

Collection Strategies in Tough Economic Times

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Collections in Difficult Times

- Greater needs
- Reduced budget and staff
- Unemployment and underemployment
- Foreclosures and relocating
- Uncertainty

Increased Automation

- Necessary in many cases due to cutbacks
- Less resources available with an increased work load
- Identify tasks that can be done using tools and automation
- May be less expensive to automate tasks than to hire personnel to perform them
- Efficiency becomes a necessity

Automation - IVR

- Interactive Voice Response (IVR) being used by many to automate tasks
- Debtors can get balance information – no staff time required
- Debtors can make payments – no staff time required
- Debtors can setup payment plans – no staff time required

Automation – Internet Payment Option

- Debtor controls
- Provides debtor with option of paying with credit card, debit card, or electronic check
- Provides debtor with 24/7 access
- Can include bill details so debtor knows and can even choose what is being paid
- Handling of convenience fees

Automation – Electronic Data Interfaces

- Load new debtors/accounts
- Load updates to debtors/accounts
- Load adjustments
- Load payments
- Save staff data entry time
- Eliminate possibility of data entry errors
- Keep disparate systems synchronized
- Can be setup to be real-time or near real-time

Automation – Print Outsourcing

- Reduce correspondence costs
- Free up staff for other tasks
- Additional services from print vendors such as mail return information and address updates
- Can be used for all mailings or for large letter campaigns only
- Simple to set up

Automation - Dialer

- Get through more accounts in less time
- Dialer options to leave messages when voice mail/answering machine is reached
- Have collectors work for a block of time
- Can be used for messaging campaigns only
- Unattended outbound messaging
- Call recording
- With own dialer or as a service

Outbound Calls

- Effectiveness of outbound calls
- Which accounts to call and when
- People challenged by the economy
- How have you changed your approach?
 - Softer?
 - More empathetic?
 - Payment plans?
 - Post-dated check plans?

Payment Options

- Are there creative ways to structure payment plans to enable people to pay?
- Effect of longer payment terms
- One-payment pay plans to track promised payments
- Post-dated check plans
- Checks by phone (CU•Remit)

Correspondence

- Mail Returns
- Have you changed the frequency?
- Have you changed the wording or other content?

Skip Tracing

- More people are being displaced due to foreclosures, unemployment, etc. – need to reduce expenses
- A greater need for skip tracing
- Are your local government resources being fully utilized?
- Skip tracing services

Tax Refund Offset

- Is this available to you?
 - If so, are you using it? Have you seen a decline in what is being intercepted? What should you expect in 2010?
 - If not, what can you do to start using it?

Outsourcing Collections

- How is your approach to this affected in this economy?
- Governments have a need to maximize revenue
- Do you send accounts earlier? Or do you collect on them longer to maximize revenue you can get before sending to OCA?
- When is the best time? Do you have reporting to show this?

Do other departments need help?

- They are doing their own collections
- They lack adequate tools
- More difficulty collecting on accounts
- The number of accounts to collect on has grown
- No longer have sufficient resources to collect effectively
- Combining accounts for efficiencies

Collection Basics

- The earlier the better
- Frequent reminders
- People who are not contacted either by letter or phone are not likely to pay
- It is okay to hold them accountable
- Consequences of failure to pay should be communicated
- Is a softer approach more effective?

Collectors

- Collector schedules
- Collection teams
- Incentives
- Motivation



Thank You!

Please take a moment to complete your session survey.

