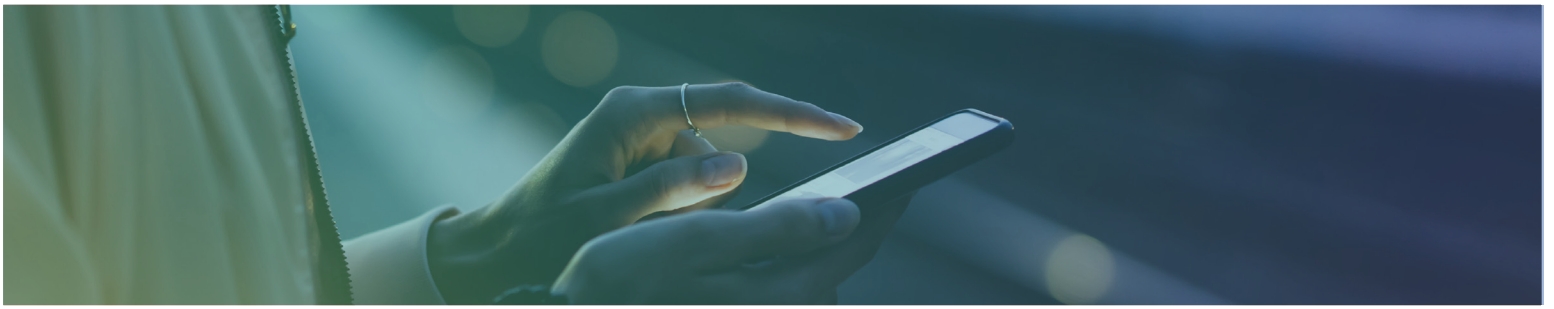




How to Evaluate a Debt Collection Partner:

Top 10 Questions to Ask



Delinquencies are a reality for any business that handles payments, and sooner or later completely charging off some of those debts can become a reality too. But there's still an opportunity to recover more—with the right help.

Partnering with a debt collection agency can provide a number of advantages for businesses that are struggling to collect outstanding debts. By outsourcing late stage collections to a third-party partner, businesses like yours can focus on their core operations while leaving debt recovery to the experts.

But how can your business identify optimal collection partners—not simply call-and-collect vendors, but organizations that will deliver real recovery results while safeguarding the consumer journey to hopefully win back those delinquent customers after they complete repayment?

The following questions, based on conversations with dozens of business leaders, provide a jumping-off point for your company to evaluate potential collection partners, or re-evaluate current vendors who may be leaving recovery opportunities overlooked.

1

Why should you work with a third-party debt collection partner?

Why it matters:

Partnering with a debt collection agency for late stage debt recovery provides a number of advantages, including improving debt recovery rates, reducing the workload for lenders, offering access to specialized resources, and providing flexibility and customization.

What to look for:

The nine questions below will help you identify what to look for in a proactive collections partner and explain why each part is important to the success of a partnership.

The TrueAccord Difference

TrueAccord is the pioneer of intelligent, digital-first collection and recovery. Since 2013, we have provided win-win solutions between businesses and consumers in debt. But don't just take our word for it—get an in-depth look at the TrueAccord difference in some of the most important aspects of debt collection in each of the questions below.

Questions to Ask, Why Each Matters, What to Look For, and the TrueAccord Difference

2

Does the collection company primarily communicate with my consumers in their channel(s) of choice?

Why it matters:

Research shows that consumers overwhelmingly prefer private digital communications (like email and text) to intrusive phone calls. A collection provider that engages in heavy outbound phone calling is at a performance disadvantage (given declining right-party contact rates), and runs the risk of driving a poor consumer experience, leading to a higher rate of complaints.

What to look for:

Look for a partner that has expertise in digital channels including email, text messaging, and voicemail drops, in addition to calling. Ask what percentage of consumer communications take place through digital channels as opposed to outbound calling.

The TrueAccord Difference

At TrueAccord, we don't believe in one-size-fits-all communications or only using call-based outreach. From day one, TrueAccord has focused not only on digital-first outreach, but in an omnichannel approach to consumer engagement. By using our patented machine learning engine, [HeartBeat](#), we create a personalized journey for each consumer—and keep optimizing for the right message, outreach time, and communication cadence to optimize performance.

3

If they use email, what is their email deliverability rate and outreach strategy?

