

SCORING - MAKING IT WORK

- Concepts and Techniques of Credit Scoring -

DAY 1 - WORKING WITH SCORECARDS

Registration (Coffee) 08:45-09:00

1. The Basic Ideas: origins and principles 09:00-11:00

- Introduction
- Business context
- Population and odds
- How a scorecard works
- Building a scorecard

Coffee

2. Fixing a Cutoff: using scorecard statistics 11:15-12:45

- Population flow
- Score distributions
- Strategy curves
- Setting the cut-off
- Impact of acceptance policy

Exercises: Population flow diagram, reading distributions, strategy curves

Lunch

3. How Good is my Scorecard: analysing performance 13:45 -14:30

- Score-performance relationship
- Scorecard efficiency

Exercises: Score-odds curves, efficiency curve

Tea

4. Where has my Population Gone: tracking applicant profiles 14:45 -16:15

- The role of tracking
- Policy evaluation / adherence
- Scorecard validation
- Trends in population profile
- Characteristic analysis

Exercises: Graphing population profiles, characteristic analysis

Tea

5. Does my Scorecard Still Work: tracking scorecard performance 16:30-17:30

- Score-odds relationships
- Dynamic delinquency reports
- Scorecard adjustment and renewal

PLEASE BRING A CALCULATOR EACH DAY

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DAY 2 - RUNNING A SCORING SYSTEM

6. What's in a Score? The policy framework 09:00-10:30
- Properties of a score
 - Exceptions and overrides
 - Policy formulation
 - Decision process
- Exercises: identification, classification and treatment of exceptions
Coffee
7. Strategy Analysis: 'What if...?' 10:45-12:15
- Organisational role of scoring
 - Demonstration analysis
 - Calculating business impact
- Exercises: Simulation for calculating impact of overrides
Lunch
8. Not Getting Lost: portfolio management 13:15-15:00
- Dynamic delinquency matrices
 - New account effects
 - Portfolio effects
 - Projections of future performance
- Exercises: Performance matrix forecasting
Tea
9. Moving On: The strategic use of scoring 15:15-17:00
- Behavioural scorecards
 - Score-based strategies
 - Experimentation
 - Building Bridges – risk and marketing analysis