

Optimising Contactability for Strategic Collection Efforts

A common challenge in collections is the ambiguity surrounding the likelihood of reaching the intended recipient or encountering a third-party intermediary. By harnessing predictive analytics, debt collection agencies can optimise contact attempts, increase successful interactions, reduce costs, and streamline resource allocation.

Case Overview

A collection agency provided data on defaulted accounts with no recent associated contact attempts but scheduled for phone outreach. The aim was to forecast the probability of connecting via phone with the right person (RPC) or a relevant third party.

Our Approach

Qualco Data-Driven Decision Engine (D3E) was used to assess the likelihood of engaging a customer or a third party during a call initiative, focusing on accounts with no contact attempts in the past three months. The platform automatically identified important segmentation parameters, including the timing of any initial contact attempt, concurrent legal proceedings, and the efficacy of the latest recorded contact attempt. The proposed segmentation facilitated the production of accurate individual contactability predictions, leading to the better prioritisation and identifying uncontactable customers.

QUALCO D3E IN ACTION

Step 1 Model Development

We developed a robust machine-learning model that analysed a comprehensive set of predictors to identify those with the highest predictive power for successful contact. These predictors included:

Segmentation Data



Geographical Location



Occupation



Current Litigation Status



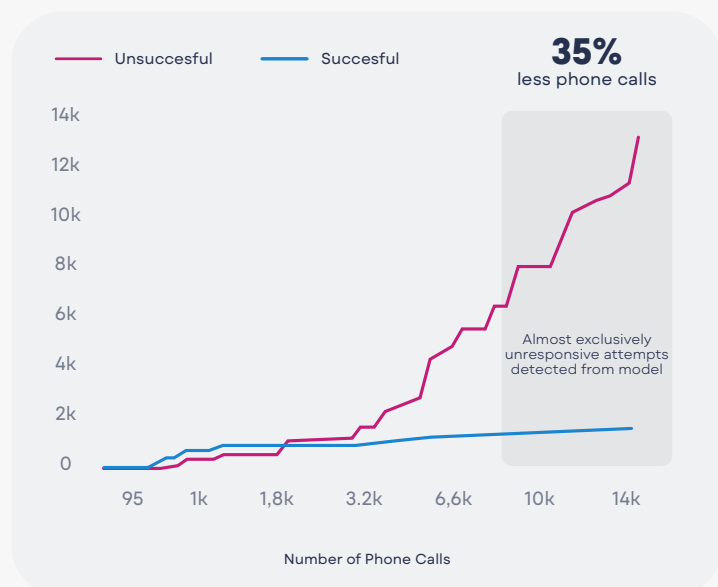
Third-party Involvement



Using these predictors, the model distinguished between debtors or third parties likely to respond to phone contact attempts and those less likely to engage.

Step 2 Customer Segmentation

After validating the model, we segmented the customer database to prioritise individuals based on their predicted responsiveness. This approach helped focus resources on high-probability contacts, maximising efficiency and effectiveness. Notably, the model identified that **35%** of contact attempts had a negligible likelihood of response, suggesting a strategic deprioritisation to conserve resources and focus efforts where they were most likely to yield results.



Customer database segmentation, prioritising individuals based on their predicted responsiveness.

Step 3 **Calls Prioritisation**

The resources saved were redirected towards customers who had yet to be contacted but were deemed highly likely to respond, and these individuals were prioritised for immediate contact.

RESULTS

Enhanced Contactability Rates

Achieved a **3.5 times increase** in successful contact rates through targeted outreach.

Streamlined Resource Allocation

Reduced agents' **unsuccessful efforts by 35%** and ensured optimal resource allocation.

Reduced Communication Costs

Minimised overall communication **expenses** by implementing targeted outreach strategies.



About

Qualco Data-Driven Decisions Engine

Qualco Data-Driven Decision Engine is an integrated decision-making platform that automates every stage of the credit portfolio and collections analytics workflow. It empowers:

- **Data Organisation** to keep track of one's portfolio's changes easily
- **Data Processing** to transform and sequence data for analytical insights
- **Machine Learning capabilities** to understand customer behaviours and segments
- **Tailored Treatments** to customise actions for various customer groups, enhancing performance
- **Strategic Insights** to shape treatment strategies and estimate their impact on profitability
- **Regulatory Compliance**, by generating compliance reports based on analysis results

Designed for any business that manages credit, Qualco Data-Driven Decision Engine equips financial institutions and servicers with the tools to transform raw data into actionable insights. By leveraging advanced analytics and machine learning algorithms, organisations can unlock untapped potential, drive operational efficiency, and deliver exceptional customer value.



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