

How creditors' collections teams managed the "ultimate test"

Collaborating with Flexys, the full collections lifecycle software provider, Credit Strategy interviewed collections leaders from car finance and utilities firms, to discover how they transformed operations since lockdown. They explain how digital capabilities have become critical

Since the lockdown was initiated on March 23 and its subsequent effects on consumers took hold, collections teams have engineered operational changes in days, that would normally take up to a year.

With Jon Hickman, chief executive at Flexys, Credit Strategy's managing editor Marcel Le Gouais ascertained how creditors have managed those changes during the pandemic, and how they're preparing for what's to come.



Jon Hickman, chief executive, Flexys

MLG: Jon what are your observations on the components that enabled some creditors' collections operations to change more efficiently?

JH: "Culture and leadership played a key role in how organisations adapted to the shock and panic of the initial weeks of the pandemic. Those with a clear vision, along with strong and focused leadership, came out on top.

"We also saw organisations with the vision and leadership, but frustrated either by legacy systems, suppliers or internal teams who weren't able to deliver quality at pace and react in an agile way. This is what we mean by 'pivoting on a pinhead - having all components to be able to respond quickly to radical change. This means business-configurable rules, strategy and workflow and a good relationship with a supplier that practices continuous delivery and can assimilate

requirements, design, code and test at pace to high standards."



Mark Porter, head of collections, MotoNovo Finance

MLG: Mark, when the Covid-19 lockdown began, what difference did it make for your teams, operating on a cloud-based digital platform?

MP: "Operational resilience was on the regulatory radar pre Covid-19. It is no understatement to say digital capability has played a significant part when evaluating the operational resilience of our collections function. It enabled us to evolve quickly in response to increasing volume. Call waiting times reduced, with customers able to finalise an online solution at a time that best suited them. It was an absolute game changer which helped us remain resilient, as we moved through uncharted territory."

JH: The pandemic forced collections teams to innovate fast. The MotoNovo payment deferral journey was set up to manage extraordinary demand, how did this come about?

MP: "We identified early that the Covid-19 crisis was impacting people in all walks of life, it was also a fluid, fast-changing situation. After lockdown we saw a four-times increase in call volume. We wanted to help customers quickly and to free up staff, to invest the time needed with more vulnerable customers.

"Evolving our digital platform was a key part of our response strategy; when it went live we saw an immediate reduction in call volume and waiting times. NPS customer feedback rated the new Covid-19 journey as exceptional and user friendly. It formed part of a multi-channel approach during intense uncertainty."

MLG: What are the next big challenges for collections managers, as the post-pandemic recession bites?

MP: "Collections departments will need to adapt, with scalable processes and technology that can deal with volume spikes and meet various customer needs. Helping our most vulnerable customers through what is likely to be a challenging period will test collections capabilities. In many ways it'll be the ultimate test of operational resilience in the collections sector."



Samantha Challenger, head of collections, Billing Finance

MLG: What were the main consequences of lockdown for Billing Finance and its customers?

SC: The main issues related to concerns for our employees' safety, and being able to continue to serve our customers. We were 100% working from home by March 27 but there were efficiency concerns. Home working was new for most staff; this brought its own challenges.

"The sheer volumes of customers

contacting us meant service levels were not up to our usual high standards. The first week saw call volumes double and call length increase. Email and web traffic also increased; customers were waiting too long for answers. We kept customers informed of wait times and added more information to our website, but we were still on the back foot.

"Calls spiked again after the FCA announcement. Our fact-finding journeys made it easier to get all the information to help our customers, but it again lengthened the process. All our solutions needed agent intervention; no solution was truly self-serve so we looked to the marketplace to see what else we could do."

JH: How has Billing Finance improved its collections systems during the pandemic?

SC: "Billing has improved its telephony solution and we aim to become an agile workplace. Our customers have a range of preferences, so we selected a system that offers more digital journeys for those who want them, while still providing a friendly voice on the phone for those who want it."

MLG: What are your ambitions for modernising customer service?

SC: "Billing has engaged Flexys to provide digital solutions that allow customers to engage on their terms, at times that suit them while maintaining all other methods of communications for choice. It was important to have the opportunity to design bespoke journeys with the ability to reach as many customers as possible, in the quickest, most convenient way. We are prepared for future spikes in volumes and confident the digital self-service option will be popular with customers."



Kit Wilson, head of transformation, Dŵr Cymru - Welsh Water

MLG: Kit, how have your objectives to help customers in arrears evolved since lockdown?

KW: "Our approach is much more tailored to customers' circumstances, while the journey has now become more convenient for them. That's the shift we're trying to make. Over time, that should mean fewer people fall into later arrears process, which ultimately are not great experiences for customers. If we can interject earlier, and offer opportunities to help customers pay, that's a far better outcome."

MLG: What have been the unique challenges for Welsh Water since lockdown, and what kind of digital transformation have you undertaken?

KW: "When Covid-19 hit, we saw an immediate concern among customers over the financial impact it might have on them. Immediately, on day two of lockdown, we built a new digital service for customers concerned about making payments. That was vital in enabling customers to register for payment holidays, and raise any concern over making payments.

"So the day after lockdown was announced, we redesigned all our IDR messages, to direct people to that new digital service. We had really high take-up, but numbers are dropping off now."

MLG: How quickly were you able to set

the new digital service up?

KW: "That was live the day after the Prime Minister's lockdown announcement. After setting it up, we retro-fitted automation that sat behind it, so with instances like payment holiday applications, accounts could be updated using RPAs. That freed up time and resources for agents to speak to customers on the phone.

"At the same time we created this digital service, we were inundated with calls, and were in the midst of moving our contact centre agents to work from home. As a water provider, we're used to contingency planning for emergencies. So on the Wednesday, Thursday and Friday after lockdown was announced, we set up, in effect, an Amazon distribution centre, to move all of our guys to work from home. We had to repurpose laptops as PCs and used meter readers to deliver those to agents' homes, and then enabled technical support to allow them to take calls at home.

"Within a week of lockdown being announced, we'd upgraded our collections system to enable us to work from anywhere. You'd normally do that over six to 12 months. In effect, we did it in three days. It was one of the most stressful periods I'd had in my life, but the team were brilliant. What helped everyone, is that we have an agile digital transformation team."

MLG: After your digital transformation, what lessons do you take into planning for the future?

KW: "A priority is to develop a single customer view, to add more services to myaccount, and develop channels of choice, including video calls with customers. We're also planning for the longer-term impact of coronavirus on our customers, looking at when the furlough scheme ends and what that will mean for employment, our social tariffs and on in-bound call volumes." **CS**