



# Engaging More Closely With Debtors

## Routes to Success for Collections Companies

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### ARTICLE - Engaging more closely with debtors - Routes to success for Collection Companies

In the current environment, collections companies are under constant pressure. The new regulatory regime ushered in by the Financial Conduct Authority (FCA) has meant debt collectors have had to put customers at the heart of their operations even more than they were doing previously. Yet, at the same time, agencies are focused on driving up the efficiency of their operations in order to create competitive edge. Both of these twin objectives are advanced through better customer engagement. Achieving enhanced communication with their debtor clients has therefore become an increasingly important goal for all collections companies.

It is against this backdrop that we have seen the rapid growth of predictive outbound dialing in this marketplace. It has become especially popular because it helps to facilitate direct contact between the agent and the debtor, thereby often leading to a faster resolution of challenges and a more open planning discussion around servicing the debt over time. That said, automated outbound voice is far from the only route to enhanced customer engagement being used by companies across the collections space.

The immediacy of SMS text messaging can also be effective and is proving increasingly popular. We are also seeing greater use of online portals that enable people to log on and to instantly see how much they owe and then offer methods of payment. This provides flexibility and control to the debtor and is also cost-effective for the business concerned. Moreover, using phone based apps that leverage intuitive solutions like visual IVR all helps to provide the customer with ways of interacting with the business, which ultimately leads to better dialogue, a more engaged customer base, and increased, and faster, revenue collection.

### Providing choices

In line with this, despite the ongoing prevalence of the outbound voice channel, best practice in the collections space today is all about providing customers who want it with a greater range of choice and effectively opening up as many different channels as possible in order to facilitate the engagement process.

So, as we have seen, finding an effective way of engaging with each customer is critical but it is also key that the business is able to develop a 360° view of every one of them. Organisations obviously have more engagement options when they are chasing up a business that is in debt as opposed to pursuing an individual but in either case the type of approach they will take will typically depend on the previous payment history of the debtor. If it is a business that they have a longstanding relationship with and which has previously been a reliable payer, they are unlikely to chase as hard as if it has a poor previous payment history. In other words, it is important to have a more holistic understanding of their profile as a customer of yours. Having a quality CRM system in place is key to this, of course, but it is also important that that system is integrated with the contact centre solution so that customer service representatives can have all of that information at their fingertips when they need it.

This kind of integration will also help the business get context around any other interactions that might be taking place with the debtor organisation or individual at that time so that different departments can effectively share notes and coordinate their efforts. Such a coordinated approach will help the process of hunting down debt of course but it will also help to avoid unfortunate situations where as one department is chasing payment, another is trying to sell in new goods or services. That's important because no business wants to further aggravate the customer by making an inappropriate sales pitch but neither do they want their customer to get into further debt by buying another product that they can't afford to pay for.

## The quality dimension

We are also seeing a growing opportunity for the use of speech analytics and quality management technology in debt collection agencies today. This is being fuelled by the new regulatory regime led by the Financial Conduct Authority (FCA) which has brought in greater scrutiny of working practices, and ongoing calls for enhanced transparency around the treatment of vulnerable customers. Agencies today need to give greater consideration to debtors' personal circumstances and even their state of mind and start looking more holistically at people's ability to service their debt.

That's where speech analytics and quality management technology can play such a key role, moving above and beyond business efficiencies to ensure legal compliance but also monitoring operations to check alignment with the latest guidelines around collections. The role of real-time speech analytics (RTSA) as an aid to the training of agents should also not be underestimated. Agents need to be aware of the importance of dealing with debtors sensitively and patiently. They need to be crystal clear about what they can or cannot say on a call and RTSA adds value here by allowing them to self-learn and correct any mistakes instantly as soon as they happen.

## Technology is key

For any collections company reaching out to their customer base to chase payments, having an efficient and effective communications capability in place is critically important. It's in the nature of the relationship that businesses will be looking to engage more proactively with their customer base in order to secure payment or to negotiate a future payment plan.

There are many challenges for collections companies to negotiate – from getting a comprehensive view of all of their debtor contacts, to establishing contact with them through the right channel and at the correct time to being highly flexible in terms of establishing suitable modes of engagement. For any collections company operating today, the latest communications technology is critical in helping to overcome these challenges. Outbound predictive dialing can be crucially important in establishing contact in the first place but opening up a broad range of interaction channels provides debtors with greater choice and can further encourage engagement. Getting in touch with the customer quickly and easily is vitally important of course but integrating CRM with contact centre and other communications technology and linking with quality management and analytics tools is equally critical in ensuring collections companies can achieve a 360 degree view of their customers and also understand the best ways and times to contact them.

In other words, technology is the key that helps to unlock a better customer experience for debtors while opening up a broad range of business benefits for the collection companies interacting with them.

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