Leading Telecom Company

~ Advanced analytics drives improved agency collections for leading network provider.

Client
Major telecommunications and media provider.

Challenge	Solution	Outcome
Minimal use of data–driven strategies in assigning accounts to collection agencies, limiting overall recovery performance.	Implementation of C&R Software's Placement Optimizer℠, integrating predictive modeling and optimization to guide agency assignments.	Improvement of **more than 4%** in collection and cure rates within the first seven months of deployment. Account assignments based on collection agency past performance and strengths.

"Success was achieved through the collaborative nature of the engagement, combining optimization tools with analytical insights supporting our entire team."

~ Director of Credit Risk,
Major Telecom Media Company

Overview

~ Serving millions of customers, this network provider leads the telecommunications and media industry in state-of-the-art equipment and technology. As revenue grew, so did the need for improved results from the collection process.
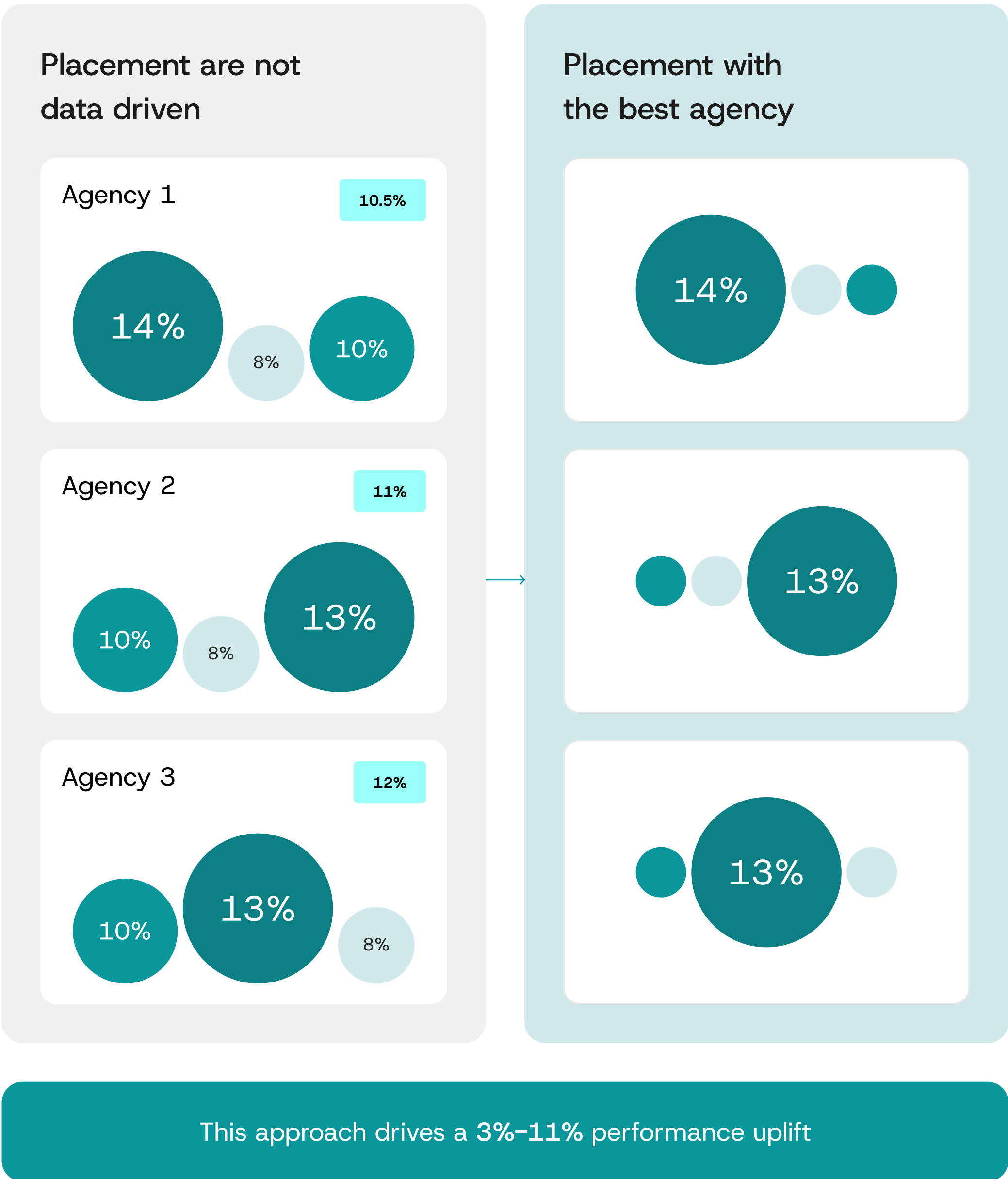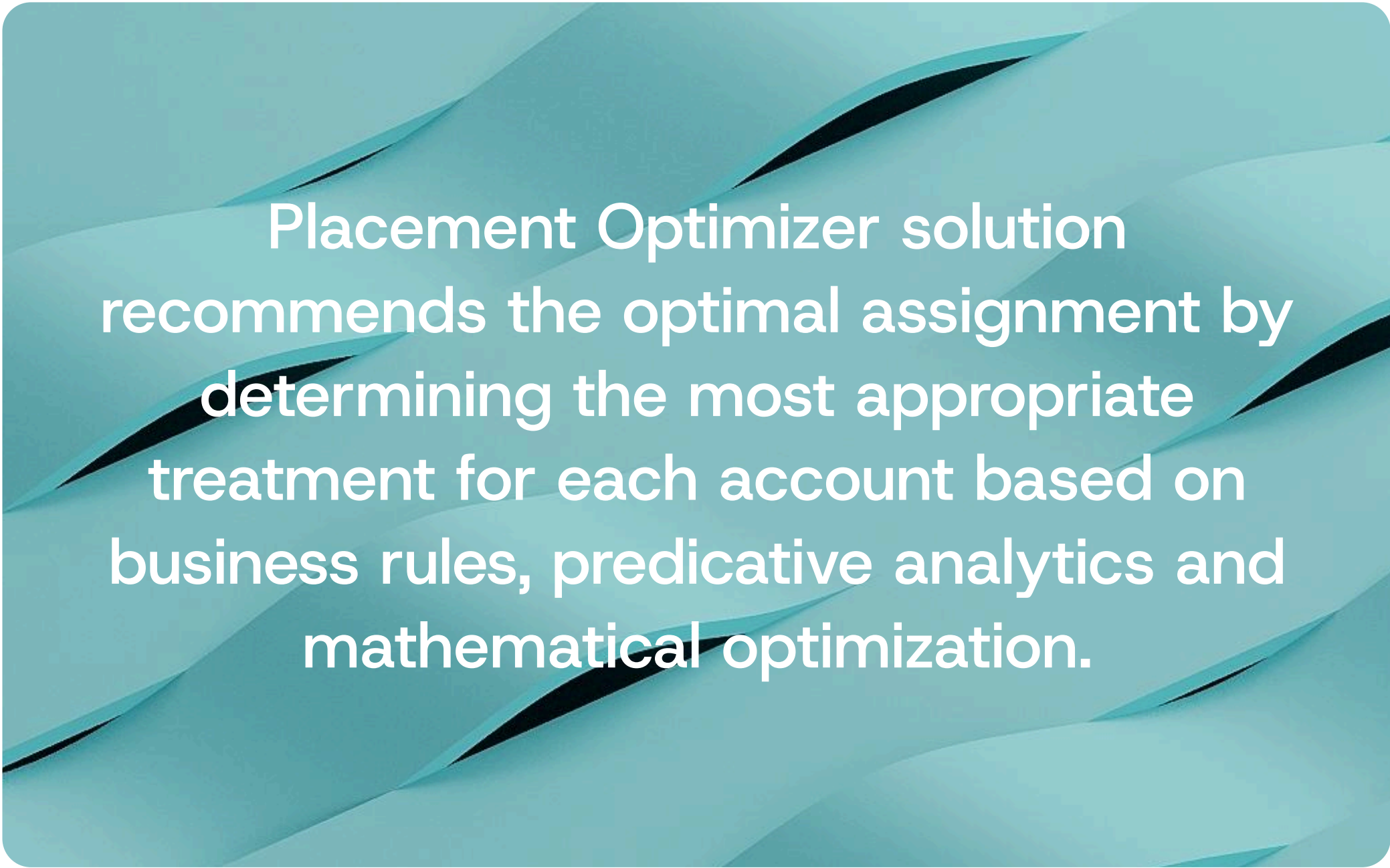

