

Financial Services Success Story

Executing & Expanding a Successful Collections Improvement Initiative

Our client is the Financial Services division of a major international UK retailer with over 1000 stores worldwide. Originally established to provide a store card for shoppers, the division has expanded over the years to offer a broad range of financial products including loans, insurance and investments.

The Challenge

The Collections operation faced increased expenditure caused by past due payments and delinquent accounts. Leadership recognized that these significant costs would reach and strain other areas of the organization, so improving the efficiency and effectiveness of its Collections operation became a top priority.

To address these issues, the Chief Operations Officer championed a multi-faceted initiative to overhaul the Collections process. Their goal was to increase the amount of money collected by agents each hour by 50%—which was viewed as a significant stretch.

The Solution

To ensure the improvement effort achieved its goals, Leadership partnered with Pivotal Resources to train project leaders and provide on-site coaching.

By examining the existing practices in the collections process and benchmarking against other financial service firms, the project team discovered that agents were saddled with a variety of administrative tasks and other responsibilities that limited their time to make calls. The first step towards a complete solution was to refocus the agents' efforts and boost the total time devoted to outbound calls from 200 hours to over 1000 hours per week. This kind of increase required some big changes in operating approach and people management. Pivotal Resources ensured that quality decisions had been made in driving the department forward. These changes included:

- » Separating the collections team into distinct inbound and outbound groups
- » Reviewing and improving shift and dialer patterns
- » Implementing robust agent scorecards to support performance management
- » Linking financial incentives to recovery income
- » Accessing the Management Information to enable prioritization of all administrative tasks

After addressing the core part of the collections effort from a customer, process and people perspective, the effort continued by looking upstream. Enabled and empowered by the initial success, three additional areas benefited: reschedules, late debt management and account support.

The Results

65% increase in collections per hour.

Armed with the financial services expertise of Pivotal Resources, our client met and exceeded their original goal, improving associated processes along the way.

30% improvement in late debt management and reduced outsourcing costs.

Accounts 90 days past due and greater were previously sent out to debt collection agencies who charged fees of 11%. Full roll out was completed after 3 months.

75% decrease in backlogs.

Back office processes were assessed based on potential for recovery and potential for reducing costs of operation. Workloads have been re-prioritized and re-assigned.

- » 65% improvement in performance
- » Improved debt management & reduced outsourcing costs
- » 75% decrease in backlogs

Services Provided

- » Lean Six Sigma Consulting & Training
- » Process Redesign

Pivotal Can Help

Leading financial services organizations around the world like American Express, Charles Schwab & HSBC choose Pivotal Resources to ensure improvement initiatives produce substantial, lasting results.

Contact Us

<http://www.pivotalresources.com>
Email: info@pivotalresources.com
Call: 800-699-6220

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About Pivotal Resources

Pivotal Resources' results-oriented consultants solve your problems, while linking your success to your organization's long term goals by accelerating successful transformation in the short term.