

Tracer for Debt Collection

An OAISYS[®] White Paper

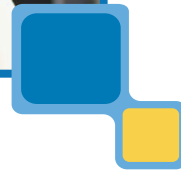




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Economic Downturn Creates Debt Collections Boom

During an economic downturn, opportunities for debt collection firms tend to increase as consumers find it more challenging to pay off their debts. Outstanding consumer debt reached \$2.59 trillion in September 2008, an increase of \$6.9 billion over August 2008. There are roughly 5,500 debt collection agencies nationwide that made more than one billion contacts with consumers in 2007, reports CNNMoney, citing ACA International, a trade association for the collection industry.^[1]

Those debt collectors that capitalize on the opportunities presented by a weakened economy will achieve greater success and profitability, and those that deploy technologies to help increase agent productivity, minimize liability and improve collections revenues will be especially well positioned.

This paper will examine how the Tracer call recording solution from OAISYS® addresses all three of these concerns.

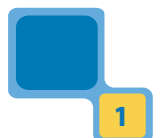
Increasing Agent Productivity

With the increased business caused by an economic downturn, collection agencies must be properly equipped to meet the demand. While this can be addressed by hiring staff, many agencies are facing the same budgetary limitations that companies in other industries are contending with. This means debt collectors must find ways to get the most out of their existing personnel to maximize collection revenues.

Call recordings are an ideal tool for this purpose. By actively reviewing agent calls, supervisors and managers can individually coach agents and manage the interactions they have with debtors.

Call recordings can easily be searched, allowing specific calls to be played back for use in training and performance improvement. Agents can be shown where they've made mistakes and how to correct them in future conversations.

Tracer can also prove very effective in addressing performance on a team-wide level. If an agent handles a difficult call in an exemplary fashion, that agent's manager can review the call with the entire team to demonstrate how similar situations should be handled in the future. Highlighting example calls can have the added benefit of increasing team morale and heightening their drive to excel so that their own calls may serve as future examples.





In any call center environment, agent retention and turnover are recurring problem areas. The more training and support an agent receives, the greater the likelihood that he or she will continue to stay with an employer and generate results. Tracer makes both individual and group training simple and practical by eliminating the need for hypothetical scenarios and focusing on the real-life interactions that agents deal with every day.

Tracer also provides powerful evaluation capabilities. Evaluation scorecards can contain up to 20 pre-defined questions/criteria, such as a 1 to 5 grading scale or simple yes/no format. After completing an evaluation, the manager can add notes and share the evaluation with the agent or with other managers if there is something to be learned.

Tracer Reporter, the powerful reporting package included with the Tracer call center management software, tracks information such as call durations, call volumes and other criteria. This information, combined with detailed evaluations, can quickly reveal to managers who top performers are and who is not performing to standards.

If an agency offers a reward program for top performers, charts detailing performance for the period can be produced and posted to show who is in the lead and who the contenders are, promoting competitive motivation to excel.

Regular, consistent evaluation drives agents to maximize their performance, keep call times low and handle as many calls as they can, resulting in more interactions and, if done properly, more revenue for the company through agreements to pay.

Independent of systematic evaluation, supervisors can include notes in calls to add information or detail specific events. These notes added by supervisors then become part of the permanent call record.

For example, assume an agent calls a debtor to collect on a delinquent car loan. The debtor informs the agent that the car was involved in an accident and that the other driver's insurance company will be paying out within 30 days. The agent can insert a note to check back with the debtor in 32 days if the debt has not been cleared or if the account has not been made current.

Minimizing Liability Risk

Few industries have as great a need to maintain records of every conversation as debt collections. Agreements to pay, complaints of harassment, ethical standards compliance and other concerns can arise in each and every call.

Tracer's digital call recordings can cover, "cradle to grave," the entire length of a debtor's interaction with the agency. For example, if a debtor receives a notice in the mail of an attempt to collect a debt, they may call the collections firm with questions. During a conversation with an agent, the debtor may want more information or to be transferred to a supervisor. Tracer maintains each stage of the caller's interaction as a single file, making sure managers do not have to search through dozens of components to find a vital piece of information later.

