



# Garanti BBVA

## Turkish Bank Boosts Collection Performance Ahead of Economic Downturn

### Client



### Challenge

Prepare for an economic downturn by improving all aspects of collection performance.

### Solution

**FICO® Advisors**  
**Collections and Recovery Consulting**

### Results

Within the first year, Garanti BBVA achieved significant KPI lift in several areas where they implemented FICO recommendations: restructuring, skip trace, dialer and inbound management. Restructure default rates have been improved by 40%, and inbound abandon rate has improved 80%. They also improved technology and analytics usage and staff allocation.

“With recommendations from the Current State Assessment study with FICO, we have decreased default rates and improved restructure process, transformed inbound and outbound infrastructure with new quality management KPIs, increased RPCs with segmentation on skip trace process and implemented new self-service channels.”

### Teoman Alponat

Consumer Collections Senior Vice President, Garanti BBVA

## Anticipating the need for stronger performance

Is there a better way to prepare for an economic downturn and be stronger before it hits? That was the thinking of Garanti BBVA senior management. Executives saw an economic crisis looming and knew improving collection capabilities would help the bank live through it with less impact on profitability. They decided to partner with FICO for a Current State Assessment and Roadmap Development Project.

This short duration, high-impact engagement analyzed business challenges, benchmarked Garanti BBVA strengths and weaknesses against globally recognized best practices and identified areas of opportunity for collection performance improvement. FICO® Advisors made more than 80 recommendations, each of which was reviewed and discussed with Garanti BBVA collection management team. Deliverables included a road map of recommendations prioritizing initiatives that will help Garanti BBVA maintain its best-in-class operations, not only in collection strategies, but in technological, organizational and analytic capabilities as well.

## Delivering a series of rapid improvements

Starting with low-effort/quick-win opportunities, Garanti BBVA has made strong progress in several key areas:

### Debt restructuring

FICO observed that 30%–33% of restructured credit card accounts were defaulting in the 12 months after restructure, and recommended the following changes to address the problem:

- **Introducing a wider range of instruments for use in restructure solutions**
- **Revising credit policy determining who qualifies, under what conditions, to receive a restructure**
- **Removing barriers to customer take-up of restructure offers, such as the need to visit a branch to complete the process**

Garanti BBVA also implemented immediate restructuring for personal loans over the phone without any branch visit. Early performance statistics indicate default rates have improved by 46%.

### Collection segmentation

Garanti BBVA was using behavioral risk models to segment accounts for collection strategies. FICO recommended substituting dedicated collection scorecards for bucket 1 and 2 segmentation. These scores predict the likelihood of rolling in a given month or within 30 days, enabling much stronger differentiation of early-stage accounts. With these insights, Garanti BBVA has been able to introduce more targeted segmentation and collection strategies into its automated decision engine.

### Skip trace

The bank has a dedicated skip-tracing team handling all customers that collections has been unable to contact



within a given number of days. FICO recommended segmenting accounts without valid contact data (for example, phone or address missing) from those where contact attempts have simply been unsuccessful. The skip-trace process is now tailored to the specific type/reason of non-contact, which enables additional automation, improving efficiency.

### Inbound call management

At the time FICO was engaged, Garanti BBVA had a high inbound abandon rate. A large portion of the delinquent customers calling the bank were not being served—a big problem for Garanti BBVA since inbound calls typically indicate customers are willing to resolve their arrears. High abandon rates cost a bank not only in loss of “easy money” from lower risk accounts, but in increased customer dissatisfaction.

FICO® Advisors recommended that all inbound calls are resolved by inbound agents. The Garanti BBVA team moved to a hybrid inbound management by establishing an internal support team that is capable of both outbound and inbound management. This team supports inbound management at busy times.

Garanti BBVA implemented these recommendations along with an SLA that calls for approximately 80% of inbound calls to be handled within 20 seconds. FICO also helped the bank improve its inbound performance monitoring structure.

With the help of a revision in the queue management, a risk-based prioritization has been introduced and inbound IVR has started to be used, which provides a self-service option to customers. As a result of these actions, inbound abandon rates have improved by 80%.

### Technology and people management

Garanti BBVA has always been one of the most innovative banks in Turkey. With support from its subsidiary Garanti Technology, the bank was able to make the most of recommended operational changes by quickly enhancing technologies for improved IVR self-

service, dialer campaign management and dialer parameters. At the same time, the bank incorporated FICO recommendations into retraining for its collectors and has introduced speech analytics to improve quality monitoring and management information about call effectiveness and customer experience.

To learn how you can conduct an end-to-end assessment of your own collection strategies and operations to improve performance, visit

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