Survey Results:

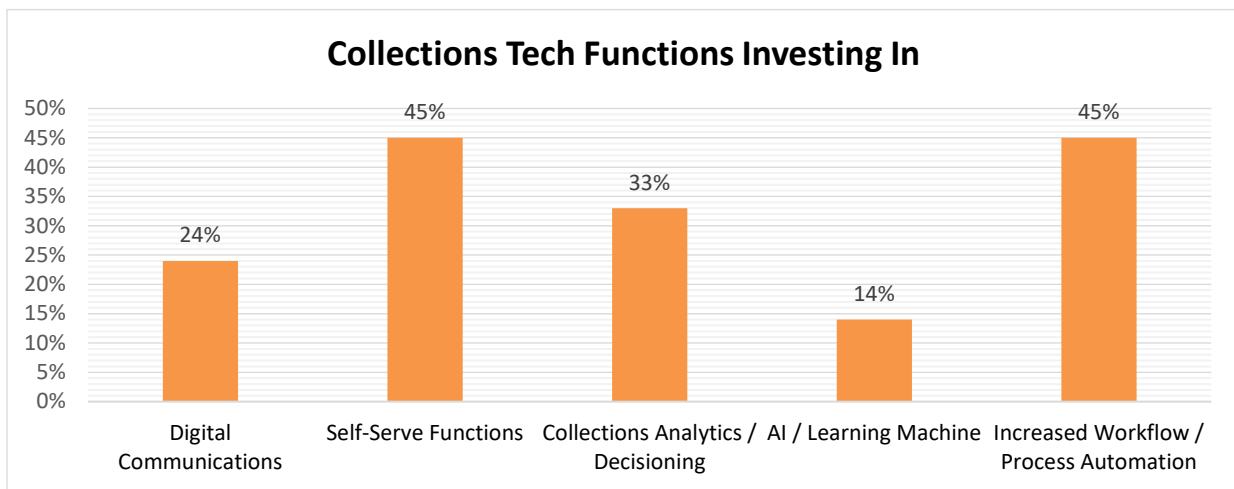# Collections Technology - Meeting the Demands of Today

Meeting future Collections challenges will involve both clearly understanding their nature and also properly assessing the timing and requirements for intervention.
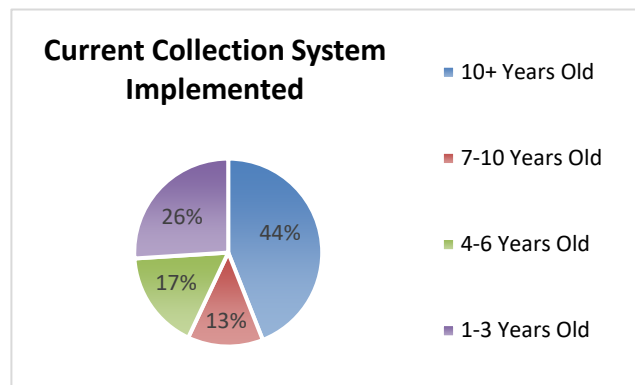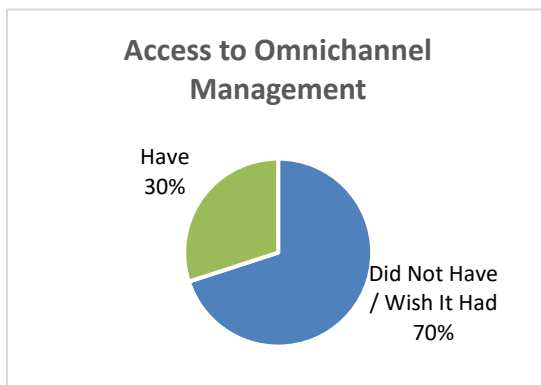
Some of the recent results of surveys commissioned by Telrock Systems of collection leaders in the USA and UK will come as a surprise. The following may reinforce or develop some of your thinking on the challenges that face us, when they will be likely to occur, and how you might best respond.

Complex Challenges

When asked what will present the most complex challenges this year, 65% stated the impact of COVID-19, with 58% raising vulnerability as a concern in the UK. One will undoubtedly feed the other and when asked what three collections operating systems they would be investing in this year, 45% said self-serve functionality, as well as a 45% investment in workflow and process automation. Digital communication - although only scoring 24% - is of course an integral part of self-service if you are going to open as many channels as possible for the consumer to communicate.