As a primary piece of oversight legislation, the Fair Debt Collection Practices Act^[2] (FDCPA) places strict guidelines on debt collections agencies as to what methods and behaviors they can employ in attempting to collect a debt. While penalties and awarded damages are generally small, defending against lawsuits brought under the Act is time consuming and costly.

Among the items prohibited by the Act is conduct that could be considered abusive or deceptive. These include:

- Calling consumers at hours outside the range of 8 a.m. to 9 p.m.
- Contact after being asked to stop
- Calling consumers at their job after being asked not to
- Calling consumers who are known to be represented by an attorney
- Misrepresentation or deceit, such as pretending to be an attorney
- Seeking amounts beyond what is owed
- Threatening arrest
- Profanity or abusive language

The Act also requires that certain actions be taken by agents. These include:

- Identifying oneself as a debt collector
- Notifying consumers of their right to dispute a debt within 30 days of initial contact

Failure to comply with the Act can have catastrophic consequences for debt collectors. In December of 2008, a Las Vegas collection agency agreed to pay a record \$2.25 million settlement to the U.S. government to resolve a federal complaint of multiple violations of the FDCPA.^[3]



Having an easily accessible record of every call, which can be searched for and located whether on the server or in an archive, serves as powerful protection against FDCPA claims. Without a valid recording of the call, such allegations immediately devolve into, “he said/she said,” arguments.

Tracer also offers another layer of credibility and verification. Tracer recordings are embedded with a distinct digital watermark that indicates if a call recording has been tampered with or altered. Demonstrating that a recording exists, and also that it is an authentic and verifiable account of the actual conversation exactly as it occurred, can serve as compelling and inarguable evidence that a debt collection agency is in compliance with the law.

Refining Debtor Interactions

Most debt collections agencies use scripts to help their agents guide interaction with consumers. These scripts should be carefully tailored for maximum results.

A well-trained agent knows how to adhere to the script and obtain payment terms from the consumers they contact. However, over time and with multiple versions of the same conversations taking place every shift, even the best agents can be tempted to deviate. Agents that know they are being regularly evaluated and graded based on script compliance will be less likely to go off on their own. Conversely, if a particularly effective agent is achieving better results by using methods not outlined in the script, perhaps those techniques can be incorporated into a new script that can be used to improve results across the entire team.

Tracer call recordings also can prove beneficial in testing script updates and revisions. Listening to multiple calls can help the script developer determine what phrasing works best for a given set of callers.

For example, assume a script developer wants to update the call to action to include a stronger push for an agreement to pay. They could develop three different closings, insert them in the script and test the results for each over the course of a set number of calls. By comparing the real world usage of the script to the number of calls that result in an agreement to pay, the developer can gauge effectiveness and base changes on more than just hunches and assumptions.



Conclusion

During an unstable economic climate, the debt collections industry is poised for growth. However, this same economic turmoil means that because more consumers can't pay their bills, debt collectors will also find it more challenging to collect. Agencies will need to work smarter, managing operations more efficiently while contending with heavier workloads and tighter budgets.

Tracer allows debt collectors to better manage the productivity and effectiveness of their agents, ensuring they receive maximum benefits from limited resources. Properly trained agents will be more successful, and will stay longer, decreasing employee turnover rates and positively impacting the bottom line.

Compliance with the FDCPA must be strictly adhered to by staff and management. The legal costs to defend against alleged infractions can escalate quickly, and potential fines can reach up to \$11,000 per violation. Tracer call recordings provide an objective account of the conversation, avoiding errors in human recollection or inaccurate handwritten notes.

In debt collections, interactions with consumers must be planned and carried out with one critical goal—increasing recoveries. Agencies looking to improve their current processes to avoid problems and increase revenues need a blueprint for developing an effective, efficient collections organization. Tracer provides the valuable insight needed to perfect interactions and achieve superior results.

Tracer, the professional interaction management solution from OAISYS, provides debt collections agencies with the tools they need to meet all these challenges and much more.

To find out more about Tracer, Talkument and OAISYS, please contact us at **888.496.9040** or visit us on the web at **www.oaisys.com**.

To find a reseller near you, go to www.oaisys.com, click "Support," then "Reseller Locator."

Sources

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