TRANSFORM DEBT COLLECTIONS HOLISTICALLY WITH INFOSYS BPM
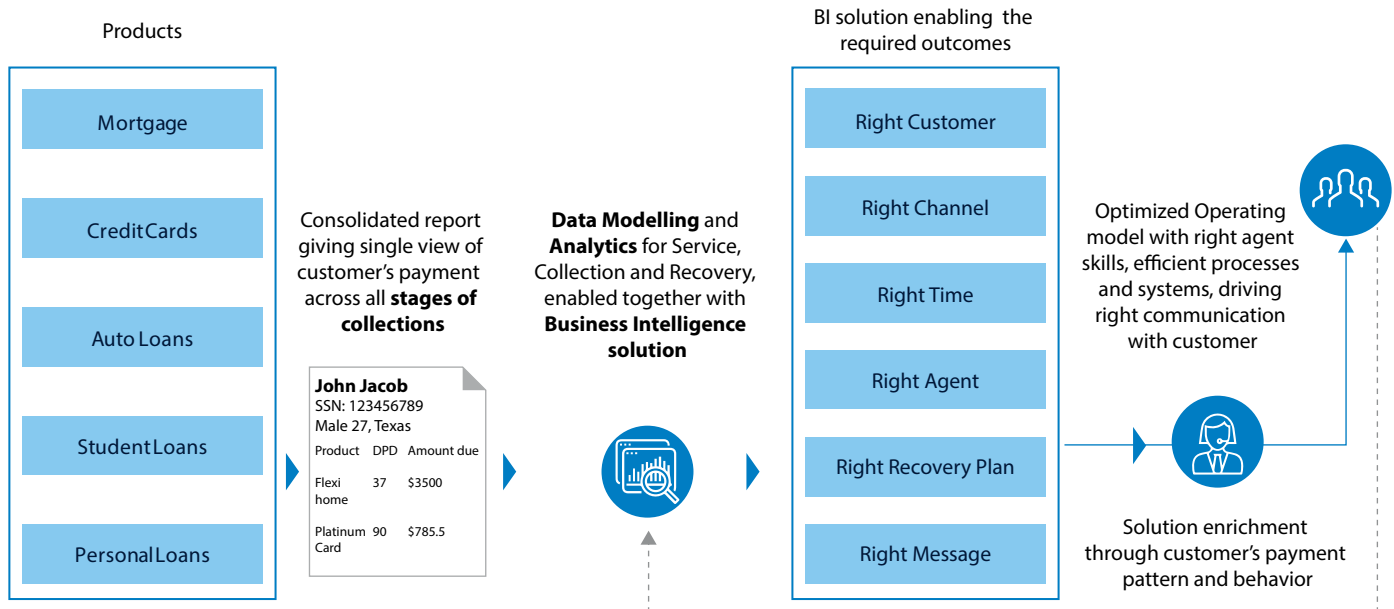
Transform Debt Collections Holistically with Infosys BPM

Financial institutions in the traditional lending space are facing several severe challenges with debt collection such as lack of a single view of customers' debt, reactive approach to collections, inflexible collection strategies, and manual and inefficient collection processes.

It is estimated that the industry average collection rate on delinquent debt through traditional collections processes has plummeted to just 20% - a steep fall from the 30% rate just a decade ago.

The future of 'Collections' will have Customer at the centre of its function and all improvement initiatives will have to focus on how best can they enable their customer to resolve the debt.

Products

- Mortgage
- Credit Cards
- Auto Loans
- Student Loans
- Personal Loans

Consolidated report giving single view of customer's payment across all **stages of collections**

John Jacob
SSN: 123456789
Male 27, Texas

Product	DPD	Amount due
Flexi home	37	$3500
Platinum Card	90	$785.5

Data Modelling and **Analytics** for Service, Collection and Recovery, enabled together with **Business Intelligence solution**

BI solution enabling the required outcomes

- Right Customer
- Right Channel
- Right Time
- Right Agent
- Right Recovery Plan
- Right Message

Optimized Operating model with right agent skills, efficient processes and systems, driving right communication with customer

Solution enrichment through customer's payment pattern and behavior

Four levers of transformed collections

Infosys BPM believes there are four elements essential to success of any collections transformation program:

1	Technology stack for Collections effectiveness

Infosys recommends the optimal technology strategy to improve collections rate by working on four levels:

1 Customer experience through Omni-Channel Contact Strategy

2 Agent effectiveness through integrated agent interface and improving customer self-service rate

3 Compliance and Workforce Management through automated quality and compliance monitoring, as well as Forecasting and Capacity Planning

4 Speed to market through focused Collections and recovery servicing

This will require careful selection of technology solutions at each layer of data, product, decision, communication and experience.

2 Operations set up & execution

Sourcing decision plays a key role in Operating Model design. A service provider like Infosys BPM can exponentially improve Collections effectiveness, by leveraging the best practices and experience of running Collections processes for other financial institutions.