Collections Tech Functions Investing In

| Category	Percentage
Digital Communications	24%
Self-Serve Functions	45%
Collections Analytics / Decisioning	33%
AI / Learning Machine	14%
Increased Workflow / Process Automation	45%

To enable that level of functionality it requires being able to leverage multiple communication channels, so it's no surprise that 70% when asked wished they had access to omnichannel management. That figure of 70% was matched by a desire for their system to perform real-time processing and updates. The reason for this lack of functionality became clear when 44% of responders reported their current collection system was implemented over 10 years ago.

Access to Omnichannel Management

- Have 30%
- Did Not Have / Wish It Had 70%

Current Collection System Implemented

- 10+ Years Old — 44%
- 7-10 Years Old — 13%
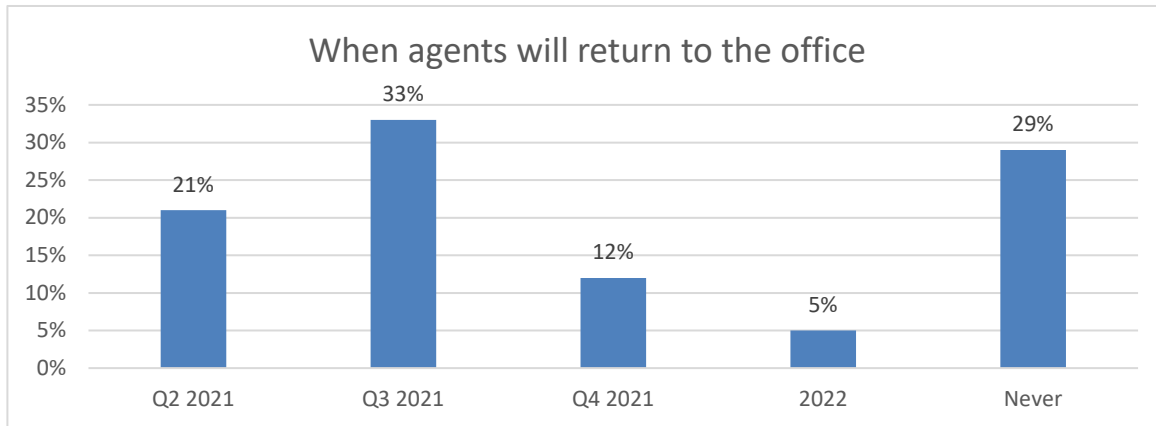- 4-6 Years Old — 17%
- 1-3 Years Old — 26%

Impact

We've pretty much agreed on the challenges facing the industry in terms of COVID-19, Vulnerability and Breathing Space/Debt Respite, although the latter didn't score very highly as a cause for concern on our survey due to the current lack of clarity on operations and compliance. What we're less clear about is the amount and timing that will present the largest impact with the UK believing there will be a peak of 28% in October but a total of 55% in Q4. Makes sense as the furlough scheme is due to end and resulting levels of unemployment will increase, and another 16% forecasting that December 2021 could see the peak in unemployment.

Predicting Largest Increase in Delinquent Accounts
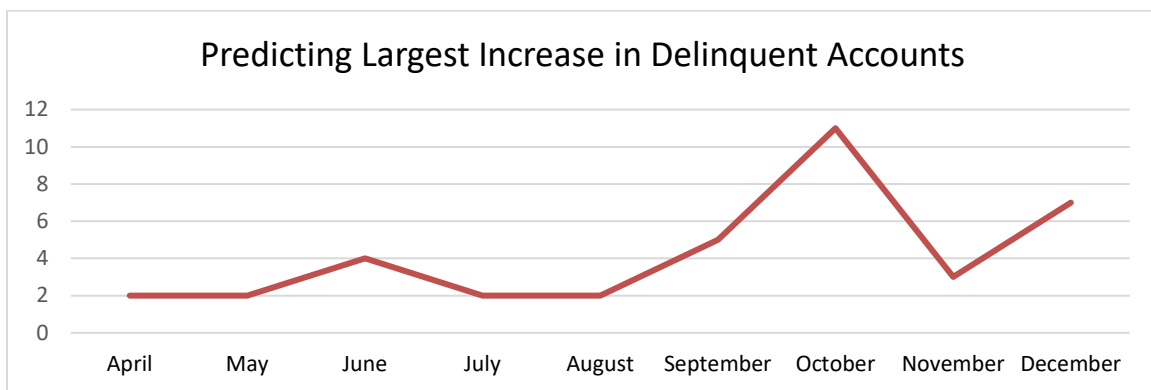
The Future

