The Company

Headway Capital is a Chicago-based, online lender offering credit for small businesses. Headway Capital specializes in lines of credit for non-prime business customers that have difficulty accessing capital through traditional channels.

The Challenge: A Dependence on Manual Processes Limits Revenue and Growth

When it entered the U.S. market in 2014, Headway Capital knew it needed advanced analytics and a digital decisioning platform in order to compete and advance in an already crowded marketplace.

Headway Capital faced data, modeling and decisioning issues that reduced the speed and accuracy of making critical customer decisions around fraud, identity verification, credit underwriting, payments and marketing, which undermined its ability to produce revenue.

“As we work with business customers with non-prime credit, decisions around credit risk are key to the success of our business,” said Haijian Hu, head of Headway Capital. “Without predictive analytics and digital decisioning capabilities, companies are at risk of rejecting customers worthy of credit and accepting those with a higher default risk, which can negatively impact the customer experience as well as bottom-line results.”

The Solution: Leveraging Digital Decisioning to Stand out From the Crowd

All Headway Capital customers needed to go through checks for fraud and creditworthiness, which, if done manually, reduce conversions and provide a poor customer experience. Enova Decisions proposed a solution to help Headway Capital implement a decision flow for loan origination that uses business rules, credit risk checks, underwriting models, and fraud and ID verification checks to automate pre-qualified loan offers and speed the time of customer decisions to improve the customer experience and increase conversions.

With Enova Decisions’ Colossus™ digital decisioning platform, Headway Capital would also be able to eliminate the burden of integrating with multiple data sources and obtain the necessary data for all decisions with only one API call. In addition, Headway Capital would be able to significantly decrease data storage and implement algorithms that would eliminate the time needed to manually parse data.

The Result: Managing Risk Now and in the Future

With Enova Decisions, Headway Capital is able to automate decisions to underwrite customers and provide pre-qualified loan offers and risk-based pricing in real time based on a customer’s default risk — all of which increases conversions and improves the customer experience.

According to Hu, “For all our customers, there’s no need to wait more than a few seconds before knowing their pre-qualified loan offer. Fifty percent of the customers get an instant final loan decision after they submit required documentations. Different algorithms within the decision flow, like electronic bank statement data parsing models, help to reduce time to customer decisions.”

In addition, continuous underwriting provides customer benefit by predicting future defaults for existing customers with open lines of credit. This process increases or decreases credit limits and APR based on shifts in creditworthiness over time. Digital account monitoring also triggers a complex model to run when a payment is missed, determining whether or not an account should be locked for draws and, if so, for how long.

With Colossus™, sophisticated predictive and machine learning models can be quickly implemented by Enova Decisions’ business analysts, and the digital decisioning process and outcomes will continue to become incrementally better over time as the models learn and improve.

Learn more in our article featured on PYMNTS.com.
About Enova Decisions

Chicago-based Enova Decisions is part of Enova International, Inc. (NYSE: ENVA), a leading technology- and data-analytics-driven online lending company that operates 10 brands in four countries. These brands gain their competitive edge through Enova Decisions real-time analytics and the Colossus decision management platform — built and developed over 14 years of data experience. Today, Enova Decisions leverages this proven technology and analytics experience to help clients thrive with custom, real-time analytics services and instant data-driven decisioning at scale.

For more information, visit www.enovadecisions.com.

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