From automation to optimization

Automation

Over the past few years, the company's focus was on automating the collections process with the support of PlacementPlus service, a collection and agency management tool. It provided greater visibility and control over the placement of accounts, and the outsourced agencies to which the accounts were assigned.

Optimization

PlacementPlus service provides a sustained ongoing lift in collections performance as a result of streamlining key processes. In addition, internal resources were freed from spending time chasing down issues and instead were able to focus on making business improvements. Next, the client looked to identify ways to create the next "bump" in performance and identified the opportunity for greater segmentation within the agency placement process.

Limitations

Placement strategies being used were generic and provided limited insight into the granular details of agency performance.

C&R Software
Credit Risk Management

C&R Software Placement Optimizer

~ Methodology agencies perform differ on specific segments. Here are the typical recovery placements:

Placement are not data driven

Agency 1 `10.5%`

14% 8% 10%

Agency 2 `11%`

10% 8% 13%

Agency 3 `12%`

10% 13% 8%

Placement with the best agency

14%

13%

13%

This approach drives a **3%–11%** performance uplift

Placement Optimizer solution recommends the optimal assignment by determining the most appropriate treatment for each account based on business rules, predicative analytics and mathematical optimization.

The C&R Software solution

Innovation

The provider leveraged the Placement Optimizer solution, which brings together industry–leading analytical tools and techniques, incl. predictive modeling and mathematical optimization, combined with analytical modelers and business experts, to continuously improve debt placement strategies.

~ The provider chose the solution in large part due to the partnership approach the service provides to drive performance.

Collaboration

The ability for the client to work together with the C&R Software team experts and tools ensured alignment with the client's business goals, objectives, and constraints. When the Placement Optimizer℠ solution was put in place, the client's vendor management team immediately received support in several key areas, including descriptive and diagnostic analysis, predictive analytics, and prescriptive analytics.

Analytics-driven optimization

Efficiency

Placement Optimizer brings together the tools and techniques, including predictive modeling and mathematical optimization, that make a difference. It helps organizations continuously improve debt placement strategies and agency management.

Descriptive and diagnostic analysis

Purpose built reporting was provided through a Tableau infrastructure. Supporting insights were provided by C&R Software business experts.

Predictive analytics

Custom scores were developed by business experts to predict critical business outcomes, including expected collection amount and the probability of cure, for example. This creates a better understanding of debt quality and expected outcomes down to the account level.

Prescriptive analytics

Mathematical optimization techniques were deployed to recommend agency allocation levels to maximize the desired outcome within the company's business constraints.

Realizing immediate benefits

Impact   Increases in both collections and cure rates following the implementation of Placement Optimizer resulted in a more than **4% uplift** in collection rates in just seven months of deployment.

Synergy   This success was achieved due to the collaborative nature of the engagement, driving performance through the combination of optimizing agency placements, and the provision of analytical insights that supported the vendor management team in their day–to–day activities.

Over 4% improvement in collection rates

Improved analytical support for the vendor management team

Better transparency and visibility enabling the objective measurement of performance

Partnership approach drives performance improvements while considering business constraints

Managed on Debt Manager

over $8T

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