The last part of this equation is how will the world of work look like in the future. Over 44% of firms are predicting an increase in collections headcount this year, but where will they be operating? Almost half of those surveyed believe staff would be returning to the office during Q2 and Q3 this year but the majority do not plan to bring staff back to the office full-time. They plan to use a mix of home and office working, with staff encouraged to work from home two to three days a week. Interestingly, however, 29% believe they will never return to an office. Having had to adapt to working from home and seeing no discernible drop in productivity, firms will probably look to operate a mix of working practices and environments.

Contact engagement strategies will need to be adapted to both take account of customer preference, but also adviser disposition where they may be working from home and able to deal with a range of contact engagement tools.

When agents will return to the office

Period	Percentage
Q2 2021	21%
Q3 2021	33%
Q4 2021	12%
2022	5%
Never	29%

This will need to be supported by the requirement for greater workflow and process automation, real-time processing, and omnichannel management. Telrock's Optimus omnichannel collection technology enables leveraging both existing communications and new digital methods seamlessly. Such flexible working patterns will also need to be supported by robust compliance messaging that ensures agents will not be able to action the account further without obtaining proper consent - which is a standard feature of the Optimus collectors workbench.

Standard Feature

Another standard feature is the KPI dashboard providing continuously updated desktop graphic displays against performance targets which can be set based on the specific role in the organisation (agent, supervisor or manager) and can be re-configured easily, subject to permissions, to reflect objectives as they change. Out of the box, Optimus provides for standardized workflows for all facets of collections and recoveries allowing for faster implementation and realisation of value. Easy to use "DIY" rules and workflow process automation tools enables additions and changes to strategies without IT or vendor assistance.

Optimus goes hand-in-hand with our consumer portal, which enables as much self-serve functionality as possible, from basic consumer communication to completion of Standard Financial Statement (SFS) through to (if available to the consumer) uploading of documents. All of this functionality provides a basis to move forward with consumers who find themselves in financial difficulty due to COVID-19, suffering from vulnerable circumstances, or potentially as an aid to Breathing Space.

Optimus is built specifically for the private cloud to take advantage of the associated lower costs, higher performance, and added security without reliance on client IT resources. It was designed from the ground up for collectors by collectors to provide the most flexible cost-effective collections solution for current times. In summary, our modern collection system - Optimus - with embedded digital communications, omnichannel management, an integrated self-serve collection portal, and an agile agent workbench is the technology that should be your next investment.

References: UK survey conducted by Credit Strategy; US surveys conducted by InsideARM and AccountsRecovery.net

About the Author

Following an executive management board role with an operating subsidiary of Lloyds Banking Group, Bruce Turnbull has spent the past 20 years providing collections management consultancy services to a number of blue-chip lending companies including Courts International, GE Capital and Provident Group.

More recently Bruce has served as Managing Director of two UK operating subsidiaries of CoreLogic, Inc. (NYSE: CLGX), a $3 billion-dollar global data, analytics and related services company and is currently a Director of the Vulnerability Registration Service.

About Telrock

This article has been brought to you by **Telrock**, a global technology provider of modern cloud-based collections software built new from the ground-up for creditors and 3rd party consumer collections organisations. Telrock leverages open-sourced technology, powerful cloud computing, and more intelligent designs to provide the broadest and richest set of Software-as-a-Service (SaaS) capabilities. We deliver and support our solutions in North America from our Atlanta, USA office and in Europe, Middle East and Africa (EMEA) from our London, UK office.

Telrock's key solution serving the collections market is **Optimus**, a modern cloud-based collections software platform that offers advanced capabilities, enhanced compliance, higher performance and delivered as a SaaS solution.

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