Cash Recovery Efficiency

Global Scenario

While credit card delinquency rate remained steady from the last two years, auto loan debit has increased 4.1%. Even though mortgage delinquency rates have decreased 14% from last year, it still represents one of the highest rate among industries. It also reflects on collection operations increase. Those operations need to be effective in recovering cash and efficient in reducing costs while doing so.

Global Scenario

The nuances of global conditions drive delinquency from one industry to the other

- If there are low levels of money running in the economy, customers will focus on paying revolving credit
- Customer will prioritize paying debts with higher interest rates
- Inelastic demands are generally the customer’s focus instead of elastic demands

Delinquency jeopardizes several sectors

WELL ESTABLISHED PROCESSES, THE RIGHT PEOPLE STRATEGY, TECHNOLOGY AND ANALYTICS CAN IMPROVE THE COLLECTIONS PROCESS, RESULTING IN HIGHER LEVELS OF CASH RECOVERY AND DECREASING INVESTMENTS PER DOLLAR RECOVERED.
Teleperformance
Back-office Collection

During the collections process, once the clients receive the charge, and need any type of customer support, they should get in touch with the company through their preferred channel. When requests are not solved in the front office, they are sent to Back-office Collections for further handling. The main demands handled by Back-office Collections are related to:

- **RENEGOTIATION**
- **INVOICE ERRORS / CORRECTION**
- **PAYMENTS NOT PROCESSED**
- **DEAD REGULARIZATION**
- **DEBIT BALANCE CALCULATION**

Our products are based on process efficiency, high-end technology, decision intelligence and people strategy:

**PROCESS EFFICIENCY**

The operational model is managed through a performance management process that ensures all required activities are identified, assigned and given a performance indicator so they can be managed and improved on a daily basis. We also work with specific methodologies for collections strategy design, including:

- **DEVELOP** – Resolution strategy and begin workflow
- **ANALYZE** – Alternatives based on available information
- **EVALUATE** – Customer ability to repay to maximize proceeds
- **NEGOTIATE** – With customers to execute the approved strategy

**HIGH-END TECHNOLOGY**

To have an efficient Back-office Collection operation, technology should be applied and support the entire process. The workflow system plays a very important role on managing transactions handling and customer interaction history.

**DECISION INTELLIGENCE**

Analytics solution will help with making the best decisions, analyzing each cases to help increase assertiveness and improve cash recovery, based on predictive services and customized business rules development, which are tested, learned and changed through an adaptive control feature.

**PEOPLE STRATEGY**

- **UNIQUE SELECTIONS PROCESS** – to be part of a Back-office Collection operation, the agent needs to have negotiation, analytical and sales skills. It is very important for the agents to have experience in the entire collections process. Results: decrease turnover during the hiring process and decrease costs during the training process

**SPECIALIZED TRAINING PROGRAM** – training is focused on the entire collections process and is delivered by mixing theory in the classroom along with practical on-the-job experience. Results: reduce implementation period and increase knowledge acquisition

- **ATTRACTIVE BONUS POLICIES** – define main KPIs to be followed, such as payment recovery and client satisfaction, align main KPIs to the agent's goals and link goals with bonus policies. Results: increase agents’ focus and improve results

**EXCLUSIVE CAREER PATH** – the Back-office Collection operation is complex and prepares the agent for different challenges. The agents are highly trained and generally sought after for leadership positions inside Teleperformance operations. We identify the right agents to be included in advanced training programs for operational leadership opportunities. Results: attrition reduction and hiring costs decrease

The advantages a dedicated Back-office Collection can bring to your company:

- **EXPEDITE HIGH VOLUME OF COLLECTIONS HANDLING** – total focus on collections cases
- **TEAM FOCUSED ON COLLECTIONS METHODOLOGY** – positive impact on customer satisfaction due to special training
- **DEDICATED TECHNOLOGY AND PROCESSES** – better cash recovery results based on collections strategy that enhance negotiation
- **INTEGRATION WITH FRONT OFFICE AND OTHER BACK-OFFICES** – decrease recalls to the front office based on efficiency and assertiveness while rebilling the customer

Important results from our existing operations:

Based on the operation redesign and multidisciplinary actions, we have achieved:

- **30%** productivity increase
- **50%** absenteeism and turnover decrease
- **62%** recall decrease

1 Source – TransUnion (US market)