

Leading Retail Bank

Increased Customer Contacts Protect Asset Quality

Business Need

The client is a leading retail banker in the United States. For years they have been a recognized leader in new technologies and trends in the financial services industry. Providing unique ways for customers to bank has set our client above their competition. Their well known approach to diversified banking is a determining factor in their incredible growth.

The popularity of the client's innovative approach to retail banking makes it quick and easy for prospects to become new customers. While the number of new accounts continues to increase, so does the number of delinquent accounts.

Goal

The client needed to reduce roll-rates and charge-offs in order to keep asset quality strong—and they wanted to achieve this goal without increasing the cost of agent resources.

Solution

CallTech™, ALI Solutions™ ("ALI") best-time-to-call software.

Operation

Using the client's database of several months' calling history, as well as information from each day's download, CallTech developed models via logistic regression to predict the probabilities of getting a right-party contact, a wrong-party contact, and a non-contact during each time period of each day. A second set of models calculated the probability of getting a promise-to-pay for each account.

Using the client's actual resource constraints, including start, stop, and break times, CallTech computed the number of resources available during each hour of the day and, from the client's historical database, it calculated the number of calls each collector could handle per hour.

CallTech used this information to produce a calling schedule that maximized right-party contacts over an entire workday, while scheduling enough work for all available resources. Importantly, CallTech used the client's actual resource level—not some unrealistic ideal.

Operation Continued

The client then used CallTech's built-in Champion/Challenger feature to quantify their success. CallTech's internal random-number generator allowed our client to split a population into two strategies to compare the effects of CallTech's optimized schedule to their "Business-As-Usual." This gave a fair and unbiased measurement of CallTech's effectiveness, which could be used to confirm CallTech's quick Return on Investment.

Using CallTech's reporting package, the client was able to view daily reports that compared the results of CallTech's optimized schedule and their "Business-As-Usual."

- Increase right-party contacts
- Decrease penetration rates
- Increase promises to pay



Dynamic Decisioning. Unleashed.™

Results

Optimizing the client's calling schedule to reach the most right-party contacts over the entire day resulted in over a 20% lift in right-party contacts. The client found that they could achieve this lift with significantly lower penetration rates.

As a result, the increase in the client's right-party contacts lead to an increase in promises-to-pay per agent hour.

Summary of Success

With ALI's CallTech, the client increased customer contacts and dollars collected without increasing collection costs, thus achieving a quick return on investment and protecting asset quality.

About ALI Solutions™

ALI Solutions provides event-based analytic decisioning applications that empower consumer financial services organizations to preemptively manage risk and improve profitability. ALI's solutions automate the fusion of transaction data with third party data sources to dynamically execute credit, fraud and collections policies that solve immediate business problems while easily adapting to future industry challenges. For over 16 years many of the world's most successful companies throughout North America, the United Kingdom and the Asia Pacific region continue to choose ALI because its applications are proven to help businesses mitigate losses while delivering millions of dollars in bottom line benefit.

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