

# Stags

## BACKGROUND

Good morning Stags, how are you doing?

I'm well thanks Munya, yourself?

Good thank you Sir. Thank you for agreeing to this interview, your feedback is definitely valuable and will be greatly appreciated as you have been selected to provide the insights into my research topic. The date is the 22<sup>nd</sup> September, the time is 10:08 am. So basically the title of the research is exploring data driven decision making in uncertainty and as you can imagine, it is inspired by the year 2020 where the entire world has actually been hit by the Corona virus pandemic. As a result of the pandemic it is believed that a lot of the world and life as we know it, has actually been plunged into a lot of uncertainty. Therefore the main objective of this research is to explore and understand whether data driven decision making as a technique, can be applied to offer value to organisations in times of uncertainty. And this is you know, typically opposed to the traditional sort of decision making approaches which are highly favoured in terms of uncertainty, in particular the heuristics. I have sent you the consent form, it will show what the sub objectives are as well, and as a qualitative study it is exploratory in nature and hence the semi structured interview that we are about to engage in right now.

You are encouraged to speak freely and take comfort in knowing that whilst you provide very useful information, your identity will be kept anonymous. You are welcome to withdraw at any time without any prejudice and I we will be using a third party to transcribe these interviews for us, but we will ensure that confidentiality and anonymity will be maintained through the use of an NDA. My supervisor is Dr Charlene Lew, her details will be on the consent form as well and please note I will be recording this interview on audio only. So if you have any concerns please feel free to chat to her or myself. You are welcome to withdraw, and we would like you to sign the consent form as soon as you can. Okay?

Hm.

So to kickstart the interview, I would like to please ask you to give me a bit of information on yourself as well as your organisation and your role. So the key question here is what is your current role, what are your responsibilities, level within the organisation, company industry and sector – company age as well as size, be it you want to use number of staff or turnover – up to you.

Sure. Alright cool, so where to start? So I am the CIO, so the chief information officer of Transaction Capital Recoveries, it is a wholly owned subsidiary of Transaction Capital, and we operate in the financial services sector. The size of the organisation by staff is around 2500 staff members distributed in four branches – so is the head office and then we have call centres in CBD, Johannesburg and a branch in Cape Town and Durban Metropolitan.

Okay.

In terms of turnover I mean last year we were turnover of a billion rand, so we are JSE listed, obviously this information is freely available in the annual financial reports. Ja, so in terms of my role, I am largely in charge of the technology aspect of the organisation and obviously C suite dealership so I sit in EXCO and also in charge – not in charge – but play a fundamental role in developing and executing the strategy of the organisation.

**Oh great, I look forward to getting the insights. I think there is a hell of a lot of value. So just to set the scene in terms of where, what sort of angle we are taking this interview from, uncertainty from a literature perspective relates to constant change, hard to predict scenarios, often ambiguous as well, often conflicting, unavailable or unreliable information in most instances. So in simple terms these are the unknown unknowns and hence the difficulty to predict the different scenarios.**

**So the first question really is how has COVID 19 contributed to the use of data in your decision making, if at all? And coming from a CIO I am hoping there will be some insights there.**

Sure. So it is going to be a pretty boring and bland answer because the thing is we as an organisation are a technology led and data analytics driven organisation, right? So this is long before COVID, so that is how we always did it. So the sector in the financial services that we operate in is related to debt collection and debt rehabilitation. We also purchase debt and collect on our own behalf. So we have been using data and the insights that it can give us all the time.

**For quite a while, ja.**

So the thing is when COVID came about it didn't really change much materially for us because it is something that we have been doing, it was sort of business as usual from a data and a data analytics point of view.

**Okay, cool. You wouldn't say due to COVID because you obviously I think said you purchased data and also collect on your own behalf...**

Yes.

**... um probably you have been a bit more picky with your purchasing now, given how the uncertainty has unfolded, given people's ability to repay and the higher default rate and all of that stuff? Any use of that data now more than ever due to COVID?**

So ja, fair point, I would say we are more cautious than picky, but again, I mean so the data we are working with is Pre-COVID. I mean as we went into COVID we didn't really get the data during the COVID period. I mean it is there now, it is coming through now – it takes a while to filter in, right?

