![genpact — Transformation Happens Here]

CASE STUDY

Reimagining collections

How one financial services giant looked to digital to transform debt recovery

WHO WE WORKED WITH

A global financial services provider with total assets of $1.9 trillion

WHAT THE COMPANY NEEDED

To improve its collections process by addressing fragmented operations, inefficient manual processes, limited controls, and aging systems

HOW WE HELPED

- Performed an end-to-end diagnostic of the collections operations
- Conducted a maturity assessment against best-in-class collections processes
- Identified key areas of opportunity to drive transformation

WHAT THE COMPANY GOT

We built a transformation roadmap that would deliver:

- A 5% increase in funds collected
- A 30% reduction in compliance breaches
- A 15% increase in Net Promoter Scores due to improved customer experience
- Better controls, lowering error rates to <0.5%
- A 34% annual expense reduction through an efficient operating model and intelligent automation

It is not something consumers typically look forward to – getting a call from a debt collector. For organizations attempting to collect these debts, the process can also be challenging. Genpact worked with a financial services firm to make debt collection seamless.

CHALLENGE

Our client wanted to improve its collections effectiveness, minimize risk, enhance customer experience, and reduce expenses. To do this, the company realized it needed to get an outside-in view of its collections operations.

After conducting a four-week, end-to-end assessment of the collections process, Genpact identified a number of challenges. Foremost was a fragmented operating model, with seven sites handling collections activities and agent responsibilities divided by collections process.

Processes themselves were manually intensive, leading to lengthy turnaround times. And there was a high level of dependency on costly channels, such as phone calls and letters, to communicate with customers, with no feedback to improve the customer contact strategy.

Risk exposure was also a problem due to manual, sample-based call monitoring. And disparate, aging systems continued to impact productivity.

SOLUTION

The client chose Genpact, its partner since 2009, to evaluate its collections due to our digital-led innovation focus and deep process expertise.

We ran a diagnostic of the collections operations that included historical data evaluation, stakeholder interviews, and design-thinking sessions. Then, Genpact recommended that the company:

Adopt a new target operating model, including digital collections facilities

The scope of our client's US collections operations had spread out like a spider's web. Over 100 full-time employees, some of whom sat with vendors, were split across consumer and commercial collections. Teams were further subdivided according to collection activity and spread across multiple sites. Genpact recommended consolidating consumer and commercial operations and combining vendor services at a single offshore location. In this way, the company would create a center of excellence for collections.

At the same time, Genpact knew that blending collections facilities optimizes the customer experience, diversifies risk, and delivers the returns the bank requires. So we recommended the client incorporate digital collections into its operating model, including self-service options to improve the customer experience.

Improve the customer experience with digital self service

Today's consumers can conduct virtually all transactions on their computers or mobile phones without ever talking to a person. Why not pay off debt with a click or the touch of a button?

Our client was relying on phone as the primary method of debt collection. But some transactions, such as payments, are simple. No questions. No negotiations. Genpact proposed an interactive voice-response system that could manage such transactions and hand off a call to a human being only when necessary.

Genpact also proposed other, digital self-service options - such as a website and mobile app customers could use to take advantage of settlement offerings personalized to their situations, based on information gained about them from interactions across channels.

Self-service also takes some of the emotion out of the process. After all, technology doesn't get frustrated. The result? Lower agent-handled call volume, a reduction in average handling time, and an improved customer experience.

Strengthen compliance with a middleware system

Most collections calls were placed using an auto-dialer, which ensures regulatory compliance. Unless the customer has expressly consented to being contacted, however, federal law dictates that calls to mobile phone numbers must be made manually.

But there are so many things for an agent to consider before making a call. Is the number on a do-not-call list? Is it the right time of day to call? How many times has the number been called already?

The manual process is error prone, exposing the organization to risk, litigation, and financial loss. Genpact proposed a middleware system – a rules-based engine that would perform these checks before allowing the call to be passed through to the customer to provide worry-free manual calling.

Eliminate redundancies, and adopt straight-through processing

Genpact identified where, and to what extent, back-office automation was possible to streamline operations and improve efficiency.

For example, if a customer indicates that he is filing for bankruptcy, bots can monitor bankruptcy filing systems and send the case back to collections if it turns out the customer had misled the bank, partially automating the process.

On the other hand, a bank has the legal right to seize funds of the debtor from linked accounts to cover a loan in default. In this case, repayment can be collected without any human intervention at all, making this scenario an ideal candidate for straight-through processing.

Strengthen customer segmentation

The bank was segmenting its customers into risk levels using limited, internal collections data.

To improve segmentation, we proposed using additional data sources, such as internally linked accounts and external data sources such as Lexis Nexus and Neustar that provided payment scores.

This would allow the company to focus its collections efforts on higher-risk customers.

Improve agent performance using speech analytics and intelligent automation

You can't manage what you can't measure. The client was manually monitoring less than 5% of agent calls. Speech analytics would allow it to monitor, record, and objectively analyze 100% of calls. The insights gleaned could be turned into an agent performance index and customized agent training to ensure compliance and improve customer experience. For example, speech analytics could be used to evaluate whether agents were following federal guidelines that prevented them from using threatening language.

Machine assistance could help in other ways, too. For example, collections agents had to use multiple systems to get information on a single customer. Robotic process automation could aggregate customer information from multiple systems, such as the customer's delinquency and payment history, onto a single screen. As a result, agents would spend less time fetching data and more time servicing the customer.

IMPACT

Thanks to Genpact's experience and well-executed design thinking sessions, the client stands to benefit from the following impact:

- A 5% increase in funds collected and a 30% reduction in compliance breaches, driven by speech analytics

- Up to a 15% increase in Net Promoter Scores due to improved customer experience

- Better controls, which lowered error rates to <0.5%

- A 34% annual expense reduction through an efficient operating model and automation

- Five-year net expense benefit of $14.5 million

Our client has now embarked on its digital transformation journey and is working on getting credit… where it's due.

About Genpact

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes primarily for Global Fortune 500 companies. We think with design, dream in digital, and solve problems with data and analytics. Combining our expertise in end-to-end operations and our AI-based platform, Genpact Cora, we focus on the details – all 90,000+ of us. From New York to New Delhi and more than 30 countries in between, we connect every dot, reimagine every process, and reinvent companies' ways of working. We know that reimagining each step from start to finish creates better business outcomes. Whatever it is, we'll be there with you – accelerating digital transformation to create bold, lasting results – because transformation happens here, at Genpact.com.

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