

Executive Profile

Dr. Guido Sacchi is the Chief Information Officer of CompuCredit, a credit card company that uses analytical techniques, including sophisticated computer models, to market general-purpose credit cards and related fee-based products and services.

At CompuCredit, Guido's responsibilities include setting and executing the company's IT strategies, delivering business value from technology, and running the company's worldwide IT operations. Guido has an exceptional track record in improving business performance through the design and execution of IT strategies and programs. He specializes in leveraging technology to drive growth and performance improvements.

In the past, he has worked at the executive level to align IT and business performance, thus achieving tangible returns on IT investments. Guido's experience and background include senior management positions at Deloitte Consulting and PricewaterhouseCoopers, 14 years of international experience across industries, degrees in engineering from the University of Rome (Italy), and appointments at the Massachusetts Institute of Technology.

CompuCredit's Enterprise Data Architecture

**Solves application integration and interoperability—
Drives success.**

CompuCredit is an 'information and technology driven' company. A direct marketer of branded credit cards and fee-based products, CompuCredit's competitive advantage in this hotly contested marketplace is based on the sophistication of its analytical techniques, risk and decisioning models—especially the acquisition and servicing of credit card receivables portfolios. The delivery of quality information, on-demand, is critical.

Not surprisingly, the company is always looking for new ways to enhance the critical-thinking of the more than 1,500 CompuCredit employees who administer nearly \$3 billion in managed loans in more than 3.5 million accounts. Which is why, some ten months ago, says Guido Sacchi, CompuCredit's forward-thinking CIO, the company decided that its underlying IT infrastructure, and particularly its data architecture, were in need of a serious overhaul.

"We must be able to deliver quality information on-demand to our users to remain successful. I was able to determine that our current architecture would not be able to meet that requirement and could not, therefore, sustain the business plans of the company."

– Guido Sacchi, CIO

Needed: Enterprise Data Architecture for the Future

Like too many large companies, he explains, CompuCredit's architecture was compromised by the usual assortment of problems that managing more than 25 non-integrated data-bases brings: data redundancies, data duplications, and all the related storage issues. More importantly, says Sacchi, was the underlying architecture's general lack of support for the analytics needed to keep CompuCredit a top-notch player able to gain a competitive advantage on its core business of portfolio evaluation, acquisition and servicing.

"Everyone agrees that data is an asset, but few in IT live by that philosophy. No one talks about how we need to increase our return on our data assets," he says. "But I believe we need to examine where the value is and unlock the data, transforming it into the real intelligence that drives the business. For example, in our business, portfolios of credit card receivables come up on the market for sale here and there very few of them a year. As you'd expect, the competition for acquiring those portfolios is pretty intense. So the

intelligence that you have, if you are able to evaluate and place a value on that portfolio better than your next competitor is an enormous advantage; it allows you to bid more effectively on the portfolio."

Sacchi took up the challenge and began the process of building an enterprise data architecture that would actually enable and sustain CompuCredit's business model.

XMLGateway: Key to Smooth Flowing Data

For Sacchi, data flowing through his organization is analogous to a true supply-chain. And to make that data flow more smoothly, he says, "we needed to solve the problem of enterprise application integration and interoperability."

After evaluating a number of design alternatives, says Sacchi, CompuCredit decided open standards, an XML architecture and an investment in web services would be the best way to achieve its goal of a truly supportive enterprise data architecture. With the needs of the design in-hand, Sacchi evaluated various vendor offerings, ultimately choosing Software AG as CompuCredit's technology partner for the project.

"We shopped around, but only Software AG could pull together these three critical elements—open standards, an XML architecture and web services," he says. "Software AG had the mature tool sets, experience and vision we needed."

Software AG develops products and solutions that support the XML (Extensible Markup Language) standard. XML simplifies the exchange of documents and data as well as the integration of cutting-edge Web applications into traditional IT architectures.

Software AG's XML Enablement is a group of services, products and best practices that uses XML and Web Services to build "views" of information from disparate enterprise sources. These views are placed as XML documents into an Enterprise Metadata Repository (EMR); a single, understandable collection of views into all information assets—where users can

request views using HTTP and then retrieve the information itself from such various sources as HTML or XML documents for secure publishing to internal and external systems.

"The most labor-intensive part of the entire process is building the meta-data repository, but Software AG's tools make it easier," says Sacchi.

In short, XML Enablement promotes cost reduction and improves customer service by helping organizations like CompuCredit to reduce by 25%-30% the amount of low-level coding needed to deliver content; identify and eliminate redundant data sources; access vital information without redesigning back-office systems; operate based upon a uniform view into disparate information systems; and integrate structured and unstructured data sources without moving the data.

With Software AG's help, CompuCredit has designed for itself an enterprise data architecture capable of delivering the complex services needed to meet the challenges of its dynamic business environment. At the core of the flexible and scalable new architecture is an XML Gateway. A doorway through which IT provides web services on-demand to users' desktops, the XML Gateway transparently provides access to CompuCredit's disparate data sources and applications.

A Business Partnership

Software AG's technical skills and its willingness to create a business partnership with CompuCredit was an important factor in the project's success, notes Sacchi.

"Software AG has been a true partner with us," says Sacchi. "They have excellent people, whose ability to transfer knowledge has helped us to enhance our own in-house capabilities. Their ability to combine their technical tools with the people, vision, and commitment to the project from management on down has been instrumental in this all coming together. I really have nothing but good things to say about the company and the people."

Sacchi also reports success using Software AG's toolset to generate excitement for the project within CompuCredit's user community.

"The user community doesn't always know what they don't know about technology's limits and benefits," he says. But when they saw the actual pilot of the web services application "a light went on and they said, 'I want this and I want it now.' As a CIO, that helped me get the funding and sponsorship for the project."

Rolling Out Bottom Line Results

As the time nears for the rollout of the entire new enterprise data architecture into production, the excitement, says Sacchi, is building.

"It's so exciting because of what it gives us," he says. "IT is the foundation that sustains the growth strategy of the company, buys us the right to play at the deal table with an advantage over our competitors, and allows us to acquire and manage portfolios more effectively.

"For example, servicing new portfolios used to take us four to six months, but we expect that to drop sixty days. And we're also in a much better position to maximize the yield of the portfolio. At our current volume of business, just a one percent increase in our collection efficiency equals \$1 million on our bottom-line. So, if I can only deliver a one percent increase for our collections, I have added \$1million on the bottom line—that's big," adds Sacchi.

Agreed.

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