

# Measuring Success in B2B Collections:

## The “Dollars Collected” Perspective



White Paper



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# Measuring Success in B2B Collections: The “Dollars Collected” Perspective

## 1. Abstract

This whitepaper examines the critical role of 'Dollars Collected' as a key performance metric in assessing success within the business-to-business (B2B) collection landscape. As organizations strive to maintain healthy cash flow and mitigate financial risks, this paper explores the significance of prioritizing tangible outcomes and the strategies for optimizing the 'Dollars Collected' metric in B2B collections. Moreover, this paper also includes the growing involvement of third-party agencies in debt recovery globally.

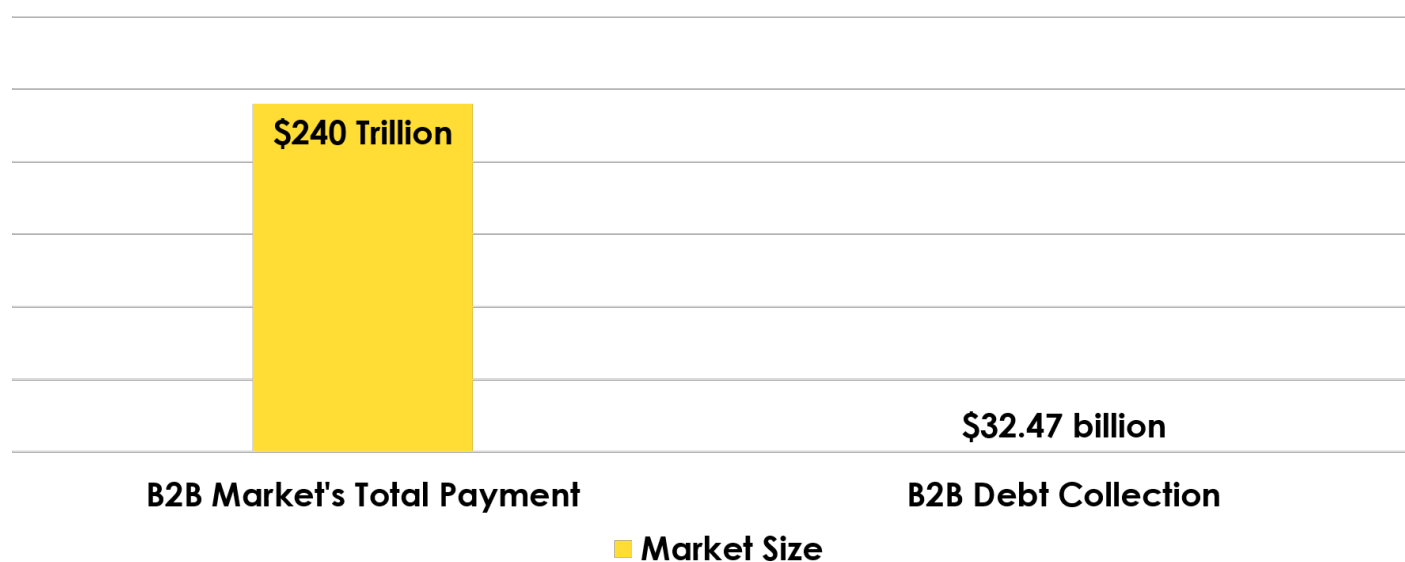
## 2. Introduction

The success of B2B collections is intrinsically tied to the financial health of businesses. This whitepaper delves into the importance of adopting a 'Dollars Collected' perspective as the primary measure of success, emphasizing its relevance in navigating the complexities of B2B collections. It also explores the increasing role of third-party agencies and the assistance these agencies provide in recovering the debts.

### 2.1. B2B Market & Debt Collection

The market size of the global B2B payment sector was [USD 240 trillion](#), growing at a compound annual growth rate of **over 6%**. However, in 2022, the global debt collection services industry was valued at [USD32.47 billion](#)."

