

White Paper: Future-Proof Your Collections



We have faced the most unprecedented health crisis of our times over the past two years. Within the collections industry, this has created huge challenges, such as mass working from home, reversal of outbound to inbound calling, and finding ways to meet the emotional impact of the pandemic – both for our customers and our staff.

Within the next few months, the UK will see the full impact of the withdrawal of COVID-19 related initiatives by the government and forthcoming price increases.

For those with low incomes, the top-up on Universal Credit coming to an end will undoubtedly have a negative impact on one million workers (still expected on that scheme as of the 30th of September). Just around the corner, local authorities will end their moratorium on rent arrears, and of course, enact the new round of Council Tax increases with far greater enforcement powers. Energy bills are also due to increase (started in October), with prepaid meter users bearing the brunt.

All the above has led the FCA to estimate that one in four adults in the UK will have been put at financial risk as a consequence of the pandemic and that support for vulnerable consumers is now more important than ever.

So far, what's new?

We know that recoveries will be adversely affected and lower-paid, lower-scoring consumers will present the greatest challenge in terms of effective contact strategies, with sustainable and fair repayment programs. We may also, however, see previously high earners and borrowers becoming at risk of financial hardship for the first time. The causes of those outcomes – global pandemics, energy prices rising – are increasingly outside the control of national governments.

We, as collections professionals, need the flexibility in our systems to anticipate change. These events change our behaviours and accelerates the way we communicate. The question is, how do we cater to those changes in the most effective way to ensure positive outcomes for our customers and business? Or (in another way), how do we future-proof our collections?

We need collections platforms built for purpose, developed from the ground up and from a digital engagement perspective. Systems that can connect to any internal or external data source, and at the same time, can update key systems in a real-time environment. Systems that can communicate with customers in any manner, at any time. They also need to be adaptable for catering to the different ways we need to treat customers as legislation and best practices develop with strategies and workflows that can be changed and tested without waiting for priority in the business IT queue.

Such platforms cannot be based on generic CRM 'case management' systems because they are not supported by an extensive, designed-for-purpose collections database schema. These platforms need to be adapted to allow collections activity often with a small number of workflows but this will not deliver the automation and flexibility required for an increasingly complex collections world. Nor, at the opposite extreme, is it practical to implement platforms that require businesses to design and document full functional requirements which result in rigid, inflexible solutions that cannot be updated through configuration over time as requirements evolve. My experience of that thinking is whilst the business has a fair idea of what it wants, it doesn't know it until it sees it and therefore leads to never-ending rolling developments at the expense of the client and the profit of the developer.

Recommendation

Having spent many years managing and then consulting to collections operations, I have recommended enterprise collections solutions on behalf of several businesses. I see in Telrock's Optimus collections and recovery software, the culmination of the in-depth experience the development team has both from an operational and technical standpoint.

The first feature I found impressive is that the system has been designed from the ground up with digital engagement at its core. The agent-facing collections platform enables any piece or combination of data to be totally configurable, enabling the business to decide which data panels and items are important for their agents to view within the platform through role-based configuration and access control.

Of course, Optimus delivers standard workflows and strategies that are highly visible both in terms of what is delivered, which collection team business analysts can adopt as is, adapt and amend over time as requirements change or evolve without support from the client IT organisation or Telrock. Workflows can of course be automated or be triggered by the agent when in communication with the customer, either through the customer portal, two-way SMS, or by telephone or, for example, when in receipt of the online SFS compliant I & E details. Another impressive feature becoming increasingly important is a compliance holding facility that prohibits further account action until the agent has taken a compulsory step, for example through Telrock's superior ID&V functionality (which eliminates workarounds), or whilst the account is within the Breathing Space program.

The bottom line is, of course, the final consideration when making such investments and a system that requires no integration of core features – customer self-serve portal and digital engagement capabilities are all native to Optimus – is more robust with no need to keep disparate systems synchronised and delivers a lower total cost of ownership. In addition, this is all delivered as Software as a Service (SaaS) which significantly reduces the need for client IT organisation resources.

A future-proof system at a pay-as-you-go competitive price is, in my opinion, essential for the current and unknown future challenges the collection industry faces today.

Why not contact Telrock to arrange an informal discussion on how they can help your organisation future-proof your collections operations? For more information, contact: Bruce at 44 (0) 7971 418 914, or bruce.turnbull@telrock.com or Nigel at +44 (0) 207 183 1573 or nigel.young@telrock.com.

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 several 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. Bruce is currently a Director of the Vulnerability Registration Service and provides business consultancy to Telrock Systems.

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 organizations. 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 is delivered as a SaaS solution.

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