

Case Study

Setting the right
course for managing
delinquency rates

Client profile

The client is a digital banking company based in Europe, offering a wide range of personalized, simple, transparent, and digital financing solutions and savings products that seek to boost people's financial potential in a sustainable, responsible, and realistic way. Responding to the daily needs of more than close to two million customers, it aims to be the leading digital consumer finance bank in the region.

Industry

Banking and financial services

Footprint

In line with its intention to explore new opportunities for business development, the client acquired a Spanish startup for instant financing of online and offline purchases in 2018, and in 2021, it acquired a 100% digital platform for financing used vehicles.

It also launched its personal loan business — four 100% digital loans that cover different financing needs. In 2022, it entered the general insurance market with a simple and personalized offer for specific needs.

Operational overview

The client's partnership with Teleperformance began in 2017 when it acquired a credit card business. Since then, it has partnered with Teleperformance to manage delinquency rates, with high-quality standards, innovative solutions, and full wallet control.



Services offered

Early buckets, late buckets, forbearance, skip trace, back office, over-indebted department



Support channels

Voice, SMS, email, direct mail



Languages

Portuguese



Locations

Lisbon

Business challenges

With growing delinquency due primarily to inflation and Euro rates across Europe, the client saw an increase in debt for clients who hadn't previously experienced delinquency.

As a result, it needed to:

- Adapt its products to address increasing liabilities, including creating tools to prevent its clients from being in debt.
- Increase workforce capacity to address the elevated delinquency rate and expand their collections capabilities.
- Develop a means for accessing a comprehensive view of their key performance indicators (KPIs).



The solution

As the client's trusted partner, Teleperformance leveraged its experience and expertise in people, processes, and technology to address the client's challenges and achieve the best outcomes.

Maximizing capacity

To maximize capacity, Teleperformance created an adaptable model to forecast which days would have lower contact rates and then adjust staffing accordingly. This model and the distribution of hours have the client's full support and are a testament to the team's malleability in ensuring maximum value from available resources.

Consistent reporting model

Despite currently having two providers working on collections, the client relies on Teleperformance's well-developed reports to have control of the wallet. Throughout the years, Teleperformance has developed a consistent model of reporting, first with Excel files and now with a dedicated Power BI, managed by a specialized data analyst, that offers a full view of the project and all the details needed to manage and understand the path that must be followed, such as delinquency rates, including primary and secondary KPIs. The other provider does not have this same level of consistency in its reporting.

Service highlights

Innovation

Teleperformance developed a comprehensive, live dashboard so the client management team could access data in real time to better manage their KPIs.

Process efficiency

A blended system was rolled out where the agents can make outbound and inbound calls logged in one campaign, significantly decreasing idle time.

Strategy

A contact rate forecast was implemented to ensure the most efficient allocation of hours.

Best practices

These include ensuring open communication with the client, jointly defining strategies through weekly and monthly reviews to achieve better contact rates and efficiency with the capacity available, and allotting voice of the customer meetings, where random calls from in-debt clients are heard to identify areas of improvement.

People

More than 50% of Teleperformance's employees in the project have been in collections for over 10 years.

Real results

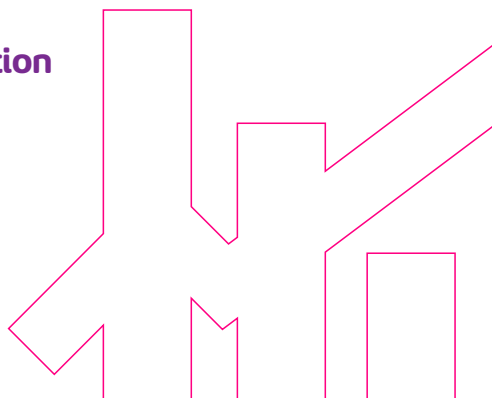
By working in partnership with Teleperformance, the client was able to achieve the objective set out in the project.

Balance saved vs. unique balance

An increase of nearly 10% by 2023

Unique client database penetration

An average increase of 6% by 2023



Due to the exceptional results delivered, the client chose to increase Teleperformance's oversight of early buckets wallet by 10%, now accounting for 80% of all wallet volume.



Looking ahead

Teleperformance's approach revolves around increasing the efficiency of the capacity requested, such as automating contacts. Other tactics in the pipeline include incentivizing agents to keep them motivated and engaged, as well as implementing digital tools to optimize processes.

Teleperformance ensures continuous collaboration with the client, including conducting monthly business reviews that consider actual performance against the strategic plan.