## In Dollars (\$)

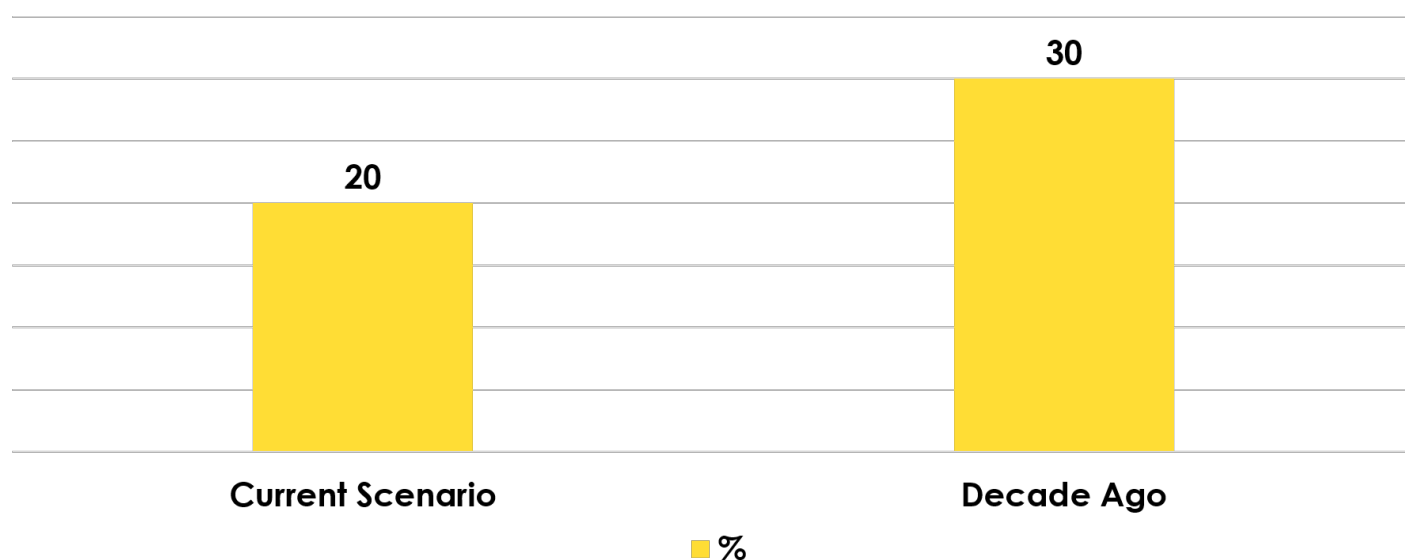


This may seem like just a needle in the haystack; however, having debts in billions of dollars is a huge amount. This significant figure underscores the importance of efficient debt recovery mechanisms within the B2B industry.

### 3. Delinquency Rate in Debt Collection

On average, the debt collection industry's delinquent debt stood at **20%**; however, it constantly stood at **30%** for the prior few years.<sup>[2](#)</sup>

# Delinquency Rate



## Good to Know Facts:

- 28 out of every 100 Americans have at least one debt in collections or have a demand for debt collection services, whether managed internally or through third-party services.

## 4. The Significance of 'Dollars Collected' as a Metric

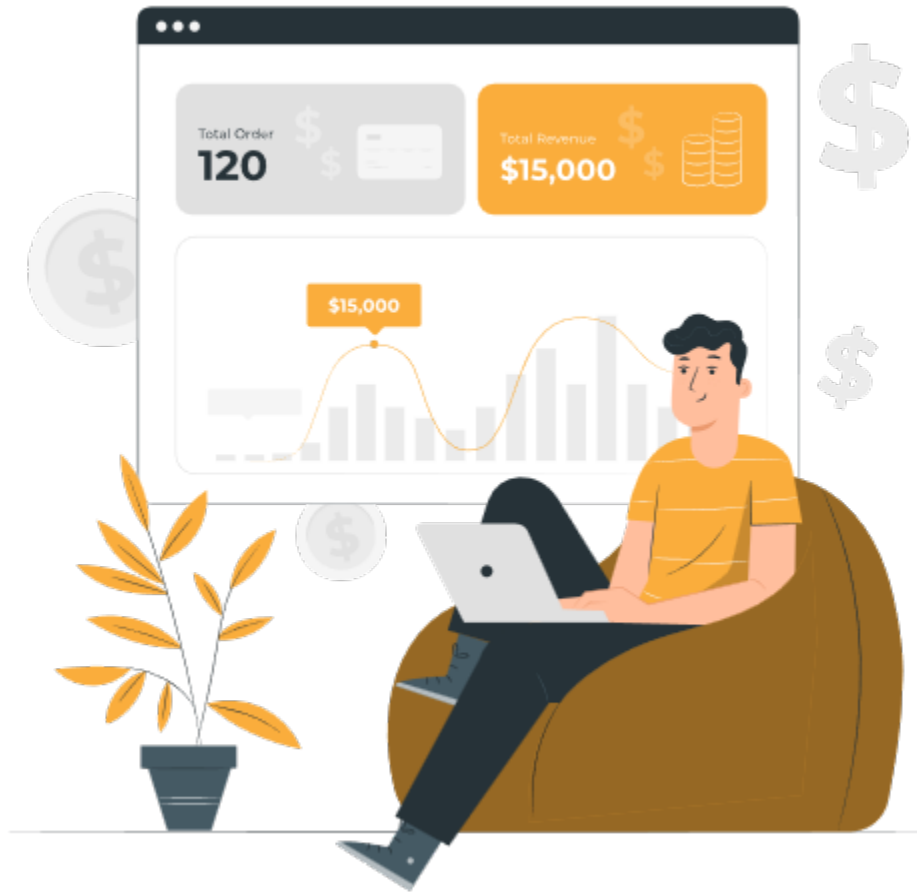
The 'Dollars Collected' metric holds significant importance as a key performance indicator in the realm of B2B collections. Its significance includes:

### a. Tangible Impact on Cash Flow:

'Dollars Collected' stands out as a direct and measurable metric that reflects the actual impact on an organization's cash flow. This metric goes beyond traditional collection KPIs, offering a clearer picture of financial recovery.

