

Leading Retail Bank

Increased Customer Contacts Protect Asset Quality

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

Business Need

Our 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 our 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.

Our 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™, Austin Logistics' best-time-to-call software.

Operation

Using our 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 our 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 our 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

Our 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, our client was able to view daily reports that compared the results of CallTech's optimized schedule and their "Business-as-Usual."

Results

Optimizing our 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 our client's right-party contacts lead to an increase in promises-to-pay per agent hour.

Summary of Success

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



About Austin Logistics

Austin Logistics is a leading provider of analytic software and custom modeling solutions that use predictive intelligence to drive more profit from every customer interaction.

Austin Logistics determines the optimal treatment for each transaction by collecting disparate data from multiple sources and applying advanced modeling techniques. All Austin Logistics products are designed to deliver a six-month Return On Investment.

Austin Logistics, established in 1992, is headquartered in Austin, Texas. The company maintains business and development offices throughout the United States and in Asia.

Contact Us

www.AustinLogistics.com

Headquarters

Phone: 512.328.8215

E-mail: info@AustinLogistics.com

Asia Pacific

Phone: 65 6327-5263

E-mail: AsiaPacific@AustinLogistics.com

UK & Europe

Phone: +44 (0)870 803 1983

E-mail: UKEurope@AustinLogistics.com

WWW.AUSTINLOGISTICS.COM