

5 Ways to Achieve a Lift in Collections

There is a default surge coming—and all signs suggest that it will be on a large scale. What does this mean for collections? Simply put, yesterday's collections strategies just won't work. Today, organizations must focus on targeting customers who can pay and providing viable options for those who need help.

Consumer **price inflation** reached a **40-year-high** in **March**, growing 8.5% year-over-year.

Source: Flexe Institute

5 Steps to Collections Success

By following these steps, you could achieve an **uplift of 40-50% in dollars collected** and **25-35% in arrangements secured** within 16-24 weeks.*

Step 1: Employ Data-Driven Segmentation

Predict “ability-to-pay” by analyzing all existing data to identify attributes that help you segment your portfolio.

Analyze data to identify predictive attributes and apply these to live data to establish segments or groupings of like customers who are:

- Showing **early signs of stress**
- Short-term **challenged** or mid-term stressed
- Unlikely to recover unless **identified quickly** or unrecoverable
- **Up-to-date** and have never missed payments

Step 2: Design Targeted Collection Strategies

Assess contact channels, strategies and treatments to design an approach by segment, that ensures you invest in those most likely to work with you.

Contact strategies should:

- Be **differentiated by segments** in terms of frequency, channels and messaging
- Provide **automated reminders** to those on a payment plan
- Be planned in terms of **contact frequency by channel** and **messaging for each segment and stage** of delinquency (and be refreshed regularly)

Treatment and payment plan options available to each segment should:

- Require customers to make an **ongoing future commitment**
- Achieve **long-term viable solutions** based on customer's current and future expected income and affordability
- Provide **certainty on future payments** beyond the current month
- **Simplify ability to monitor progress** for agents and customers

*Based on results that we have achieved for existing clients.

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Step 3: Tailor Written Communications

Ensure that written communications have targeted messaging by segment, with clear calls to action, options, consequences, contact channels and payment methods.

Written communications should:

- Educate customers on current status and options, including **sources of help**
- Support and encourage **self-service options through digital channels**
- Be **easy to read** and draw customer's attention to **key sections**
- Clearly lay out **consequences** and **next steps**

Step 4: Strengthen Agent Skills

Evaluate agent calls to identify skills gaps in establishing ability, stability and willingness to pay. Once you know the gaps, address and embed them through enhanced training and coaching.

Skilled agents should:

- Communicate professionally, with **empathy** and build **rappor**t with customers
- Ask fact-finding questions about circumstances and **provide options**
- Demonstrate **effective listening** and full clarity of the situation
- Clearly set **expectations and consequences** of not following through
- Obtain all information in a compliant manner
- Match appropriate **treatments and payment plans** to resolve their delinquency

Step 5: Improve Digital Capabilities

Assess the benefits of an all-round digital collections system that offers real-time orchestration of contact strategies/campaigns by segment.

Effective digital solutions should:

- Lay out payment arrangement options, take and schedule partial payments, and track progress against goals in an **easy-to-use customer portal**
- **Monitor quality** and effectiveness of **each agent's activity**
- **Assess and report** on the effectiveness of **campaigns, channels and content**
- Provide **omni-channel insights** into collections effectiveness across your portfolio and enable you to **forecast future demand**

Get Your Collections Up to Speed in Weeks, not Months, with Bridgeforce

Our experience and expertise in default management spans more than 22 years. We've mastered each element within the five steps above while creating solutions tailored to each client's strategy. That means that we can deliver real results in weeks—not months. Our unique way of working alongside your team to enhance collections, while minimizing down-time, will position you for long-term success.