BankersLab®: CollectionLab® Fundamentals Product Overview

Why BankersLab®?

- Innovator in the development of advanced calculation-based and simulation training for banking associates.
- Offers a suite of products across banking functions and staff levels
- Respected executive team, each with over 20 years financial services and functional expertise
- Leverages proven techniques on how to train executives for the greatest retention and usage of learning

CollectionLab® Fundamentals Overview

CollectionLab® Fundamentals is designed to provide a foundation level understanding of delinquent collections. During the course, participants will learn best practices for collections management, such as how to vary the approach to different customers and to calculate key tracking metrics.

Participants will apply their knowledge in the simulation, testing their skills in managing their own virtual portfolios. In order to win the simulation game, players must successfully operate the most profitable virtual bank with the most satisfied customers. Each team has to demonstrate expertise in each of the key areas of collection management, managing through economic stress and managing to different levels of product volume.

Each module of the simulation game is linked to content rich course materials, activities, case studies and supportive mobile learning apps. A video summary can be viewed at: http://www.youtube.com/watch?v=Ln9P0tJZZ3s

Training Content and Audience

CollectionLab® Fundamentals includes:

- Simulation gaming software
- Training curriculum, case studies and materials, including PowerPoint presentations that are laid out in a discovery-learning mode with discussion prompts and challenges to the participant.
- Participant Handbook which contains training content, reference information and space to take notes
- The course can be conducted by either BankersLab industry practitioners or your own internal experts

Target Audience

Collection team leaders, collection operations staff, risk management staff, retail lending analysts and modelers and product management and sales staffs. As a prerequisite, participants should be familiar with collections. Class size can range between 20-30 participants.

CollectionLab® Fundamentals Library

A library of additional training material is also available for use in client training. The library allows trainers to tailor the course by choosing case studies and activities based on level of difficulty, subject area and market maturity. If required, using the materials, each CollectionLab® Fundamentals course can be extended to run for four days, rather than the standard three days.

Three-day Indicative Agenda

Day One	Day Two	Day Three
Introduction to Collections	Simulation Game: Capacity Planning	Activity: Collections Calling
Theory of Collections	Collections Management 2	Collections Centre Considerations
Collections Management 1	Case Study: Collections Practices	Reporting and Portfolio Monitoring
Simulation Game: Risk Strategy	Simulation Game: Secured Collections	Simulation Game: Downturn

Simulation Game Structure

- During each module, the team will go through a one-year process of managing a portfolio. Players have three trials to practice managing their portfolio, prior to the final run.
- Each trial run provides the opportunity for players to hone their skills at balancing their competing objectives.
- The winning team will have the highest Net Income on the completion of the round.

Testimonials

"Using the simulation game helped me build a better understanding of the collections process, and has given me a great amount of confidence in my professional abilities." - Risk Manager, Indonesia

Appendix 1: Learning Objectives for CollectionLab Fundamentals Course Modules

Introduction to Collections	• Describe the three stages of delinquency and basic considerations for addressing them. • Discuss the phases of the credit life cycle and how your organization handles them. • Contrast the merits of two conventional methods of measuring consumer delinquency. • Explain the purpose of each of the five front-end steps for evaluating credit eligibility. • Describe the process for calculating the number of cycles delinquent, and explain the effect of making a payment during one of these cycles.
Theory of Collections	• Describe a program that is based on at least five best practices for collections management. • Explain how your business could use each of the seven strategies for contacting customers. • Calculate the number and types of collectors your will business need, based on the quantity of accounts, customer contacts per month, and goals for the number of contacts per day.
Collections Management Part 1	• Plan at least three major aspects of setting up a collections management system. • Explain two or more essential strategies for making effective team assignments. • Discuss the merits of technology-assisted tools that boost collector productivity. • Describe the reports used to assess individual, team, and department performance.
Collections Management Part 2	• Apply at least three techniques for segmenting accounts into highly specialized queues. • Describe the hierarchy for prioritizing accounts within a queue - from highest to lowest risk. • Use the "balance-at-risk" formula and other criteria to prioritize accounts within queues. • Design effective communications in the form of scripts, statement messages, and letters.
Case Study	• Discuss the stages of the "champion/challenger" experimental model used in collections. • Describe at least three ways in which the bank experimented with adding structure to its collections process to conduct this performance study. • Explain and give examples of specific measurement methods used to compare the results. • Predict the kinds of patterns you might expect to see in the outcomes of such experiments.

Activity: Collections Calling	• Play the role of a collector, customer, or observer and evaluate the sample call with the given collection scenario. • Learn about effective approaches for customers in different delinquent stages.
Collections Center Considerations	• Discuss at least five types of business drivers that jointly determine call center viability. • Describe the tradeoffs among these staffing alternatives: managing collections in-house, outsourcing the collections function to an agency, and using virtual call center services. • Explain the concerns that many customers and employees have with call center agencies. • Identify several types of technology that must be integrated to avoid losses in productivity.
Reporting and Portfolio Monitoring	• Explain how to use portfolio analysis to monitor whether delinquency levels are stable, increasing, or decreasing — and why. • Discuss the mechanics of delinquency transitions and how to interpret roll forward/roll back. • Describe the vintage tracking factors that let us compare delinquent accounts over similar periods of time and at the same point in time.

Appendix 2: Simulation Game Learning Objectives

Risk Strategy	• Determine risk vs. reward trade-off by setting credit policy and score cutoff. • Design collection policy tailored to risk group.
Capacity Planning	• Determine risk vs. reward trade-off by setting credit policy and score cutoff. • Design collection policy tailored to risk group. • Test and refine recovery management policy. • Forecast collections team capacity.
Secured Collections	• Determine risk vs. reward trade-off by setting credit policy and score cutoff. • Design collection policy tailored to risk group. • Test and refine recovery management policy. • Forecast collections team capacity. • Decide investment strategy.
Downturn	• Determine risk vs. reward trade-off by setting credit policy and score cutoff. • Design collection policy tailored to risk group. • Test and refine recovery management policy. • Forecast collections team capacity.

	• Decide investment strategy. • Test and refine business strategy during downturn conditions.

Appendix 3: Simulation Game Player Mission

CollectionLab® Fundamentals Simulation Modules			
Risk Strategy	Capacity Planning	Secured Collections	Downturn
Module Conditions Faced By Players			
Manage a Personal Loan Portfolio. Stable Economy Inherit Risky Portfolio.	Manage Personal Loan Portfolio. Economic outlook is uncertain – stress test your scenarios before final run	Manage mortgage portfolio. Price pressure in market. Economy is strong driver of repayments and recovery rates.	Manage Mortgage portfolio Unemployment could reach as high as 10% Stress test portfolio in trial runs.
Module Decisions Made By Players			
Review and adjust application score cutoff. Review and adjust collection policy by behavior score risk group.	Review and adjust application score cutoff. Review and adjust collections strategy by behavior score. Forecast and plan number of workstations and collectors. Set recovery management policy.	Review and adjust application score cutoff. Review and adjust collections strategy by behavior score. Forecast and plan number of workstations and collectors. Set recovery management policy.	Review and adjust application score cutoff. Review and adjust collections strategy by behavior score. Forecast and plan number of workstations and collectors. Set recovery management policy.