

THE CHALLENGE

Competition in the collection industry is fierce. Fueled by changes in the economy and industry-wide sinking results, companies that outsource collections are demanding increased accountability from the companies they use. Gone are the days when relationship management was the key to maintaining a loyal client base. The smart accounts receivables teams are focused solely on results and test vendor performance with Champion/Challenger methodology and other evaluation models.

For 40 years, ETAN Industries, a Dallas-based collections agency, has been known for innovation and market impact. Many of the programs and procedures that ETAN developed have become standards within the industry. In light of the increasing volatility and competitive pressure in the collections sector, ETAN decided to cultivate an already successful collections model to perform even better.

THE SOLUTION

For more than a year, ETAN audited its operational processes—carefully reviewing every debtor touch point, identifying opportunities for optimization, and testing strategy variations. The result of this initiative was the development of IntelliTrack, a smarter, more agile, more strategic path to receivables management success.

IntelliTrack represents a true advancement in collections theory—from improved intelligence utilization to more logical workforce management. It more evenly distributes ETAN's collections capabilities to ensure that treatment paths are relevant and productive.

IntelliTrack relies on ETAN's historical account data as a scoring model, providing a means to efficiently and effectively assign strategies to account groups. With consideration of more than 120 predictive credit characteristics, (such as credit scores, past behavior and open credit balances) accounts are scored and segmented based on the debtors' Propensity to Pay.

Strategy development is a fluid process with IntelliTrack. Benchmarks are built in throughout the process to evaluate account groups on a variety of performance metrics. Groups that perform as expected continue on the assigned track, while strategies are enhanced for underperforming accounts. The tools and tactics used to collect include over 200 unique debtor letters, dozens of tone-adjusted scripts, and credit bureau reporting. All of these tools can be recombined and timed to calibrate the strategies to strengthen recovery results.

THE RESULTS

The individual elements of the IntelliTrack process were tested separately over the course of a year. The decision to implement it as a complete process was made when a large Comcast system initiated Champion/Challenger and placed collection accounts with both ETAN and a competitor for results comparison. At the end of the challenge, ETAN's collection rate was more than double that of the competitor.

In addition to keeping this important Comcast client, ETAN has recognized additional benefits as a result of utilizing IntelliTrack:

- A 3% increase in over all collections
- A 37% increase in conversion rate
- A 4.3% increase in average balances collected
- The dollars collected by the top tier of collectors was almost double previous averages.



intellitrack®

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