Infosys has helped organizations setup and run their Collections Service desk:
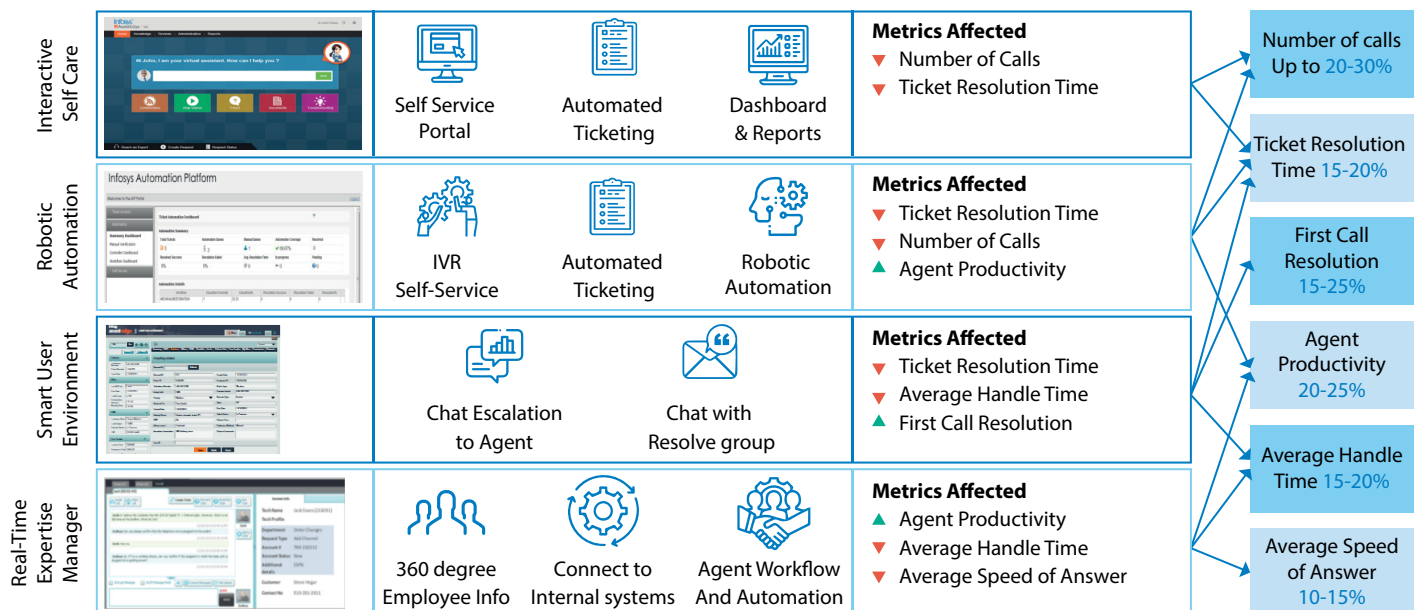
Process Area/ LOB	Consumer collections: Inbound and outbound pre-charge off collections	Business collections: Inbound and outbound accounts receivables	Dunning & skip tracing: Location information
Description	• Delinquent accounts of all stages: • Pre-charge off (<45 days) • Early stage (45-60 days) • Middle stage (60-120 days) • Late stage (120-180 days) • Dispute management & service reinstatement	• Cash application • Customer sub-ledger maintenance • AR reconciliation • Manual invoice booking • Cash forecasting	• Pre-collections notices • Collection demand notices to more than 2 payments due • Skip tracking of accounts for location information • Skip matrix adherence
Key Metrics	**Metrics measured:** • Dollars collected per hour • Agent productivity • Promises made as percentage of RPC • Promises kept per hour	**Metrics measured:** • Percent of gross overdue receivable • Cash forecast • Cash collection • DSO	**Metrics measured:** • Notices sent • Percent of accounts traced
Highlights	• Process spikes managed through innovative staffing	• Month-end and quarter-end activities for AR reconciliation	• Processes work in tandem for accounts to be actively placed back in collections cycle

