

Multi-channel call centres can improve debt collection rates

South Africa has a mobile penetration of roughly 118% - which means that 50 million people are wielding close to 59 million cell phones. Yet despite the implementation of RICA, mobile churn (where users buy and discard SIM cards) is still increasing.

 By [Jed Hewson](#) 3 Sep 2013

Customers easily switch between phones, numbers, and service providers who are offering attractive incentives for them to switch between networks. The impact might be quite detrimental for the telecommunications industry, but even more so for debt collectors who have a hard time pinning debtors down.

South African household debt is at 75% of disposable income, and unsecured personal loans have grown by 53% in the last year - which means that many debt collectors are upping their efforts to ensure debtors honour their repayments. However, that process is not as easy as it was back in the day when people were locked in by their landlines.

Any debt collector worth his salt would tell you that starting a dialogue with a debtor is the first step in resolving the issue. The churn of cellular phones, the decrease in land line adoption, and the ability to screen calls have all made it more difficult to track a debtor down and garner the outstanding amount. This leads many call centres down the slippery slope of repeated attempting to reach customers via phone, and failing time and time again, wasting time, and incurring additional expenses over and above the (potential) bad debt.

Fortunately there are simple tools and techniques that not only improve an agent's chances of garnering the debt, but can also prevent over-spending on futile collection efforts.

1. Use smart diallers

The Smart Dialler is the most essential tool any call centre with a debt collection component should have - particularly when it comes to maximising payments. Most debt collectors will tell you that the longer a debt has been outstanding, and the more uncommunicative a debtor is, the less likely your chances of receiving payment are. Unlike a basic dialler, a smart dialler keeps track of what numbers to dial (e.g. home numbers before 8am and after 5 pm, work numbers after 8 and before 5pm and mobile numbers at other times) and make sure that once you have connected to a client you do not then call the other numbers on this record. The dialler will also know how many times a number has been called and stop calling if it clearly doesn't connect after a given number of attempts, reducing the time wasted on futile attempts.

A smart dialler will also help create a strategy by allowing filtering of the dialler list so that records below a certain age or above a set loan amount will be dialled first. 70 to 80% of debt is collected in the first and last week of the month so focussing on the client that will pay and that matters to your company is a priority. At the end of the day, the best way to call a person is on the phone and at the time when they agreed that you should call them. If your dialler isn't smart enough to handle this then you are missing out.

2. Make use of multiple channels

Phone calls simply do not have the impact they used to - and even emails are dying out as a preferred means of communication. Most call centres are equipped to handle multiple channels, including social media. Rather than rely on cellular phone numbers (that can easily be ditched), ask potential debtors to supply you with alternative contact details such as social media profiles, instant messaging subscriptions and an office email address. Text messages and tweets may work where phone calls have failed - but get the dialogue going.

3. Ensure that conversation is always two-way

Of course, sending a SMS or an IM might reach your debtor, but unless they have a way of responding to that channel the conversation will remain one-sided. If you are going to use multiple channels, make sure that every channel allows for a two-way conversation. Once you've started that dialogue, you can negotiate full or partial repayments or new instalments.

4. Spend time on training

Lastly, spend time on training staff and communicating the strategy you wish to employ. Teach staff to distinguish between debts that are likely to be collected and those that are unlikely to be collected, and how to prioritise collection between the two. Make sure that staff is fully able to use the tools and technology at their disposal so that their time can be wholly devoted to the task at hand, rather than tech support.

Conclusion

The mobile era has definitely complicated matters for debt collectors, but there are tools available that will allow you to work faster and smarter. Work with your call centre technology provider to determine a strategy based on your debtors' profiles and your business needs - it will pay off.

ABOUT JED HEWSON

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