Ja.

But in saying that, it was more of a cautionary approach from an organisational point of view to ease off on the debt buying side of things. You know because there are few things

that play a role here, in the debt buying or debt collection space, prescription is a three year interval, so if they haven't paid or acknowledged by three years it can prescribe. So you know we don't know how long the fall out is going to be, related to COVID, in terms of the economy and the economy bouncing back, so it is pretty.. how can I say... it is difficult to make those decisions with all the uncertainty like you say that is about right now.

**Great. I like the last point where you say you obviously don't know the economy is going to fare after all of this – if at all – and specifically around when, how much and that sort of thing – which brings me to my next question:**

**So data driven decision making refers to the use of data to support a decision making process. How and when do you rely on data when making decisions in uncertainty? So specifically to build onto what you just said, we all don't know how bad this is going to affect the economy, we also don't know how or when obviously if at all the economy is going to recover and obviously by how much and that sort of thing. How then and when do you actually rely on data to make certain decisions around your day to day strategy and all of that now?**

So like I said, we are in the debt collection space, so not only do we buy for ourselves but we also collect on behalf of retailers, banks, telco's you know – the larger organisations. So in terms of uncertainty we have always operated in uncertain times, unrelated to unprecedented uncertain times, so uncertainty in our world is that avoidance is a huge issue, so we are uncertain of when we will get hold of the person or whether we will get hold of the person. We use data analytics machine learning, predictive analytics to work out things like you know the best time to call a person and things like that. Also what we find in SA there is an issue – I wouldn't call it a problem – with multiple phone numbers and multiple sim cards. People swap between cards and numbers depending on the time of day and you know whatever sort of special package they are getting from the network providers, airtime on MTN is free so the guy will swap out his Vodacom card and put in his MTN card. So with that, we gather all the information, I mean we have masses of information that we generate on our own, which then gets fed back into the algorithms and we use that for the predictive analytics.

**Okay. So let's chat more about those predictive analytics and machine learning. And this is really at an organisational level. So the question really is how does your organisation make use of data right? And for me I am refining it further to do you guys have an inhouse team that does the predictive analytics for you guys, or is that outsourced and then you actually purchase that information for you to use in your collection strategies etc? How does that actually work?**

Look to be honest it is sort of an eco system? We have components of what you mentioned, so there is certainly an inhouse development capability but in saying that we also do rely on third party service providers. So you know with the bureau as well we work with bureau data, and like I say, an eco system where we try and leverage off the better capabilities out there because I mean our fundamental issue is to collect debt, we are not necessarily machine learning specialists.

Exactly, exactly. It makes sense. Okay, we so sort of alluded to what helps avoid certain challenges or constraints, but I just want to sort of unpack these challenges a bit more. The question is what sort of challenges or obstacles do you experience when making data driven decision making? And I think around this it is around I mean... I think just as a thought jogger or to provoke some thought, do you guys have any issues around data integrity or data quality? So let's use the sim card example, so I could actually be using a cell phone number that is not RICA'd and so the information is valid in terms of okay, there you go, we can reach this person on this number, and actually you can't because that number has probably been recycled and given to someone else. So what sort of challenges do you guys experience when making the decisions that you do when using data?

Ja, so look you hit the nail on the head I must be honest with you. That is the operational challenges that we face, is related to data integrity and data quality. But so unrelated to the sims because we can't get the RICA information, I mean it is not provided by the telco's. So in terms of this, if you go anywhere to take out a loan for example, I mean they want your ID, proof of address, three months' bank statements you know? I mean they almost need a drop of blood to identify you! But yet you find when a person defaults and the data gets handed over for collection is of such poor quality and integrity because there are disparate systems running at these financial institutions you now – legacy systems, where half the data is stored here and half of it there – and it works fine on their side, but when they need to extract it and send it out you generally find you miss a lot of information. You get invalid ID numbers, I mean how can you possibly get a loan with an invalid ID Number?

Yo!

So it is things like that. So there is a huge effort on our side to clean the data, to trace, that is why I say we work with bureau data as well, and then from there obviously we use it. But I mean if you understand predictive analytics and machine learning it evolves over time. So when you get it the first time it is not like you plug it in and then it spits out the silver bullet; it is as you work with it, it refines itself.

