Enhancing Negotiation Effectiveness for Collection Calls

Case Study

BILL GOSLING OUTSOURCING

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Client Overview

A leading financial institution partnered with Bill Gosling Outsourcing to improve the negotiation success rate of their collection calls. The focus was addressing agent-customer interaction gaps during negotiations and implementing effective strategies to increase overall collection efficiency.

Objective

The primary objective of this project was to identify and rectify critical gaps in agent performance during customer negotiations, particularly during collection calls. This initiative aimed to enhance the effectiveness of these interactions and improve collection outcomes across different regions, specifically Barrie and Costa Rica.

Methodology

- **Data Analysis**: The team analysed 834 out of 982 calls, using the tool to understand the opportunity areas. The calls were evaluated for their adherence to negotiation models and specific attributes.

- **Regional Focus**: The study was bifurcated between two sites – **Barrie** and **Costa Rica** – to assess differences in performance.

- **Negotiation Categories**: The calls were categorized based on different negotiation types, including Negotiation Type 2 (for arrangement amounts less than Total Amount Due (TAD)) and Negotiation All.

Negotiation Effectiveness & Successful Calls

16% (132) of the analyzed calls have 0% Negotiation Effectiveness Score

Successful Call
If an agent is able to get a confirmation regarding payment, such as Payment Processing on call, scheduling or customer Promises to Pay
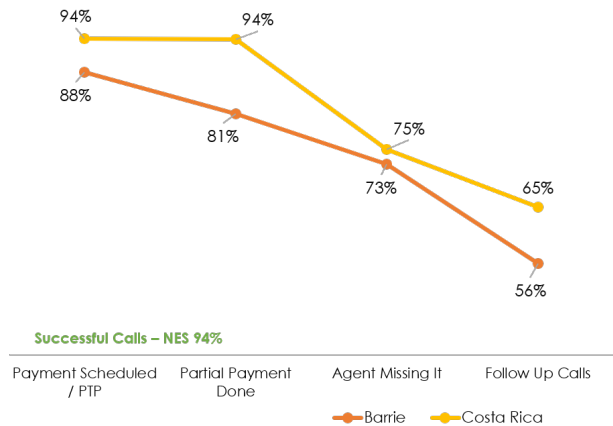
Overall Successful Calls %

68%

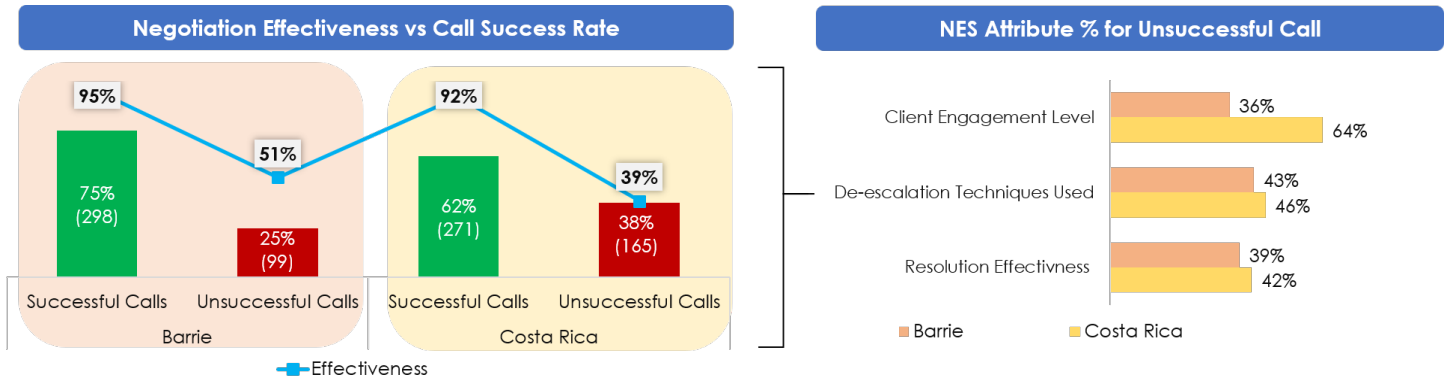| Barrie	Costa Rica
62%	75%

Negotiation Effectiveness Score for (264) unsuccessful calls stands at 44% indicating an opportunity area vs **for successful (569) calls, NES stands at 94%.**

Negotiation Effectiveness vs Possible Missing Negotiation Reasons

Successful Calls – NES 94%

	Payment Scheduled / PTP	Partial Payment Done	Agent Missing It	Follow Up Calls
Barrie	88%	81%	73%	56%
Costa Rica	94%	94%	75%	65%

Key Findings

- **Overall Negotiation Effectiveness**: The negotiation effectiveness score stood at **78%** at the enterprise level, with Barrie scoring **72%** and Costa Rica **84%**.

- **Successful Call Outcomes**: **68%** of the evaluated calls resulted in successful outcomes (payment processed, scheduled, or promised), and the negotiation effectiveness score was **94%** for these successful calls.

- **Agent Performance**: Agents missed negotiation steps in **21%** of calls without apparent reason. Common reasons for missing negotiation steps included payment processing, promises to pay, or follow-up calls.

- **Negotiation Effectiveness Scores (NES)**:

  - **Barrie**: 54% for Negotiation All, 36% for Negotiation Type 2

  - **Costa Rica**: 60% for Negotiation All, 27% for Negotiation Type 2

- **Call Duration Impact**: Longer calls were more successful in Costa Rica, where calls lasting 5-10 minutes had the highest success rate of **83%**. In Barrie, calls between 10-15 minutes had the highest success rate of **86%**.

