

COLLECTION TECHNOLOGY

July 2006
(c. 10,000)

COLLECTION TECHNOLOGY

10

how-to

RISE OF THE MACHINES

Tell Me What I Want to Hear

The following is what IVR users want when interacting with your machine.

- Let me press 0 (or *0) at any time to be connected to a human
- Recognize my caller ID (home or mobile) and then require only a four digit PIN to authenticate
- Pass along information that I provide the IVR to a live agent
- Tell me the estimated wait time
- Let me disable on-hold music
- No "Your call is important to us" greeting
- No "You can access our web site to answer most questions" message
- No "Please listen carefully, since our menu has changed" message
- Let me override a message at any time
- Understand when I speak a number

Source: Automatic Speech Recognition News

Getting the most out of your IVR requires constant testing and measurement, as well as attention to usability.

By Mike Sherrill

Humans have been talking to machines for years now. Call a bank, a retail store, or any large corporation, and you will be routed to the department or given the account information you need. Now, a new wrinkle has formed in the relationship. Computers are calling us, and they are demanding money.

While inbound interactive-voice-response technology is probably old hat to some shops, especially those within banks, outbound IVRs "are more of a new commodity in the market," said Jim Hensley, chief operating officer of Vital Solutions Inc. "Nothing's ever set in stone with them. There's always something you can do to enhance the functionality."

Many firms are just now experimenting with IVRs specifically for collections. Only 42% have some type of outbound automated-collection capability, according to a survey by trade group ACA International.

However, the business case has been made. A computer never calls in sick and costs less than agents. For an increasing number of shops, instead of debating whether to buy an IVR, the concern is finding the right set-up, like the delicate balance it once took to manually tune in a distant radio station.

When fashioning an IVR, although collections is less touchy-feely than marketing or sales, collectors must consider what debtors want from the service. If they refuse to use it, it will not bring in the dough.

"The last thing you want to do in collections is make it complicated for someone to pay you," said George Jackmore, business system coordinator for retail credit collections at Wachovia Corp.

That includes an instant escape from the computer's clutches and the ability to be transferred at any time to a live agent. Plus, companies should present to debtors all the options they could get if they were speaking to an agent, such as paying a bill immediately or scheduling a payment for a later date. "Make it easy, and give them all the options you have," Jackmore said.

Charlotte, N.C.-based Wachovia had utilized an IVR vendor but after testing it against an internally-developed product, has since seen a 1.5 % lift in collections — or about \$15,000 for every \$1 million recouped — by shifting the lion's share of calls to its own system. Each day the bank transmits 3,000 to 4,000 messages, which account for about 7% of the institution's total collections.

Jackmore, responsible for the bank's collection telecom campaigns, attributes



the increase to his ability to closely monitor all facets of the system's delivery, like scripting and pacing. "We have control over it from the time we fire it up to the time we shut it off at night."

In collections, Wachovia aims to maximize pre-chargeoff collections and minimize the use of agents. The bank uses analytics software to determine who would be mostly likely to self-cure and who will respond to a computerized collector — generally easier accounts to collect than the ones agents handle.

On the agency level, two distinct strategies are developing. Collection shops are funneling accounts early in the collection process or those recently charged off with balances less than \$1,000, said **John Keyes**, director of product management at IVR vendor **Soundbite Communications Inc.** Alternatively, shops are using IVRs to collect from debtors who are so far delinquent that managers don't want to waste agents' time calling them.

Most agencies, so far, are going the route of IVR vendors that operate as ASPs, taking much of the headache — and the need for extra phone lines — off collection managers' plates. Soundbite alone placed 700 million calls last year, although not all were for collections. Vendors also assist with initial forays into script creation. Some allow collection shops to make changes to their script and strategies, while others provide those services.

A vendor will always offer up a shining reference, but "ask for three," suggested **John Simpson**, chief technology officer

of **Nationwide Credit Inc.** The technology is still in the early adoption stage, so collection managers need a broader picture of customer satisfaction.

Shops are also increasingly examining IVR solutions bundled with dialers, like Atlanta-area collection shops **Vital Solutions**, which uses an IVR as part of its **Aspect Software Inc.** **EnsemblePro** dialer, and **Nationwide Credit**, currently reviewing two vendors.

Trial and error still seems the best way to optimize IVRs, though there are some rules of thumb. For instance, some debtors will always keep hitting "0" until they reach a live person. Also, users should not be kept trapped on the line. Generally, unless debtors are making payments, they should be on the IVR only about a minute.

Shops also need to decide how many levels of validation they require from debtors, because while additional steps might increase security, too many steps will put off potential bill payers and make them hang up. "None of this works unless you get the customer to validate" their information, said **Kurt Mey**, customer interaction solution specialist with the U.S. operations of South Africa-based call center solution vendor **Dimension Data Holding Plc.**

Finally, shops need detailed reporting, including reports of when debtors hang up on the IVR, to compare results with other collection treatments and revised IVR strategies. "Measuring," said Soundbite's Keyes, "is really the key." ■