Ja, ja. And I suppose, correct me if I am wrong because I am not a machine learning expert, surely it starts picking up okay the ID numbers, if it is 08 at the end, then it is a male or female or this or than, then depending on what gender is selected there it starts telling you this is right or wrong?

So ja, the ID number itself is like a self-validating, almost like a credit card number. It tells you a whole lot of information if it is a valid ID. It can tell you age, race and sex as well.

Okay. And so despite these challenges or obstacles, have you got a success story that you possibly could unpack just to share what benefits you have gained from using data and data driven decision making as a technique? For you guys uncertainty is the order of the day, because it is very uncertain like you said whether you get hold of a person or whether you will successfully collect.

Ja.

**So what sort of success stories can you share around using data to reach your end goal?**

Ja, I suppose the proof is in the pudding hey? So like I said when we started a billion rand turnover organisation last year, pre COVID, so we are the biggest debt collector in SA, so I mean it is the technology led and data analytics driven heart of the organisation that helped us to get where we are. Ja.

**Any other benefits? I think in one of my interviews, just to keep the conversation going around it, they said the benefit that they definitely noted from using data is that it is objective and you can't exactly manipulate it because if you for instance want X and it tells you X is there, you can't say 'no, but I actually feel like X should be moved to the right a bit' – and that objectivity is an added benefit of data driven decision making. Any experiences around that?**

Ja, I tend to slightly disagree with that, because in my experience it never gives you X you know? It will tell you it is between... P and Z for example, so X is somewhere there, right? I think so look, as smart as the smarts are getting, it still takes a lot of human intervention to actually make the correct decision, or the better decision. So you have got to take what it gives you and apply your mind still at the end of the day. You use it to guide you, if I can put it that way. I suppose also from the application, I am talking about from my world. It is not going to tell you that you must phone Stags at exactly 10.03, that is when you will get hold of him? You know? (laughs) It will tell you 'if you need to speak to Stags phone him on Tuesday between 10.00 and 12.00, there is a good chance you are going to get hold of him.'

**Hm, there is a good chance. Okay. So I like what you just mentioned now, and just to keep going with that: so data driven decision making is just but a technique right, and therefore coming back to what I said earlier, it is the use of data to support the decision making process. So I agree, it isn't actually going to tell you X is there, or call Stags at 10.03. But surely what I hear from you is that there is definitely a benefit of better decision quality?**

Ja, no, for sure. So look here, it definitely enhances the ability to make an informed decision you know? Certainly without a doubt, but in my experience it doesn't make the decision for you.

**Okay.**

It provides guidance if you could say that – direction. It can also help validate something or not.

**And it sort of helps you if I hear you, it gives you options, it says if you were to take this option these are the likely outcomes you can end up with, right?**

Ja.

**That is really the guidance I am hearing as you say it.**

**And I think if we really deepdive into your experience, what do you think can be done to enhance the use of data in decision making? I mean so fire away, both at an individual and organisational level, I will give you also some insights I have got from other interviews, just to also see if you have also experienced the same as well?**

Hm.

**So what do you think can be done to enhance the use of data driven decision making in uncertainty?**

I suppose quite a bit. At the moment it is very expensive, both in terms of getting the data and using the technologies to provide the predictive analytics, so you know maybe something can be done in that aspect. The other issue is now in terms of POPI, it makes it more difficult because data can't be shared. So even if it is me, for example and it is my account with like retailer X and you are now working with retailer Y, you can't use the information from retailer X to enrich the information from retailer Y.

**Is it?**

No because of POPI, so you have to keep it segregated. Unless there... if I own both the accounts then it is a different story because then they are both mine. It might have originated at retailer X and retailer Y but now I own it, so I can use it. So it is actually becoming more difficult rather than easier.

**So there is an investment aspect to it, there is a legislative aspect to it. Any thoughts around culture?**

Not from my experience, I mean at the level we operate in you know you always rely on MIS and BI to guide you into making decisions. This is a much more sophisticated method of getting the content in the MIS and BI if I could put it that way. So from a culture point of view it is fully accepted and required at our level actually.