Negotiation Effectiveness vs Call Success Rate

NES Attribute % for Unsuccessful Call

Challenges

- **Agent Training Gaps**: Agents were found to miss negotiation steps even in critical follow-up or partial payment scenarios. In Barrie, **19%** of calls had missed steps due to agent opportunity, while in Costa Rica, **23%** suffered similar issues.

- **Time Management Issues**: Costa Rica agents had a higher **Average Call Duration (ACD)** at **14:49 minutes** compared to **5:35 minutes** in Barrie. This indicated an inefficiency in handling calls, leading to prolonged customer interactions without effective resolutions.

- **Escalations and Dissatisfaction**: Costa Rica had **17 escalations** and **42 dissatisfaction (DSAT)** cases, with **79%** of these linked to process-related issues, such as high interest rates or multiple follow-up calls.

Recommendations

1. **Enhanced Training for Agents**: Implement comprehensive training on negotiation skills to ensure agents are equipped to handle every step of the negotiation process effectively, especially in follow-up and partial payment scenarios.

2. **Focus on Time Management**: Provide targeted coaching to agents to improve call efficiency and reduce call durations while maintaining high success rates.

3. **Empathy and Flexibility**: Encourage agents to adopt a more flexible and empathetic approach, especially for customers facing genuine financial hardships, to improve customer satisfaction and call success rates.

4. **Process Optimization**: Streamline processes to reduce customer frustration linked to multiple follow-up calls, high interest rates, and extension issues, which are significant sources of dissatisfaction.

Results

In fiscal year 2023/24, client achieved a total revenue of **5.6 billion Euros.**

Monthly Calls	5000			
	Before	**After** (3 months)	**After** (6 months)	**After** (12 months)
Successful Calls % **(For Calls where there was scope)**	73%	▲ 74%	▲ 76%	▲ 81%
Negotiation Effectiveness Score	66%	▲ 70%	▼ 68%	▲ 74%
Client Revenue (2023)	$5.6 Bn			
Potential Increase in Collection (8% per annum)	$448 Mn			

- **Initial Impact**: Within the first three months, the negotiation effectiveness score increased from **66%** to **70%**, and the percentage of successful calls rose from **73%** to **74%**.

- **Ongoing Improvement**: After six months, the negotiation effectiveness improved to **76%**, and successful calls reached **81%**.

- **Client Revenue Impact**: The potential increase in collections is estimated at **8% per annum**, contributing to a significant positive impact on client revenue.

Success Rate and Negotiation Effectiveness

Negotiation Effectiveness (%) ——— Successful Calls (%) 💰 Potential Increase in Collection (%)
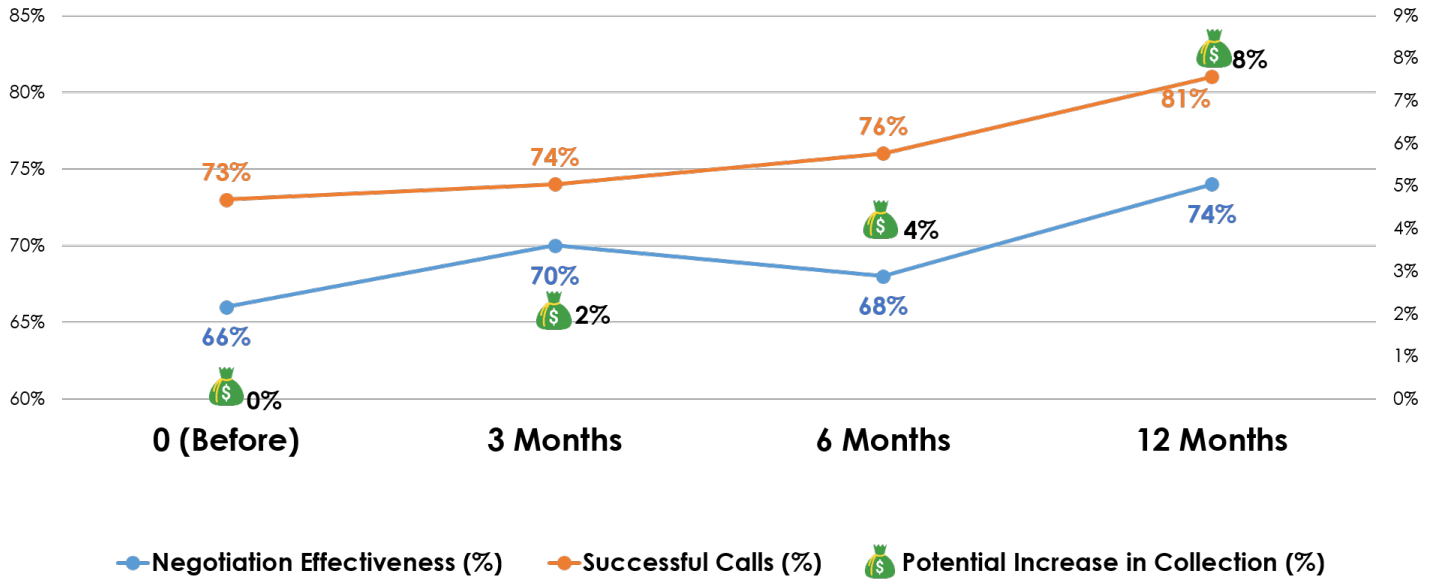
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