

# Small Balance Collections Overview

## Solution Overview

Sitel's Small Balance Collections services is an integrated collections solution, optimized to profitably collect Low Balances early in the process utilizing the best of Sitel's interactive voice services and collections expertise.

This combines Sitel Interactive's services, agent-assisted support and global technology platform to deliver significant improvement on our clients' Return on Customer Investment (RoCI) which helps collect money sooner and more effectively.

- **Delivers High ROI** - proven collections strategies have increased our clients' ROI dramatically. Sitel's customized collection programs consistently outperform client targets.
- **Provides a Preventative Approach** - Solutions are optimized to collect money earlier in the process using the least expensive methods, generating significantly higher value for clients.
- **Blended Low Cost Solution** - We manage collection solutions via inbound, outbound, or a blended call environment, utilizing either the clients' collection system or Sitel's own Collection Platform, IVR, and Dialer platforms. In addition, we use locations across the globe to source the best agent talent. Sitel manages over 3 million interactions a day on behalf of the world's leading companies.

## Solution Strategies

Sitel's Small Balance Collection strategy specifically addresses the need for companies that are looking for a single vendor to deliver a comprehensive solution that combines multi-channel outbound customer messaging, first and third party collections, agent-led collections, and consolidated customer reporting while simultaneously reducing overall customer care costs.

Sitel's interactive notifications encourage the customer to pay, renew or purchase within the call. Sitel also introduces interactive outbound calling with attempts to collect the amount owed within the call. As a result of this solution, customers received a richer and more productive experience. Additionally, these strategies yield a significant reduction of overall notification and first party collections expenses while reducing days sales outstanding.



## Features

### Blended agent & technology:

- IVR-based 1<sup>st</sup> Party
- IVR-based 3<sup>rd</sup> Party
- Agent-based 1<sup>st</sup> Party
- Agent-based 3<sup>rd</sup> Party
- Automated notifications
- Skip tracing
- IVR payment
- Web payment
- Direct mail: postcard, letter
- FAX broadcast
- Email broadcast
- Text messaging
- PCI compliant solutions

# Small Balance Collections ROI Case

## Results

- Seamless and consistent customer experience
- Reduced IVR maintenance costs, agent-handled volume, & agent handle time
- Reduced days outstanding
- Reduced bad debt and write offs through preventive notification and first party strategies
- Increased cash flow by focusing on current payment technologies and interactive communication with customers
- Higher liquidation of delinquent debt utilizing effective collection strategies to increase portfolio performance

## Case Example

Service	Description	ROI
Notifications	Transition existing customer IVR to Sitel Interactive hosted/managed IVR solution  Leverage CTI and Speech Recognition technologies throughout the IVR	<ul style="list-style-type: none"> <li>• FTE reduction of 4 people on entire process equivalent to 230 K per year.</li> <li>• Notification Savings from IVR \$172,000/year</li> </ul>
First Party Collections	Transition current first party calls from static calls to interactive calls	<ul style="list-style-type: none"> <li>• 3% reduction in Roll Rate</li> <li>• \$2.1 million in reduced bad debt per year</li> <li>• \$1.3 million in 3rd party collections savings per year</li> </ul>
Third Party Collections	Interactive Outbound call with attempt to collect amount owed within the call  Restructured contact strategy supplants postcards and letters with Interactive Collection calls	<ul style="list-style-type: none"> <li>• 4% increase in Liquidation Rate</li> <li>• \$2.9 million increased collections per year</li> </ul>

Decrease Number of Transactions	Manage Cost per Transaction	Increase Revenue per Transaction	Manage Client Business Drivers
Automation to improve notifications  \$400K savings from IVR and reduction in # of agents	Replace expensive direct mail with interactive calls  \$1.3M in 3rd party collections savings per year	Increase liquidation rate by 4%  \$2.9M in increased collections	Decrease DSO and Delinquency  \$2.1M improvement in bad debt

Total Annual Savings \$1.7M

Total Annual Increased Cash Flow \$5.0M (8.5%)

Improved Return on Customer Investment = \$6.7M



## Service Components

### Pre-Collection Notification

- Accounts near delinquency
- "Prevention Collections"
- Automated Calls, Direct Mail (Postcard/Letter Notification)
- Multiple contacts/channels

### 1st Party Collection Solution

- Pre-charge off
- Email, SMS, Phone (Agent/ Auto), Direct Mail
- Opt out option to live agent
- Payment options

### 3rd Party Collection Solution

- Charged-off
- Licensed agent
- Skip Tracing Phone (Agent/ Auto), Direct Mail
- Opt out option to live agent
- Payment options