

The SAS system allows greater measurement and tracking of variables such as population stability, which assists with potential write-offs and fraud.

The results have been tangible. The system's customer profil-

ing capability has helped Flexirent triple its cross-selling activity for the 21 months to June 30, by allowing the company to find important characteristics in customers and then scoring their likelihood of taking offers that Flexirent might provide.

All the company's direct marketing activity is tailored to the customers' characteristics.

"If they are interested in a particular asset type we will send them information on that particular asset," Taylor says.

"So, instead of sending out one

bulk mail and hoping for the best, we are sending out a greater number of different mailings tailored to those customer's characteristics."

Instead of mailing 50,000 for a low response rate, the company can narrow that to 20,000 and get a higher response rate, resulting in cost savings and better sales results, he says.

"We've been able to halve the direct mail cost activity with an increased response rate," he says.

Taylor has also been impressed by the speed at which he can receive information and have it spread across the company.

