



Scotiabank set to reap rewards from customer-centric collections

case study:
collections and recovery



Client	Scotiabank, a Canada-based international financial services company providing retail, commercial, corporate and investment services to 10 million customers in 50 countries
Challenge	Standardize on a single corporate-wide technology solution to facilitate a fully integrated customer-centric collections strategy
Solution	FICO® Debt Manager™ solution
Results	Early reports of more precise collections risk management; anticipated reduced operating costs and lower loss reserve levels



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—*Brian Bostelmann,*
Relationship Management Director,
Scotiabank

FICO® Debt Manager™ solution provides holistic approach to profitability and customer satisfaction

Gaining a strategic advantage in an industry as competitive and complex as financial services requires not only out-of-the-box thinking, but the commitment to turn bold ideas into reality. That’s what Scotiabank, a Canada-based international financial services company, has done with its customer-centric international collections and recovery operations. The company is implementing a concept that others only imagine might someday be possible.

The payoff for making what Scotiabank describes as a giant step forward—from a traditional account-based approach to a customer-based approach—includes bottom-line benefits that give Scotiabank the confidence to roll out its program in nine countries so far.

The bank also intends to expand its customer-based operations to its other international locations. Central to this achievement is the use of FICO® Debt Manager™ solution web-based collections and recovery solution.

The FICO Debt Manager solution is a powerful technology engine that integrates the four essential areas of a streamlined, profitable collections and recovery operation: analytics,

workflow management and vendor and customer management. Leading financial institutions worldwide use FICO Debt Manager solution to automate collections and recovery processes and operate more flexibly and efficiently.

» Boosting customer loyalty

“Improvements in our customers’ experience is our ultimate measure of success,” says Brian Bostelmann, Relationship Management Director for retail credit risk and small business in the bank’s International Business Solutions and Services department. A notably forward-thinking institution, Scotiabank recognized that customer interactions during the collections and recovery process present tremendous opportunities for strengthening customer satisfaction.

» 360 degree view of customer relationship

“For our collections staff to interact with each individual customer in the most effective way, they must have real-time desktop access to a full view of the customer’s complete relationship with us,” explains Bostelmann.

"A customer call with someone who has one delinquent account, yet who holds several other accounts in good standing is handled differently than if that customer has several delinquent accounts. And even with several accounts in delinquency, we'd like to agree on a plan of action with that customer in a single call, rather than making multiple calls from different product account representatives." In addition to automatically organizing tasks for collections staff in priority order, FICO® Debt Manager™ solution enables that complete customer view via a web front end.

» Reaping the rewards of a higher-level approach

Designing a collections strategy from a customer-level rather than account-level viewpoint can deliver multiple benefits in key strategic areas:

- **More precise risk segmentation**—based on risk models that consider more complete customer data and attributes
- **More effective customer prioritization**—according to the risk level the customer represents for the whole organization, not just for a single product
- **More appropriate customer treatment**—according to more sophisticated treatment strategies that can be tested, analyzed and continually refined

» Better use of resources

"Although we are in the early stages, we are able to use our resources far more efficiently throughout our collections and recovery operations," reports Bostelmann.

"FICO Debt Manager solution offered immediate advantages in terms of its workflow automation capabilities, but the real benefits are much broader and deeper across our business." Bostelmann explains that the system's openness is its underlying strength. Scotiabank is able to tailor it to support its unique situation in terms of strategies, custom risk models, products, geographic regions, data sources and integration with existing and third-party systems.

"Beyond technical considerations, though, the FICO Debt Manager solution offering is a complete solution because of the human resources and expertise that FICO offers. This is a business partnership that is empowering us to fully realize our global customer-centric strategy, because the experts involved are not simply software vendors, but experienced financial industry professionals as well."

Bostelmann also notes that adopting a customer-centric approach is not a simple endeavor. For any company that considers it, organizational and technological challenges await in terms of data aggregation, workflow automation, staff retraining and strategy design. "It takes a total corporate commitment and a robust technology platform, and on both fronts, we are confident we have made the right choices for Scotiabank."

Decision Yield

Precision

Decisions are now made at the customer level instead of the account level, resulting in more efficient and streamlined collections, more effective comprehensive strategies and stronger customer relationships

Consistency

Full customer view and clear customer strategy are delivered to agents, enabling them to use the right treatment

Agility

Treatment strategies can be tested, analyzed and continually refined

Speed

Early results show that Scotiabank is achieving greater efficiency throughout its collections and recovery operations



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