



A Fortune 500 bank in the US transforms collections operations and decreases credit losses

Our Client & Context

The client, a Fortune 500 bank in the US with a credit portfolio of ~\$90B, saw depleting performance in terms of the accuracy of existing risk segments. In the last two years, it also observed an increase in the operational cost of its collections operations.

Key Challenges

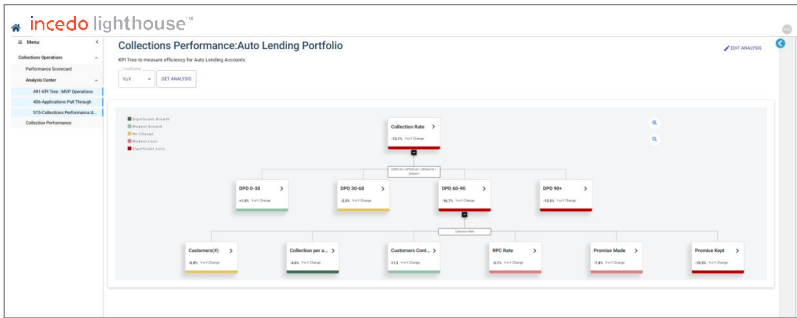
The bank's existing legacy risk segmentation did not capture granularities in customer behavior and divided the customer base into four key segments only.

Deteriorating performance of self cure and roll rate segment strategy: The bank's delinquent customers and its self cure / roll rate percentages were headed southwards. Essentially, more customers were rolling from the 60-day overdue period to the 90-day one, thereby sharply affecting the roll rate percentages.

Sub-optimal contact and offer strategy: With high number of contacts per customer, the cost of service was escalating. The bank was not effective in when to pitch what offers to delinquent customers. It was wasting resources and a number of man-hours in the sub-optimal process.

Incedo Lighthouse™ collections analytics solutions

Incedo's solutions - Incedo Lighthouse™ enabled Key-Performance-Indicator (KPI) trees to identify which customer segments had the maximum potential and provided opportunities in terms of credit loss and cost dollars.

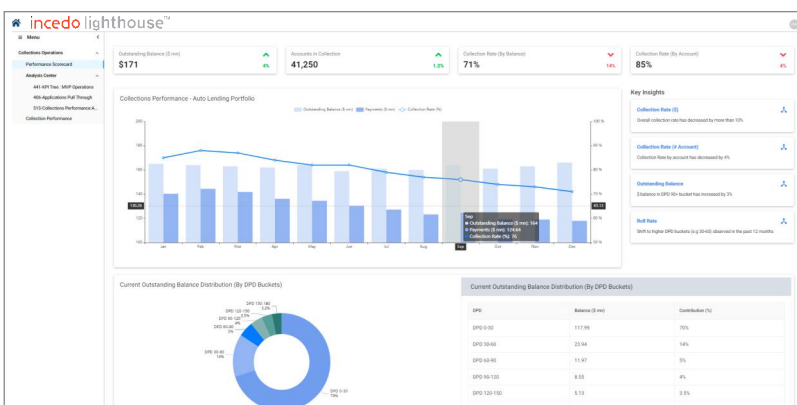


The solution involved the creation of risk mitigation strategies to minimize delinquency roll rate. It designed risk triggers across 'Days Past Due' buckets.

The solution also entailed customer contact and offer strategies to cater to individual segments.

This segmentation was done after analyzing the 'days past due' journey and which customers showed real potential for repayment. Not only did this maximize recovery rate, but also minimized the overall operational costs of the bank.

AI/ML enabled insights vastly improved the bank's customer segmentation and increased the accuracy of its existing risk segments.



Benefits

8% Decrease in dollar write-offs for cards and personal loan portfolios

11% Decrease in channel costs through optimal contact strategy

Transformation:

The bank runs a leaner, much more efficient in-house collections operations. Incedo Lighthouse™ has enabled it to drastically reduce credit losses and dollar write-offs. It has helped the team build a customer contact process flow where with minimal contact and targeted segmentation, the bank reduces service costs and maximizes dollar recovery.



About Incedo

Incedo is a digital transformation expert empowering companies to realize sustainable business impact from their digital investments. Our integrated services and platforms that connect strategy and execution, are built on the foundation of Design, AI, Data, and strong engineering capabilities blended with our deep domain expertise from digital natives.

With over 3,000 professionals in the US, Canada, Latin America, and India and a large, diverse portfolio of long term, Fortune 500 and fast-growing clients worldwide, we work across financial services, telecom, product engineering, and life sciences industries. Visit our website to learn more about how we help clients transform today: www.incedoinc.com



Iselin

170 Wood Avenue South,
Iselin, New Jersey 08830
Phone: +1 732 276 1555

Santa Clara

2880 Lakeside Drive #237,
Santa Clara, CA, 95054
Phone: +1 408 531 6040



Email us

inquiries@incedoinc.com