

# Faysal Bank

Faysal Bank, Pakistan’s fastest growing Islamic Bank, reduces churn, automates reporting, targets marketing and cross-sell campaigns, and boosts success of new branches with OpenText.



## Who is Faysal Bank?

Faysal Bank is a leading Islamic bank in Pakistan which has seen rapid growth in customer and branch numbers. Present in 200+ cities and operating more than 600 branches—up from ~270 just four years ago—Faysal Bank has well over one million customers and offers a growing range of innovative Islamic financial services, from checking accounts to credit cards.

## Using Data to Drive Growth

Data has always been critical to Faysal Bank’s exceptionally rapid expansion. The company uses data to make the right decisions about branches, employees, customers, and

products, always with a focus on profitability rather than growth for growth’s sake.

With the number of branches more than doubling in the past four years, the volume of data captured every day has grown from 10GB in total to 50GB+ from just one of the major transactional systems. Faysal Bank also faces complexity challenges, as having acquired rival banks, it has a multitude of systems and data types which need to reconcile. To gain rapid insight into customer behavior and preferences, the bank aims to consolidate these large and growing volumes of data and transform them into actionable information.

Syed Tahir Rizavi, Head of Innovation at Faysal Bank, comments: “The data journey is not just about technical challenges: You need to develop the internal culture, mindset, and skills to appreciate the value of the data and make sure that the actions are taken. Before, we were using ETL [extract, transform, load] to generate MI [management information] reports on daily business performance, and that capability needed to remain in place. But we wanted also to look at bigger and more varied sets of data to make predictions and enable truly data-driven decision-making.”

One of the primary objectives was to develop advanced analytical models to predict

**“With insight from Vertica, our analytics journey has been ROI positive from Day-1 and we have been able to use our data to efficiently offer products that customers genuinely want, so our sales process is much more effective, and our customers get a tailored service.”**

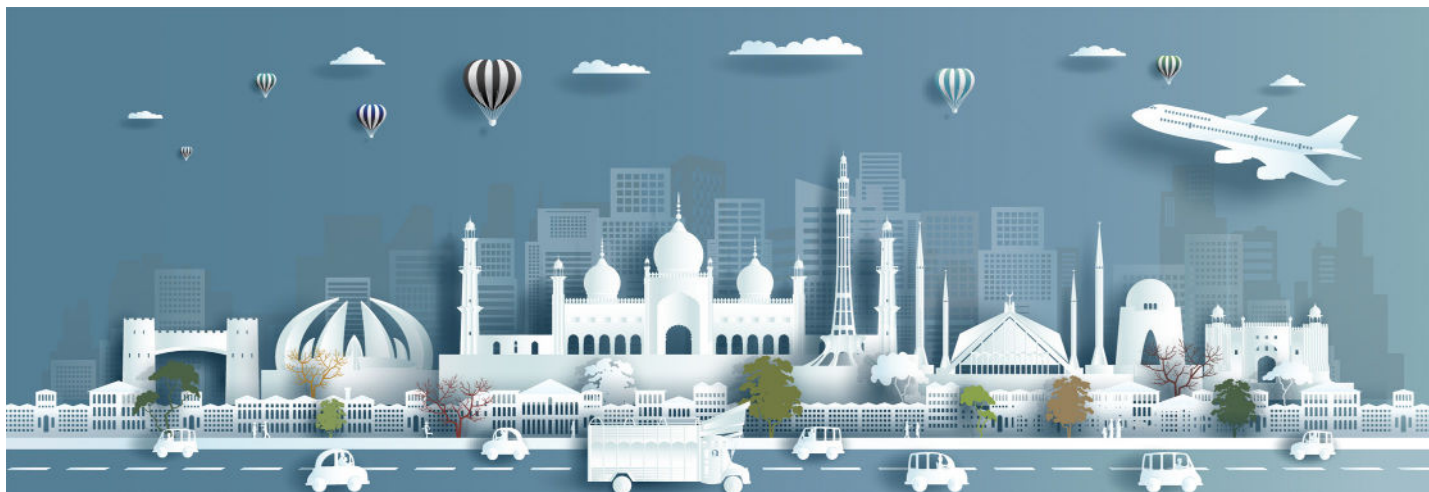
**SYED TAHIR RIZAVI**

Head—Products, Analytics & Innovation  
Faysal Bank



## At a Glance

- **Industry**  
Banking
- **Location**  
Pakistan
- **Challenge**  
Enable responsive customer-focused banking services based on a 360-degree view backed by advanced predictive analytics
- **Products and Services**  
Vertica Analytics Platform
- **Success Highlights**
  - + Delivers 360-degree view of customer products and activities
  - + Cuts person-days spent annually on daily reporting by over 40%
  - + Reduces risk of customer churn and reveals propensity to buy new services
  - + 70%+ accuracy in identifying best potential customers for digital channel migration



customer churn, based on data such as product and service usage, the relationship history, and the behavior of sales staff. “Customer churn is a huge blow to profitability, so it’s critical to get this right,” says Rizavi. “We’re opening around 80 branches a year, so we also want to rapidly understand which of them need our help. It’s easy to say, ‘this location is performing badly,’ but you need data to understand why, both so you can remediate things very quickly and so you can learn where and how to set up new branches.”

Another strategic objective on the data journey is to improve cross-selling and up-selling to the growing customer base. Selling to existing customers is easier and less costly, particularly when rich data enables the development of analytical models for identifying ‘lookalike’ customers with a high propensity to buy.

