

Four ways to improve your collections efforts and increase business cash flow

The ongoing impacts of the COVID-19 crisis have rapidly reshaped consumer and borrower behavior, with 60% of consumers now having higher expectations for their customer experience.¹ To forge ahead in a post-pandemic world, debt collectors must adapt their current strategies and processes to meet consumers' changing needs and the new ways they want to be served. Follow these simple guidelines to enhance the performance of your collections operations, reduce costs and improve engagement.



01 Accurately verify consumers' identities

Consumer data is ever-changing, especially during times of economic distress. Capturing accurate consumer information — and continually evaluating the data's validity — is key to reducing risk throughout the consumer life cycle. By gaining a fresher, more [complete view of existing and potential customers](#), you can better determine associated risk and enhance your overall decisioning. Accurately identifying individuals through a combination of data sources and determining their ability to pay, will help maximize your targeting and marketing efforts, ensure effective cross-sell and drive a higher return of quality consumer.



02 Expand your consumer communication options

With today's digital-savvy consumers preferring to interact with businesses that communicate across multiple channels, it's more important than ever for you to adopt an omnichannel debt collection strategy. [Digital communications](#), such as emails and text messages, allow you to more easily engage with your consumers, help to eliminate barriers and increase response rates. When leveraging digital mediums to create an effective consumer contact strategy, it's imperative to remain compliant. The CFPB recently issued the first part of its long-awaited debt collection final rule, which clarifies how the protections of the Fair Debt Collection Practices Act (FDCPA) apply to newer communication technologies.²



03 Automate the collections process

With a potential expected surge in collections activity, automating the collections process will be key. More than ever, self-service options and alternative communication methods, such as chatbots and website portal negotiators, will streamline the collections process and minimize the strain on call center agents. Providing on-the-spot customer care fosters a more consumer-centric approach to collections and removes the potential for human error. Those who embrace artificial intelligence tools and software solutions will be less likely to overwhelm their existing capacity and be more equipped for the backlog of payments, calls and inquiries once things resume to “normal.”



04 Keep pace with changing regulations

With increasing scrutiny on the financial services industry and new consumer protection and privacy regulations, remaining compliant should be a top priority for collections departments and agencies. Several debt collectors have begun to update their operations and processes to collect the right debt, limit disruptive communications and easily rectify disputes. The increased focus on regulations and compliance has also brought to the surface the need to hire debt collectors with soft skills who can communicate effectively with indebted consumers.³ A strong and robust compliance management strategy can help prevent reputational risk and minimize costly violations.

In today's climate, it's never been more important to build the right debt management strategies for your business. By creating a more effective, consumer-focused collections process, you can maximize your recovery efforts, make more profitable decisions and focus your resources where they're needed most. Are you ready to get started?

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SOURCES

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2. Consumer Financial Protection Bureau. CFPB Issues Final Rule to Implement the Fair Debt Collection Practices Act (Oct 30, 2020). <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-final-rule-implement-fair-debt-collection-practices-act/>
3. PDCflow. First Consumer Contact: Creating a Positive Customer Experience in Debt Collections (July 2019). <https://kommandotech.com/statistics/mobile-vs-desktop-usage/>