By tracking the dollars successfully recovered, organizations can gauge the immediate and practical implications for their financial liquidity. This visibility allows for informed decision-

making, enabling businesses to adapt their strategies based on actual outcomes rather than theoretical projections.<sup>3</sup>



### **b. Strategic Decision-Making:**

By prioritizing 'Dollars Collected,' organizations can make informed decisions regarding the effectiveness of their collection strategies. This perspective enables a focus on outcomes rather than merely tracking activities, leading to more strategic and result-oriented approaches.

For instance, if a particular approach leads to a higher 'Dollars Collected' figure, it signals a successful strategy that can be replicated or further refined. Conversely, if certain accounts consistently yield lower collections, it prompts a reevaluation of the approach to identify areas for improvement. This strategic feedback loop is instrumental in refining collection processes over time, aligning them more closely with overarching business goals.



### **c. Alignment with Business Goals:**

Successful B2B collections align with broader business goals, contributing to overall financial stability and sustainability. 'Dollars Collected' serves as a key indicator of how well collections efforts support the organization's financial objectives.



By aligning collections outcomes with broader business goals, organizations can ensure that their efforts are not only effective in recovering debts but also strategically positioned to support the financial sustainability and growth of the business. This alignment fosters a holistic approach to collections, where success is measured not just by the act of collecting but by the positive impact on the organization's bottom line.<sup>4</sup>

## 5. The Involvement of Third-Party Agencies in B2B Debt Collection

Third-party agencies (TPA) in debt collections have become a common and strategic practice. As businesses navigate the challenges of recovering outstanding debts from other enterprises, TPA brings specialized expertise and resources to streamline the debt recovery process. TPA employs a variety of techniques, including personalized communication, data analytics, and negotiation strategies, to facilitate the successful recovery of owed funds.

### **Good to Know Facts:**

- "About 78% of the total trade lines of the third-party collections belong to non-financial debts."

- According to research, on average, the median collection balance amounted to \$382.

This collaborative approach not only relieves businesses of the burden of in-house debt recovery but also brings a level of professionalism and efficiency that can contribute significantly to improving 'Dollars Collected' in B2B debt collections.<sup>5</sup>



Allied International Credit Corp. (AIC) is one of such agencies, which provides a variety of collection and adjustment services along with associated solutions. AIC operates in the US, the UK, and Canada and is affiliated with Bill Gosling Outsourcing (BGO). BGO specializes in assisting organizations with the retrieval of unpaid invoices and outstanding debts, among other services. In collaboration, these connected entities deliver extensive assistance in the realms of debt management and related areas.



Even government organizations get into contracts with such entities for debt recovery. One of such examples is the report of the [Treasury Inspector General for Tax Administration \(TIGTA\)](#), an US organization that offers independent supervision in the matters of the Department of the Treasury for IRS activities, the IRS Oversight Board, and the IRS Office of Chief Counsel. The IRS has contracted with four Private Collection Agencies (PCA), including CBE Group, ConServe, Performant, and Pioneer.

Based on [research](#), of the total 4 million taxpayer accounts, these agencies were able to recover over \$1 billion out of \$36.8 billion as of September 2021.

PCA	Accounts Assigned	Amounts Assigned	Collections	% of collections
CBE Group	1,008,369	\$9,226,867,234	\$285,122,063	3.09%
ConServe	1,006,762	\$9,208,813,238	\$274,244,863	2.98%
Performant	1,005,725	\$9,204,683,471	\$261,696,935	2.84%
Pioneer	1,005,651	\$9,174,961,789	\$269,988,962	2.94%
<b>Totals</b>	<b>4,026,507</b>	<b>\$36,815,325,732</b>	<b>\$1,091,052,823</b>	<b>2.96%</b>

As of March 2022, these agencies had recovered \$163.9 million out of \$6.76 billion. However, during this period, another company, Coast, was also added to the pool.

PCA	Accounts Assigned	Amounts Assigned	Collections
CBE Group	259,739	\$2,423,470,905	\$77,019,811
ConServe	259,847	\$2,446,099,546	\$68,686,845
Coast	197,279	\$1,894,651,456	\$15,540,084
Performant	n/a	n/a	\$1,110,212
Pioneer	n/a	n/a	\$1,544,043
<b>Totals</b>	<b>716,865</b>	<b>\$6,764,221,907</b>	<b>\$163,900,995</b>

## Wrapping It Up...

In conclusion, this whitepaper underscores the paramount importance of the 'Dollars Collected' metric in the realm of B2B collections. The staggering market size of the debt

collection services industry accentuates the critical need for efficient debt recovery mechanisms. The 'Dollars Collected' metric emerges as a linchpin in strategic decision-making, offering tangible insights into its impact on cash flow and alignment with broader business goals. The contribution of third-party agencies, like AIC, signifies a collaborative approach that not only relieves businesses of debt recovery burdens but elevates professionalism and efficiency, contributing significantly to the enhancement of 'Dollars Collected' in B2B debt collections.

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