**Okay. Let's speak more about your level. So you are a listed company, biggest in the country, reasonable to assume that there is quite a bit of the older generation in the C suite as well?**

Yeah, sure.

**What is your take on their... so I stand under correction and this is fully could be biased and just to keep the conversation going, my assumption – and it is purely assumption - is that there is obviously a bit of sort of different mindset and outlook in terms of how things should be done. I mean from purely an age or generation perspective.**

Ja.

**I think you and I would probably fall into the more tekkie kind of group or generation as opposed to the older generation that probably rely on experience. I mean if you want to talk about financial services, the banking sector would have a lot of those legacy systems that tell you 'this is what you are supposed to do' and that is that; whereas the world**

**has evolved greatly from the time they were installed till that. Any insights on that from your experience?**

Ja, sure I mean I certainly can align to what you are saying in general. I mean we always get legacy execs if you want to put it that way, that do certain things in a certain way you know? And that is how they did it in their day.

**And it worked then right**

And it got the organisation to where we are now. But in saying that you know I am fortunate enough to not have that situation here, because they are very open to technology and very adoptive of the technology. Look I mean some of them might not actually believe in it or buy into it, but it is never shunned away from or voted off against in any decisions. Right? So ja. But I mean I have got to take you back, I mean it is in our sort of mission and vision that we are a technology – led and data analytics driven organisation. So you can't put that out there and then be closeminded off in the boardroom.

Ja.

It doesn't work.

**Sounds good. Any thoughts on... and I think let's talk about putting it out there and it is different in the boardroom. So I mean in a scenario where communication, does everyone else in the organisation actually understand our reliance on data. I mean it is basically a tool of getting the job done? Is it like.. how can I put it, is it nice to have back in the day and now it is definitely you can't do without? And I think it comes back to what you were saying, you guys basically work in uncertainty every single day, so if you could unpack that? I know it is pretty different to other people because I am sure you know your day to day like I am saying, is uncertain in its very nature, but if you could expand a bit on that?**

Ja, sure. So I mean for us data is not a nice to have, it is an essential. In terms of everybody else in the organisation I alluded to mention that we are ISO certified, so not compliant – certified, ISO 2001, 2013, hence the data security ISO certification

**Oh wow!**

We are the only agency in SA to be ISO certified. So a few things that we need to do which is prescribed for us to do our certification? I am sure you are aware we get audited every year and every year we go through a recertification process, right?

**Okay.**

Off that is security awareness and more especially data security awareness. So we are always running campaigns, be it prints and media in the buildings, email shots that go out, and actual sort of training sessions right? Refresher training sessions and then obviously in the onboarding as well. So I would say it is pretty well communicated throughout all levels



of the organisation how important data is to us, and mostly how important data security is as well.

**Hm. And would you say that has definitely led to the success of the organisation, making sure that it is carefully communicated, and I am further just unpacking my question, what can be done to enhance, and that will be used to apply obviously to an organisation that probably isn't adopting the same philosophy as you guys. But if you say communication throughout the organisation is definitely helped, would I be on the right track?**

Ja certainly, but the thing is I think it is unfair for me as the CIO to take the credit, you know? There are many cogs in this place that need to work together to keep going, but data certainly plays a big part in it. I am not sure if I can say it is the reason for our success, but it certainly contributes vastly to the success.

**Definitely. Okay, I think that's just about it on my end. If you have anything else you would like to add time is still on our side?**

No, I think I mean I like your questioning, I must be honest with you. I think it's quite in detail, you managed to get deep into it. So ja, I think you covered it very well. There is nothing else.

**Thank you very much. So thank you for your time, I will be sending you the consent form for you to sign and acknowledge everything that we spoke about at the beginning of the interview, if at any point you would like the transcription of this interview or the actual recording, it can be made available to you. And ja, thank you so much for your time.**

Okay, please Munya, before you go, I would really love the audio transcription and the audio recording just for my records, because obviously being in this organisation and this position, it is important that I don't give away any IP which obviously I didn't, but just for me...

**Perfect, will do.**

I appreciate it. If you have two minutes after you have stopped the recording can we just have a quick chat?

**Okay, great stuff. Thank you, I am stopping the recording.**

**ENDS.**