

# How a large consumer bank identified efficiency opportunities within its collections environment

Providing a data-driven approach to assess gaps and identify solutions within the collections landscape.

## The challenge

A large consumer bank needed to better understand its gaps and opportunity areas within its card collections environment.

## The solution

EY helped the firm by performing a data-driven diagnostic collections environment assessment to provide process and tactical recommendations for improvement. The analysis found that the bank could reduce costs by eliminating unproductive effort. The resulting increase in capacity and funds would provide room to improve effectiveness, and dollars collected overall.

## Key tactical findings and recommendations

- ▶ The EY team identified an opportunity to deploy dynamic communication strategies. We suggested that the firm could utilize prior contact data (e.g., time of call, day) to improve future communication attempts.

- ▶ We analyzed the current state of right party contact (RPC) and recommended that the firm pursue alternative communication channels based on the number of unproductive connects for a given account.
- ▶ The team leveraged RPC and payment rate data to recommend a reduction in the use of phone contacts and dialers in late-stage buckets, and redirected to external agencies on a contingency basis.
- ▶ The EY team assessed risk segmentation inputs and incremental value in incorporating RPC, contact frequency and risk segmentation to identify accounts unlikely to pay via phone.
- ▶ The EY team demonstrated approaches in which our client could extract insights from unstructured data, such as agents' notes or call transcriptions, to be leveraged as signals throughout the collections process.

## Why we succeeded

- ▶ The EY team applied its integrated knowledge in collections, credit and operations, in addition to advanced

analytics methodology, digital strategy and technology implementation.

- ▶ Deep knowledge of the industry landscape; and extensive experience with several leading consumer and small business lenders, payment networks, consumer data and credit-scoring organizations.

## In summary

EY's team provided tactical change and enhancement recommendations that could deliver a near-term benefit of more than US\$30m to US\$70m across two portfolios. The team also helped prioritize the firm's strategic investments in order to address systemic gaps in collections capability.

EY showcased the value of applying an analytics-driven approach to driving change and efficiency within a collections-or contact-based environment.

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EYG no. 007680-20GbI  
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