

Debt Reduction Through Operational Improvement for Residential Customers



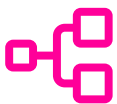
Client Problem & Impact

Our challenger energy client was experiencing high levels of debt that were increasing month on month. The client operated their collections activity in a CRM system. Without a dedicated collections system only minimal customer segmentation was in place.

In addition, the client passed overdue debt to a Debt Collection Agency, however, the results were below industry standard.



Segmentation



Debt Paths



Agent Training

How Did Sagacity Help?

The client's challenges were addressed using our operational expertise in credit and collections, underpinned by our analytics capability.

The actions we took comprised of:

- delivering new debt path steps with improved customer segmentation
- implementing new digital communication channels
- setting up a new DCA with industry experience, who collected as much in 5 weeks as the previous DCA did in 8 months
- training our client's agents in advanced collection techniques
- setting agent collection targets and ongoing monitoring to achieve a 50% improvement in collection rates

Outcome & Business Benefits

£1.7m debt reduction in first 3 months

The collections team performance improved significantly and as a result, the client benefitted by seeing their debt position reduce by 9% in the first 3 months.