### **Proving the Value of OpenText**

Faysal Bank engaged Analytics Private Limited (<https://analytics.com.pk>) for guidance on the best analytics approaches and systems, and for assistance in designing, deploying, managing, supporting, and enhancing those systems

over the longer term. “Analytics Pvt. Ltd. (Analytics) have been very helpful in optimizing our systems, educating our teams, and helping us set up all the data governance,” says Rizavi. “We have limited capacity and budgets, so it’s great to have Analytics’ advice on which initiatives will deliver the biggest impact in the smallest timeframe. Analytics adds deep knowledge and creativity in using predictive analytics to solve real business challenges.”

Analytics helped Faysal Bank to consolidate all data from transactional systems into a central repository on OpenText™ Vertica Analytics Platform. “Analytics recommended Vertica (now part of OpenText™) for its high performance without high-end hardware requirements, for its low-cost scalability, and for its ability to manage huge data volumes,” says Rizavi. Faysal Bank started with the community edition of OpenText™ Vertica™ on the simplest of hardware, upgrading to the full Vertica Analytics Platform once it proved the value of the solution.

“Branch managers with many years of experience naturally want to keep working based on their gut-feeling,” comments Rizavi. “I have to

prove the value of analytics to that community, because simply imposing a tool on people doesn’t work. The tool needs to meet their needs for us to achieve the required cultural change. Vertica (now part of OpenText™) is less well-known in Pakistan than some of the other global analytics vendors, so that was an additional challenge. But the efficiency and high ROI we’ve seen from Vertica (now part of OpenText™) continue to convince me that we’ve made the right choice.”

### **Enabling Customer-Focused Banking**

The Vertica Analytics Platform has enabled Faysal Bank to gain a 360-degree view of its customers for the first time, providing a huge boost to relationship management. In-branch staff can simply enter the customer’s ID number to get a complete overview of their interactions with the bank, plus suggestions from analytical models about additional services the customer is likely to be interested in. Staff can also see the likely risk of churn for each customer, as well as transactionally related customers over whom that primary customer may have an influence.

“Vertica(now part of OpenText™) has played a key role in enabling us to move from account-focused relations to customer-focused relations,” says Rizavi. “We can segment, cross- and up-sell, run intelligent campaigns—and most of the reporting is automated. That’s a big deal in itself: Before, we had multiple people coming in at 7 a.m. daily to run the ETL from a multitude of different systems, format the reports, and send them out to branches before opening time. That’s a major inefficiency that we’ve eliminated.”

Bringing together all transactional information into a central repository in OpenText™ has enabled Faysal Bank to understand its customers better than before. For example, a report will reveal that a customer is paying off a credit card bill with another bank, opening the possibility of offering a Faysal Bank credit card at a favorable rate or with a bigger credit limit. A decision-tree regression model with more than 200 variables supports the bank in identifying the best prospects for channel migration and cross-selling, which it does with greater than 70% accuracy.

“Before Vertica (now part of OpenText™), an account manager wouldn’t see the additional products that a customer was using or any problems they might be having with another service,” says Rizavi. “Today, staff can rapidly spot a potential issue before it turns into a risk of churn, and step in to help that customer. If we identify 1,000 customers at risk of churn, we target 900 with anti-churn initiatives and measure their impact against the control group of 100 people. You don’t need a big upfront investment to get ROI from analytics; even a 1% improvement in per-customer profitability is more than enough to fund analytics for a long time.”

For in-branch customers, the analytical insight from OpenText™ has significantly improved the experience and service levels. Before, the in branch team would often not have visibility into anything other than checking accounts, and

be unable to help beyond giving out the phone number for a call center. Now, all the information branch staff need is at their fingertips, and they can also see when it might be a bad or annoying time to try to sell a new product.

“With insight from Vertica (now part of OpenText™), we can offer products that customers genuinely want, so our sales process is much more efficient, and our customers get a tailored service,” says Rizavi. “There’s relatively high staff turnover for front-office banking staff in Pakistan, and Vertica helps us ensure that deliver personalized service.”

With real-time reporting from consolidated data, Faysal Bank can immediately see bottlenecks in branches or call centers and boost the available resources to maintain customer satisfaction. All this data also feeds back into the churn model and makes it more sophisticated—the model now includes hundreds of variables, helping the bank to identify and resolve potential situations earlier.

“If we identify an obstacle in the customer journey, we can now use data to show the real scale of that problem and prioritize it accordingly,”

says Rizavi. “Previously, it was easy for wide-spread issues to remain invisible to head-office. Data is vital in terms of connecting what’s happening on the ground with the board-level strategy. With Vertica (now part of OpenText™), we can see the full picture and the data fleshes out the story.”

Building on the benefits already achieved, Syed Tahir Rizavi believes his organization still has great scope for further improvement. “Throughout the business, minds are opening up to the full potential of analytics,” he says. “We’re not yet doing this at a world-class level, but we weren’t doing it at all before. It’s an ongoing journey. We try different ideas, reject the ones that don’t work, and refine the ones that do. There’s a vast amount of potential in analytics. For example, we’re starting to look at our customers’ patterns of spending and using that information to make relevant offers in partnership with retailers. We couldn’t even conceptualize that kind of solution before Vertica (now part of OpenText™).”

By starting small, delivering rapid value, and using that as a proof-point to achieve steady cultural change, Faysal Bank has made great



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progress on its analytics journey. “We’ve seen other banks deploy a ‘big-bang’ analytics solution with all the bells and whistles but fail to achieve ROI,” says Rizavi. “Analytics Private Limited experience means they know what works and what doesn’t. Also, the ability of Vertica (now part of OpenText™) to scale from

a tiny, ultra-low-cost option to meet the largest of requirements has been a great benefit on this ongoing journey.”

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