3 Automated processes

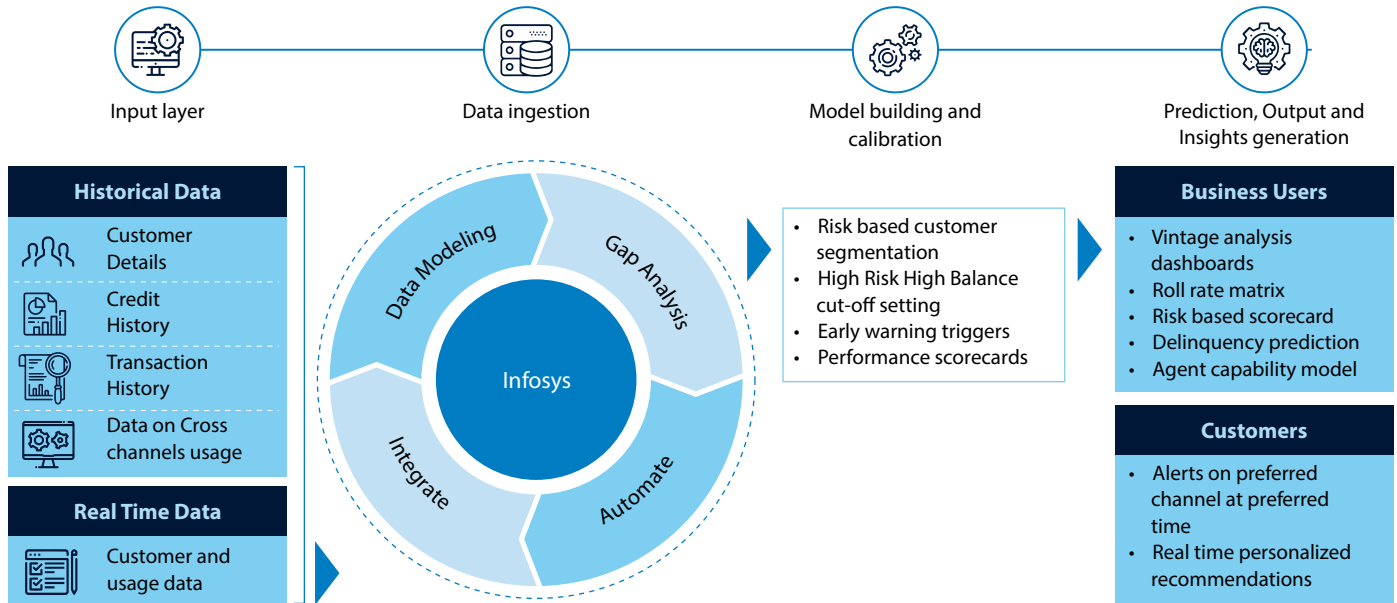Process automation will pay a key role in running efficient and effective Collections operations. Our next generation tools in the areas of Interactive self-care, Robotic Automation, Smart user environment will ensure that the agents' response on Inbound/Outbound communication as well as processing activities are faster and effective.

Interactive Self Care
- Self Service Portal
- Automated Ticketing
- Dashboard & Reports

Metrics Affected
▼ Number of Calls
▼ Ticket Resolution Time

Robotic Automation
- IVR Self-Service
- Automated Ticketing
- Robotic Automation

Metrics Affected
▼ Ticket Resolution Time
▼ Number of Calls
▲ Agent Productivity

Smart User Environment
- Chat Escalation to Agent
- Chat with Resolve group

Metrics Affected
▼ Ticket Resolution Time
▼ Average Handle Time
▲ First Call Resolution

Real-Time Expertise Manager
- 360 degree Employee Info
- Connect to Internal systems
- Agent Workflow And Automation

Metrics Affected
▲ Agent Productivity
▼ Average Handle Time
▼ Average Speed of Answer

- Number of calls Up to 20-30%
- Ticket Resolution Time 15-20%
- First Call Resolution 15-25%
- Agent Productivity 20-25%
- Average Handle Time 15-20%
- Average Speed of Answer 10-15%

Data modelling drives the outcome in collections processes by enabling teams to make decisions based on customer's history, hence it is imperative that functions focus on model building and calibration.

Input layer — Data ingestion — Model building and calibration — Prediction, Output and Insights generation

Historical Data

- Customer Details
- Credit History
- Transaction History
- Data on Cross channels usage

Real Time Data

- Customer and usage data

Data Modeling · Gap Analysis · Integrate · Automate · Infosys

- Risk based customer segmentation
- High Risk High Balance cut-off setting
- Early warning triggers
- Performance scorecards

Business Users

- Vintage analysis dashboards
- Roll rate matrix
- Risk based scorecard
- Delinquency prediction
- Agent capability model

Customers

- Alerts on preferred channel at preferred time
- Real time personalized recommendations

From Pre-Collections to Post-Collections stages, our analytics solutions will ensure positive impact on business metrics like Charge-off rate, customer experience and debt collection rate

Segment Strategy	Contact Strategy	Treatment Options	Agent Capabilities
VaR Models	Behavioral Analytics	Recovery Analytics	HR Analytics

Infosys BPM's sterling credentials in the collections space

Infosys BPM's debt collection solutions have already been implemented to deliver significant outcomes for banks globally.

- We helped a UK based bank and a leading credit card issuer with an effective collections outbound call center. We helped the client improve the payment commitment from 47% to 61% and also helped increase the net promoter score significantly to 63 from an earlier 47

- We helped a US banking giant having non-standardized, non-seamless process and weak regulatory compliance and automation, improve its discreet systems and integration slippages around bankruptcy as well as loss mitigation stages. With our robust collection solutions implementation, we helped the client reduce the costs by 30% and improve the turnaround time by 40%

Infosys®
Navigate your next

For more information, contact infosysbpm@infosys.com