Improving collections efficiency by 16 percent

About BNP Paribas Bank Polska
The client is a Polish subsidiary of the International Retail Banking division of BNP Paribas Group. The bank has operated in Poland for more than 20 years. In 2009 it acquired and integrated the Polish subsidiary of Fortis Bank. BNP Paribas group is a leading European bank providing tailored services to retail customers, entrepreneurs, SMEs, corporations and institutions in over 80 counties.

Challenge
BNP Paribas Bank Polska wanted to focus on improving its collection function to minimise losses and remain competitive in the market after the economic downturn.

The client was using a disparate set of collection systems to manage delinquent customers in different stages of arrears and had the objective of consolidating these systems into one. In addition, they had recently built a new collections call centre and wanted to deliver improved customer service by providing their collectors with a best practice operational collections tool.

The BNP Paribas Personal Finance subsidiary had been focusing on standardising its collection operation across its major subsidiaries through a collections system that could be deployed throughout the group.

The business had the objective of improving three key areas: staff efficiency, operational costs and customer satisfaction.

They conducted a comprehensive international search for a market leading collections system that would enable the group to share expertise and best practice.

Decision Analytics answer
BNP Paribas Personal Finance signed a multi-country Master Agreement with Experian to roll out its debt management tool, Tallyman, for its own subsidiaries as well as others within the group. Within the agreement BNP Paribas Bank Polska selected Tallyman to solve its collections challenge.

The operational collections software tool, Tallyman, was selected for its flexibility to be customised and adapted to suit the different requirements of businesses across the group.

Experian’s accumulated knowledge and expertise gained from implementing leading collections solutions around the world, and the local presence of Experian resources was also key selection criteria.

“We are very satisfied with the Tallyman system and have already measured significant improvements in collections process efficiency.”

- Emmanuel Branche – Director of Personal Finance Credit Processing Management
Benefits

- Reduced employee costs by 25 percent
- Efficiency of treatment of accounts improved by 16 percent
- Recovery of 300,000 Zlotys from the tax authorities
- Reduced bad debt and losses and increased working capital with higher recoveries
- Recovery rates increased with an increased focus on the actions that will produce results
- Improved staff productivity with more automation of collections processes
- Continual monitoring and improving the performance of the arrears book and collections processes
- Return on investment expected within 18 months

Resolution

Using behavioural scoring, each customer is assigned a risk score in Tallyman which is used to drive the most appropriate collections strategy. Customers are finely segmented according to a wide range of variables to create an accurate profile that drives the most appropriate action according to the level of risk and value.

Collections actions can be effectively prioritised and strategies implemented to achieve the business’s objectives, such as reducing the cost to collect by leaving habitual late payers to self-cure and delaying the follow-up activity for low risk customers, enabling resources to be focused on high risk, high value customers to maximise recovery.

The solution automates collections activities on lower risk, lower value accounts to minimise manual intervention and enable staff to concentrate on higher value, higher risk collections.

BNP Paribas Bank Polska has integrated a dialler with Tallyman to enhance the speed and efficiency of collections and significantly reduce the cost to collect.

The system enables BNP Paribas Bank Polska to manage its customers in a more holistic way by providing the ability to deploy customer centric activities which closely match both the value of the customer and the overall credit risk they represent.

Results

BNP Paribas Bank Polska has measured significant improvements in operational efficiency of the collections function, including a reduction in staff costs of 25 percent.

Integration across the business

Due to the success of the Tallyman implementation at BNP Paribas Bank Polska, the group is continuing to identify businesses for further Tallyman deployments. The system has been successfully deployed at subsidiaries of the group in Spain and the Ukraine with further projects in progress.

Building a partnership

In parallel to the global integration and streamlining of collections functions around the group, Experian’s global consultants have designed a collection diagnostic methodology for BNP Paribas Personal Finance, in order to evaluate the collection practices against worldwide best practice in several European countries. The result is an internal benchmark to support a medium and long-term collections development plan.