CRACKING THE CODE OF COLLECTIONS EFFICIENCY

Abstract

A long-standing BPM partnership can yield unexpected outcomes, as Edward Cole, Head of UK operations at one of the largest banks in the US discovered to his pleasant surprise. The bank's 15+ year tried and tested relationship with Infosys BPM, saw its offshore personnel take the lead in proposing and driving an automation-driven transformation that not only addressed customer dissatisfaction with collections processes but also yielded annual cost savings of $296k.

Infosys®

Navigate your next

Complexity affecting efficiency

At one of the largest holding banks in the US, Edward Cole serves as its Head of UK Operations. The leading global bank has millions of credit card customers in the UK alone, and Edward's role primarily involves the delivery of seamless services throughout efficient operations. He is also responsible for enhancing customer satisfaction, ensuring regulatory compliance, and protecting consumer data. Infosys BPM has been a long-standing partner for the bank beginning way back in 2007, with over 150 personnel supporting its UK back-office operations from an offshore delivery center in Bangalore.

The Infosys BPM offshore team, headed by Senior Operations Manager, Srilekha Verma, had been handling over 2.7

Mn transactions annually relating to collections of credit card dues. Each day, the collections staff would examine over 6,000 cases that were routed via more than 50 queues. Each request required the collections agents to complete several tasks, including adding blocks, memos, and reason codes, mailing letters, setting up plans, updating addresses, and verifying account statuses.

However, these processes to review and update the credit card accounts were extremely complex. The staff needed to toggle through several mainframe application screens to get data, make decisions based on the data, and carry the cases forward to closure. The lengthy procedures steps often led to oversight-

related errors, and with agents missing one or more steps, inaccurate data would be uploaded onto the system. As an outcome, there were regular compliance breaches, several customer complaints, and no end of customer dissatisfaction.

Both Edward and Srilekha were concerned about the bank's complicated procedures for collections, leading to falling transaction accuracy scores in the back-office. There were over 600 compliance fails reported each year, due to which the organisation had to pay substantial goodwill penalties. More than just the financial loss however, the reputational damage caused greater heartburn.

Proactively coming up with solutions

To attempt to mitigate the situation, Srilekha proactively tasked a small team with studying and identifying how the bank's complicated collections processes

could be made easier for the back-office agents. Several rounds of brainstorming later, one solution suggested by her team was to leverage RPA within some

of the more complex processes. This plan however faced multiple challenges.

Approach summay

- Automation prototyping
- Process feasibility studies
- Code testing and review
- Deployment and hyper care

Since the collections processes involved sensitive credit card data, they were subject to stringent UK financial data compliance regulations. Implementing an RPA solution with customer data handled by software bots would require numerous compliance and information security approvals. Another challenge was that Infosys BPM's offshore delivery center systems operated within the bank's secured networks and deploying a new application within this environment would not be easy. Automation appeared to be infeasible for the moment given the hurdles, and Srilekha pushed the idea away onto the back burner.

Shortly thereafter however, Edward intimated Srilekha of his intent to visit the offshore delivery center in India. This presented Srilekha with an opportunity to strategically position the automation thought process for his consideration. Moving quickly, she tasked her team with creating a quality audit automation prototype that would perform 100% checks on all the transactions processed. Then, during Edward's visit, she showcased

how the audit tool was able to identify all process errors and get them corrected by the team the same day by altering the working shift pattern, resulting in 100% accuracy scores. This impressed Edward and the visiting team, and Srilekha soon had the necessary approvals to proceed with deploying the audit tool onto the operations floor. Then, leveraging the strengths of Infosys BPM's technology solutions group, her team deployed the Excel macro-based solution in the secured environment.

The larger automation plan, which was still on the backburner, soon received an unexpected boost with the pandemic. The new normal presented a ripe opportunity for the much-needed transformation, and Srilekha put together a second proposal on how her team could recode the existing Excel audit tool to perform actions just like any human would. Edward quickly got the idea approved by all the stakeholders for Srilekha to build the new functionality on top of the existing tool. Her team then successfully deployed the automation in phases.

- Conducted a feasibility study of all the processes to determine how many of them were automatable

- Created business requirement documents, prototyped the automation, and designed the new automated processes using business logic for the development

- Tested the code with the onshore technology team.

While it was a challenge to get a suitable platform, relevant test environments, and suitable test accounts, Srilekha cut through much red tape by organising regular catchups and scrum meetings with the IT stakeholders. The technology team at the bank also needed to review the code before it could be deployed into the production environment, to ensure that the automation logic was in line with UK coding standards. So, after end-user testing by her collections agents, Srilekha incorporated the automation into the back-office processes, assigning her technology team to provide hyper care for the next two weeks to pre-empt any teething issues.

The benefits of automated simplicity

The automation initiative turned out to be a success. In no time at all, the bots were flicking through the mainframe screens at rapid speed, helping the collections agents process over 240k transactions annually. This was equivalent to saving ~30k hours of effort, to the tune of $296k. With over 640k transactions already processed, Srilekha passed on $488k as benefit to the bank using a gain share model.

Key Benefits

- $488k in gain sharing benefits
- Annual savings of $296k
- ~30k hours of effort saved
- 240k transactions processed annually

To end, with Srilekha's proactive approach to making the bank's complicated collections processes simpler, the collections processes are now no longer the source of customer dissatisfaction, and compliance breaches are rare. Needless to say, Edward gained multiple appreciations from the bank's leadership on the successful deployment of the project, and Srilekha now has a strong pipeline for future automation-driven improvement projects.

Names have been altered to preserve the identities of the people involved.

For more information, contact infosysbpm@infosys.com

Infosys
®
Navigate your next

Infosysbpm.com

Stay Connected