

QUALCO

E-Guide

What to consider before buying collections technology



TECHNOLOGY

INTRODUCTION

“The simplicity of advanced technology platforms in debt collection and recovery makes tweaks, which may have previously appeared almost unimaginable, surprisingly effortless.”

Thodoris Psilopoulos, Product Director, Qualco C&R

The rise in non-performing loans (NPLs) following the global financial crisis increased pressure on firms to optimize their collections operations.

From initial contact with delinquent accounts to legal or restructuring action, operations must demonstrate a **compliant customer experience** while using technology to generate efficiencies and consistency.

Despite this, too many collections operations still don't have a viable system to manage accounts throughout the entire debt life cycle or are relying on bespoke systems that drain internal resources.

A single, intelligent system will manage accounts at any stage of delinquency,

supporting all credit products, including consumer unsecured, mortgages, SME and utilities. It will encompass all communication channels, and cater to the needs of creditors, debt collection agencies and buyers.

Such a system should also allow the business to operate without dependency on other systems, IT or the vendor.

But before organisations rush out and adopt shiny new technology, what do they need to look for? In this paper we consider the capabilities collections systems offer and the pitfalls that may accompany some products, such as ongoing and expensive vendor dependence.



There needs to be clear alignment between prospective systems and wider strategic goals. Changing operational needs and regulation make agile, user-friendly systems that are scalable and customisable essential.

Collections operations should aim to source a system with true vendor independence, enabling modifications and enhancements

to be made quickly, easily and at low cost.

They need a comprehensive view of the customer and their relationship with the organization, scalability to handle growing volumes, and a high degree of flexibility.

A sustainable business is built on solid technology, allowing collections teams to channel energy where it counts.

SPEED READ:
HOW TECHNOLOGY IS
STREAMLINING DEBT
COLLECTION AND
RECOVERY OPERATIONS

Managing accounts throughout the entire debt lifecycle, from initial contact through to the legal and restructuring stages. Systems can be scaled up and adjusted as requirements evolve.

Reducing the administrative burden, ensuring firms are truly compliant, promoting consistency and the integrity of data.

Enhancing productivity, enabling agents to dedicate themselves to more valuable activities, and boosting collection results early in the process.

Automating all collection processes, including resource allocation between internal and external agents.

Increasing administrative efficiency, thereby reducing the costs of collections.

Segmenting and scoring accounts so firms can take more appropriate, effective action early in the process, reducing bad debt, delinquency and attrition.

Empowering users by providing a toolbox to fully manage debt portfolios.

WHAT TO LOOK FOR IN A COLLECTIONS SYSTEM

Scalability

Not all collections systems adequately manage increasing demands. A system with inbuilt scalability that can manage growing volumes of data across the entire debt lifecycle will reduce the need for rapid reinvestment and ensure business continuity.

A large system landscape not only eats into the cost savings technology is designed to bring, it creates needless complexity, which may damage overall performance.

Availability and reliability

However impressive a system may appear, availability and reliability is of utmost importance. If a single system is to be used to drive collections, then firms need to be sure that they can rely on it at all times.

Sophisticated availability features will ensure that systems remain operational even when faults occur.

Integrity of data is also paramount. Inaccurate or fragmented data can all too easily lead collections agents to make embarrassing, costly mistakes.

Integration

Advanced technology allows data from various systems to be integrated in one location, reducing the risk of data inconsistency. Accurate and up-to-date information should be regularly and seamlessly loaded into the collection system. This requires platforms to easily integrate with third-party offerings, including core banking, dialer infrastructure and payment service providers.

Security

The global spotlight on data security and the sensitivity and value of the data held in collections systems, mean security is of paramount importance. Systems must take on and share data in a smooth and safe manner, adhering to the latest security best practice and complying with data protection legislation.

Ability to leverage structured data

A sophisticated system will be able to analyse, provide insight and segment large volumes of accounts according to their individual characteristics.

Integrating segmentation analytics within a debt recovery and collection application means that treatment strategies for specific groups of accounts can be applied automatically, taking into account regular updates on customers.

Treatment strategies can consist of an automated sequence of actions, configured on the basis of each account's history and current status. Such an approach can reduce costs and boost collections, without the need for manual intervention.

Accounts can be automatically transferred to different treatment strategies or allocated to alternative external agencies based on their evolving characteristics.

