White Paper:

Smart Systems for Smart Collectors

As collections systems become more digitised to automate as much of the customer journey as possible, we increasingly hear the concept of an agentless environment…but is it a reality?

How We Got Here

The explosion of consumer credit saw an increasing need for dedicated credit control. Would you believe that initially, this meant dictating letters to secretaries, but as volumes grew, libraries of standardised letters were created for the agent to use to prompt a reply or inbound call. Some of you will remember the genesis of collections systems which provided agents with rudimentary, green screen customer and account data. That model was then extended into workflows driving segmentation and a level of automation allowing standardised decisions to make them more measurable and consistent. Despite these improvements, the accepted wisdom was to employ greater numbers of staff to manage the increasing workload. Some industries such as Utilities, and Central and Local Government still use lettering as part of a statutory requirement, with commensurate staff numbers.

The next generation of collection systems were designed to work in tandem with outbound telephone diallers, with lettering now starting to take a back seat. Again, the information presented to the agent enabled them to discuss the account with the consumer, but often, financial transactions were not being downloaded in real-time from the host system, thus wasting valuable resources. Telephone collections continued to develop through the late 90's, now increasingly being pushed by predictive diallers driving accounts to agents at proven, optimum times. Once again, huge resources were deployed, but in this instance to enable shift work in recognition of prime calling periods. The system supported this methodology with scripting of messages for the agent, which created further information to improve its predictive cause and effectiveness models.

Segmentation was also increased as businesses developed multiple products. This could result in different product-centric teams approaching the same core customer, which still exists in some cases today and can lead to a conflict of interest.

The next phase saw behavioural science being employed to identify the empathetic benefits of certain accents, leading to outsourcing of call centres, initially in the UK. The increasing costs of such operations, in turn, led to overseas outsourcing, although in recent times, they have been used more on customer service centres where simple scripting can cater for most calls.

Those systems didn't come cheaply however, with vendors developing collection systems expecting payment of licence fees in advance, with additional fees charged for each system change or new release of software. The other major difficulty was system integration, not only with the host system but also 3rd parties such as CRA's as that data was increasingly used in the collections arena, as well as external Trace and Collection Agencies.

These developments in collection systems claimed to enable businesses to redeploy staff into other functions, but few achieved that goal, with staff numbers at least remaining static, with multiple levels of job description used as reward and incentive.

Where We Are Now

The above-mentioned developments mirrored the front-end activities of businesses to a large extent as well as social norms. People no longer apply for products in writing or want to respond to letters. We manage our life digitally in far greater detail now, completing forms and making applications online, initially through computers, but increasingly by mobile phones through digital communication.

The other change has been in attitude and approach from what was termed hard line collections with 'can't pay, won't pay' definitions. The pressure tactics that went alongside that mindset to achieve payment ultimately failed, with one-off payments being made or unrealistic promises of payment broken.

We have come to realise that to achieve sustainable repayment plans it is necessary to have open and honest communication with the consumer. This approach has had to move with the times, alongside recognition of vulnerability, matched by appropriate action. Digital communication has therefore played a large role in breaking down barriers, enabling consumers a level of anonymity when they are reticent to discuss repayment issues. Once however that channel has been opened, it can create an environment where one-to-one telephone conversations can be held often resulting in an engaged committed customer, an effective and sustainable payment strategy, and a motivated collector who feels valued.

The Future Collections Agent

The point made above is that those conversations will always be necessary. We can continue to move with the times where consumers are ever more willing to communicate at arm's length, but the recent pandemic-driven explosion of inbound calling proves the point that when under pressure, people need to speak to another human being.

Smart systems, such as Optimus, enable businesses to invest in smart people. With increasing levels of cure rates using customer portals and SMS we may not need to have as many agents as in the past, but by providing the tools to communicate with authority, maybe on multiple products, we can invest in our staff. That investment may take the form of compensation but will certainly provide enhanced recognition and job satisfaction for the collection agent of the future.

How Do We Make This Change?

The next generation of collection system developed by Telrock Systems has been built with the requirements of today and tomorrow in mind. The Optimus Collections and recovery software 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.

Another key element of Optimus is the database schema and security model that supports 'many to many' relationships (e.g., one customer linked to multiple accounts, multiple customers linked to one account) and multiple product types. Explicit here is the ability to hold information on accounts that are not past due as well as those that are. Secondly, a software security model design that supports the display of all related accounts (whether to be actioned by the collection agent or not) which the agent can see. If permitted by configuration rules, the agent can act on all account relationships without further navigation (there are use cases where visibility of accounts for the same customer will not be permitted).

Optimus is a system that requires no integration of core features – customer self-serve portal and digital engagement capabilities are all native to Optimus. It is a robust system with no need to keep disparate systems synchronised and delivers a lower total cost of ownership. In addition, this is all delivered as a genuine Software as a Service (SaaS), which significantly reduces the need for client IT organisation resources. It is a system built for the modern collection agent of today and tomorrow.

Why not contact Telrock Systems to arrange an informal discussion on how they can help your organisation develop its collections operation. 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 Systems

Telrock Systems is a global technology provider of modern cloud-based collections and recovery software solutions for creditors and 3rd party consumer collections organizations wanting improved functionality and smarter capabilities. Our flagship solution, Optimus, is an enterprise-wide collections and recovery software platform built new from the ground up. It leverages open-source technology, powerful cloud computing, PCI DSS compliance, and more intelligent designs resulting in the broadest and richest collections and recovery Software-as-a-Service (SaaS) offering in the market. We provide our solutions in North America from our Atlanta office, and in Europe, Middle East, and Africa (EMEA) from our London, UK office.

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