Why it matters:

Email deliverability measures the rate at which a provider is able to successfully “place” emails in a user’s inbox (as opposed to getting caught in spam traps). Deliverability is one of the most important metrics for evaluating how successful that channel is likely to be. After all, an email that never reaches a consumer’s inbox has no chance of driving engagement and action.

What to look for:

Be sure to ask a potential partner about their email *deliverability* rate—not just their email *delivery* rate. A proactive partner will use a blend of tactics to maximize deliverability including authentication to build a domain reputation and extensive email validation to maximize open rates. [Learn more about email deliverability here»»](#)

The TrueAccord Difference

TrueAccord uses a proprietary blend of tactics to maximize deliverability including authentication to build a domain reputation and extensive email validation to maximize open rates. TrueAccord has a **99% email delivery rate**, compared to the average email delivery rate of approximately 80%. Additionally, we have a **95% deliverability rate**, compared to the worldwide average of 84.8%.

4

How do they make adjustments when delivery and/or deliverability rates fluctuate?

Why it matters:

Email delivery and deliverability rates will fluctuate—it’s inevitable given the [many factors](#) that influence these rates. But how a provider responds and adjusts to these changes is crucial to keeping the rates as high as possible. It’s one thing to be able to determine delivery and deliverability rates, but taking action to guide them in the right direction is the only way to positively influence them.

What to look for:

Find out how the potential partner monitors email delivery and deliverability rates. Do they have a dedicated team, or do they just run automatic reports that go nowhere? Proactive partners should have experts staying on top of these rates and actively supporting and adjusting elements in real time, including the use of machine learning.

The TrueAccord Difference

TrueAccord’s dedicated Email Operations and Deliverability Team proactively monitor and make adjustments, along with using [HeartBeat](#) to dynamically make updates in realtime. Our team of deliverability experts proactively stay on top of Email Service Provider (ESP) best practices and maintain relationships with Internet Service Providers (ISPs) for optimal email acceptance rates.

Can customers self-serve without any human interaction?

Why it matters:

The benefits of digital debt collection go far beyond just being able to reach consumers on digital channels. They also include the convenience, privacy, and flexibility of being able to self-serve. Unfortunately, many vendors are still largely outreach services (even if they don't describe themselves as such). They use digital channels to communicate with customers – only to drive them to talk to actual human beings in a contact center. This is a missed opportunity. [Research from McKinsey](#) concludes that consumers who digitally self-serve resolve their debts at higher rates, are significantly more likely to pay in full, and report higher levels of customer satisfaction than consumers who pay via a collection call.

What to look for:

Start by simply asking if the vendor even has options for customers to self-serve without any human interaction. Traditional call-and-collect methods are inherently the opposite of providing customers with anything like that. If they do offer self-serve options, find out how it is supported in case the customer does want to engage directly with support online or by phone. Any limitations on how a customer is able to interact for repayment should be noted when evaluating a partner. The ideal partner will provide a robust [omnichannel approach](#) for consumer engagement.

The TrueAccord Difference

For late stage collection, we have built a rich, flexible, and intuitive digital portal. 96% of customers who resolve their debts with TrueAccord do so in a fully self-serve fashion, without any human interaction.

How are consumer communications personalized?

Why it matters:

Consumers have more stress and demands on their attention than ever before. Personalization of the collections experience—from channel to time of day to specific message—is critical in cutting through the noise and driving engagement and commitment.

What to look for:

Ask about your partner's ability to dynamically adapt the channel being used, the time of day the communication occurs, and the content and tone of a message to the individual consumer. (Many companies will claim personalization, but instead segment broad groups of consumers for a "one size fits all" treatment strategy.)

The TrueAccord Difference

[Machine learning](#) is at the heart of the decision-making process about how to engage with each and every customer on an individual level to create a customized experience and to get the most favorable outcomes for the consumer and the creditor. With compliant, pre-built content templates, best practices, and data science models, our consumer communications are tailor-made to be consistent and effective throughout the placement cycle.

Does the collection company leverage any machine learning that can dynamically optimize the strategy/process with new data?

Why it matters:

[Machine learning technology](#) enables a platform to self-improve over time as it gathers more and more data. The result is continuous performance improvement "in the background" without any need for manual performance tuning.

What to look for:

Ask about your partner's approach to machine learning. Look for a partner that has invested substantial innovation into their machine learning approach, and has a vast database of consumer journeys to begin using for optimization on day one.