Scoring and behavioural data are used to identify the higher risk accounts, enabling firms to take more appropriate and effective action early in the process, cutting millions in provisions from balance sheets.

Automation

Automation enables agents to work on many more accounts each month, thereby greatly improving end results and cutting costs. At the same time, it also helps firms comply with regulatory requirements and avoids the inconsistencies and errors that tend to crop up with paper-based, manual processes.

Using a fully integrated system, agent activities can be performed through a single screen, containing all the necessary information regarding the account, and incorporating other collection cases concerning the same customer. It should ensure a "single call per customer" approach.

Managers can also use the collation and analysis of statistical data from advanced systems to better deploy internal resources, drawing on parameters such as the availability of collection agents and the number of calls per segment.

Outsourcing compatibility

Technology should facilitate seamless collaboration between creditors and third parties, enabling specialised partners to process large volumes of data.

Accounts should be placed with third-party collection agencies using weighted quantitative and qualitative criteria to optimise collection efforts. Systems can be configured to ensure firms have full visibility of all activities performed by each agency, through the automated two-way interchange and synchronisation of data.

Sharing data enables better control of outsourced activities, ensuring third parties are following best practice. Portals can be set up to give external agencies detailed information on the accounts they have been assigned, exchange messages with outsourcer organisations and provide access to analytics.

Analysis

Advanced systems offer numerous ways to analyse data, focusing on operational aspects such as daily activities, payments and proposed arrangements, along with issues such as portfolio performance.

Analytics can be used to address matters of strategic importance, including the efficiency of collection strategies and outsourcing models, as well as legal and restructuring options.

Systems must capture all collection activity, including phone contact, correspondence, payments collected, promises to pay and arrangements made, together with the state and main attributes of the account at the time of the activity.

This provides the depth of statistics to be able to provide detailed analysis on the evolution of accounts, qualified by the actions taken.

Empower users


Systems should allow users to fully manage their debt portfolios, enabling them to respond rapidly to new business practices without vendor or IT involvement.

Best of breed systems allow users to balance the workload between internal and external resources, while applying advanced business strategies at any stage of the debt life cycle – from typical contact campaigns in early arrears to complex legal and restructuring processes.

Systems can be set up to facilitate the restructuring of NPLs, including steps such as assessing eligibility, managing documentation and granting approvals.

This should all be done at business level, empowering users and eliminating dependency on IT teams and other parties.





“Most firms are surprised by how quickly such systems can pay for themselves, through a combination of reduced costs and improved results”

Innovation in debt collection and recovery management technology is providing firms with an opportunity to manage non-performing assets more effectively than ever before.

Advanced technology systems better handle the burdens of increased regulation as well as the challenges of managing higher volumes of delinquent accounts. Such systems can bring wide-ranging benefits for internal stakeholders, investors and authorities, with a substantial improvement in efficiency and collection results.

Organisations deploying such technology can achieve much more than ever before, but with fewer resources. Most firms are surprised by how quickly such systems can pay for themselves, through a potent combination of reduced costs and improved results. Technology designed to facilitate continued improvement should be expected to enhance efficiency for years to come.

Are you ready to optimize the way collections can be organized?

I'M READY!

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*To learn how QUALCO can help you adopt advanced debt portfolio management technology, visit the **QUALCO Collections & Recoveries**.*

QUALCO COLLECTIONS & RECOVERIES

QUALCO Collections & Recoveries helps firms manage high volumes of non-performing assets effectively and compliantly. The technology uses data-driven analytics to predict customer behaviour and optimise treatment strategies. It manages debt portfolios through the entire lifecycle, from performing accounts to early delinquency and recoveries. The solution supports all banking products, from unsecured debt to mortgages and SME loans, as well as non-banking debt, such as telecoms, utilities and retail accounts. QUALCO Collections & Recoveries is used by creditors, debt purchasers and debt servicers to manage accounts on both an in-house and outsourced basis.

BOOK A DEMO

QUALCO

QUALCO is an expert provider with more than 15 years' proven experience in enabling clients to take control of customer data across the entire credit lifecycle. Whether you are looking to modernise your internal collections platform, delve deep into the analytics of your entire debt portfolio to drive future strategy, or harness the power of external service providers, QUALCO has a solution to help you drive efficiencies and streamline your collections and recoveries operations.

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