The TrueAccord Difference

Powered by a combination of data-driven heuristics, the latest compliance regulations, and machine learning—continuously refined by data from 20 million customer engagements and counting—[HeartBeat](#) is TrueAccord's patented decision engine. HeartBeat doesn't just optimize for engagement and commitment; it leverages engagement signals to identify consumers at risk of breaking plans—and automatically adapts to keep them successful until resolution.

Does the collection company use a strong champion/challenger testing capability and the help of machine learning for continuous improvement?

Why it matters:

A company's ability to drive ongoing improvement is based on champion/challenger testing capabilities. A robust machine learning platform, for example, should offer support for continuous experimentation.

What to look for:

Ask how a potential partner continuously tests new ideas and approaches against current “winners.” Probe for examples of champion/challenger testing methodology in their collections approach.

The TrueAccord Difference

At TrueAccord, we refer to “champion/challenger” as the “explore/exploit frontier”—striking the right balance between “exploring” new treatments while “exploiting” the ones with demonstrated success. Additionally, HeartBeat works every account, not just those predicted to repay more faster—and never stops working, unlike the limitations of manual outreach—all through content, channel, time, and strategy that fits the individual.

How much execution risk does my collection partner expose me to?

Why it matters:

“Execution risk” refers to the operating liabilities associated with a collections operation: complaints, lawsuits, compliance violations, and more. Operations that rely on more collection agents will carry more risk exposure. Poor agent attendance or high attrition will impact expected coverage. Poor quality or agent errors across a varied labor pool will impact collection results and pose [compliance risks](#).

What to look for:

A digital-first strategy will be the most reliable, most consistent, and least risky when it comes to execution, and will provide a preferred consumer experience. Regardless of the type of partner you're evaluating, ensure that they have strong operating procedures and controls to ensure a consistent, positive, and compliant consumer experience.

The TrueAccord Difference

TrueAccord is a [licensed](#), bonded, and insured collection agency in all jurisdictions where we collect. Our legal team follows developments in regulations and case law to develop policies and procedures according to their constant changes. We ensure complete compliance control, auditability and real-time updates for changing rules and regulations. Our digital collections process is controlled by code, ensuring that all regulatory requirements are met, while still being flexible to quickly adjust to new rules and case law.

How do they keep up with compliance changes and new regulations?

Why it matters:

[Compliance regulations](#) in the debt collection industry are built to protect consumers in debt from potentially predatory practices and ensure an equitable collections experience. For debt collection agencies, this often requires building out entire departments dedicated to keeping the agency in line with ever-changing debt collection laws and regulations. But the potential for human error in a contact center environment poses one of many major risks in traditional debt collection practices. Digital debt collection platforms, however, should offer code-driven compliance solutions that range from supporting existing agents to operating largely without the need for agent intervention.

What to look for:

Start by asking about their compliance management system—are they following CFPB guidelines? Verify they are a reputable debt collector by searching the Receivables Management Association (RMAi) database to confirm they are certified and have passed and/or comply with the organization's rigorous background checks, industry standards and best practices guidelines.

[Learn more about What Makes an Effective Compliance Strategy for Collections here>>](#)

The TrueAccord Difference

TrueAccord's process is controlled by [code](#), ensuring that all regulatory requirements are met, while still being flexible to quickly adjust to new rules and case law. We have a role-based approval process for collection communications. Our compliance firewall technology ensures regulatory disclosures and contact frequency requirements on federal and state levels. Real-time logging of collection events provides full auditability of every action. Our system puts you in complete control of collection parameters.

From Evaluation to Partnership

Each of the questions above are designed to help start the necessary conversations about your business's late stage collection strategy—and encourage you to consider how each of these elements influences your company's ability to recover more delinquent funds in the most efficient, effective, and consumer-friendly manner.

Every business is different, just like every customer's situation is different, but TrueAccord has proven for a decade that our digital-first, omnichannel approach drives improvements in liquidation rates by engaging consumers with the right message, through the right channel, at the right time. It's time for your business to start the evaluation conversations and start recovering more faster.

Get Started with Your Personal Consultation Today>>>

About TrueAccord

TrueAccord is a digital-first provider of outreach, recovery, and collection solutions helping more than 20 million consumers of service, lending, technology, financial, and fintech organizations since 2013. We are transforming the debt collection industry and helping consumers reach financial health with convenient payment plans, customized billing schedules, and easy documentation.