

BankersLab® : CollectionLab® 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® Overview

CollectionLab® improves a bank's ability to optimize delinquent collections. The ideal collection strategy requires professionals to maintain a healthy portfolio, ensure customer satisfaction and sustain strong debt collection results. It's a constant juggle between the high cost of severe collections actions, the potential attrition impact of the actions on our good customers, and the credit loss repercussions of taking too gentle an approach.

During the course, participants will analyze these trade-offs and then test their skill at formulating effective strategies. First, fundamentals and best practices of collections management are presented. Next, participants will apply their knowledge through activities, case studies and a simulation game. Each team has to demonstrate expertise in each of the key areas of collection management, including staffing, resource allocation, economic stress and product growth. In order to win the simulation game, teams must successfully operate the most profitable virtual bank with the most satisfied customers.

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® includes:

- Simulation gaming software.
- Training curriculum, case studies and materials, including PowerPoint presentations laid out in a discovery-learning mode, with discussion prompts and challenges to the participant.
- Participant Handbook that 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

Risk managers, collections managers, product managers and analysts. As a prerequisite, participants should be familiar with scoring, collections and the credit industry. Class size can range between 20-30 participants.

CollectionLab Library

A library of additional training material is also available for use in client training. Please refer to appendix 1 for the list of modules and their learning objectives. 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 to, using the materials, each CollectionLab 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	Reporting and Portfolio Monitoring Activity: Capacity Planning	Collector Performance Management
Collections Management Part 1 Activity: Early Stage Collections	Simulation Game: Capacity Planning	Collector Motivation and Incentives
Collections Management Part 2 Activity: Late Stage Collections	Collections Centre Considerations	Activity: Collector Mentoring and Coaching
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

“We have been running a similar course in-house for many years and have never seen such participant engagement like with the BankersLab training.” (Training Director, United States)

“The materials for CollectionLab were so well thought out and designed. So much better than our internal training slides that contain one bullet with one super long sentence.” (Risk Director, Global Bank)

“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 Full CollectionLab Course Modules

Introduction to Collections	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Review 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.
Activity: Early Stage Collections	<ul style="list-style-type: none"> Design an early stage credit collections strategy. Utilize segmentation keys in order to design treatment groups.

<p>Collections Management Part 2</p>	<ul style="list-style-type: none"> • Learn to 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.
<p>Activity: Recovery Management</p>	<ul style="list-style-type: none"> • Design a late stage collection strategy. • Assign the appropriate actions, tones and priority of the action for each treatment group.
<p>Reporting and Portfolio Monitoring</p>	<ul style="list-style-type: none"> • 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.
<p>Activity: Capacity Planning</p>	<ul style="list-style-type: none"> • Use net flow to forecast future account volume. • Build a collector capacity plan based on the forecasted account volume.
<p>Collections Center Considerations</p>	<ul style="list-style-type: none"> • 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.
<p>Late Stage Strategies</p>	<ul style="list-style-type: none"> • Explain the goals and objectives of late-stage collections, as well as five types of factors that influence late-stage strategies. • Use the “balance-recoverable” formula and related criteria to prioritize accounts for action. • Apply appropriate “tilting” actions that vary according to the number of cycles delinquent. • Design strategy trees for late-stage collections that maximize recovery and minimize cost.

<p>Late Stage Actions and Policies</p>	<ul style="list-style-type: none"> • Explain a set of best practices for each of these actions: calls and letters, blocking accounts, making site visits, rescheduling balances, and handing off accounts to agencies or attorneys. • Discuss at least 10 types of consequences that could apply to late-stage delinquent accounts. • Summarize typical rules from collectors' codes of conduct that constrain customer contacts. • Describe five types of preliminary steps that are commonly required to pursue legal action.
<p>Collector Performance Management</p>	<ul style="list-style-type: none"> • Explain the responsibilities, opportunities, and difficulties that collectors encounter today. • Describe some of the daily dilemmas facing call centers and techniques for mitigating them. • Identify ways to shift perceptions of performance management from negative to positive. • Discuss how to use the balanced scorecard to address collections management challenges.
<p>Collector Motivation and Incentives</p>	<ul style="list-style-type: none"> • Understand the definition, significance and importance of motivation and the theory of motivation. • Explain the process and features of motivation. • Apply best practices for the measurement of incentives and rewards and recognition, based on the employee's performance.
<p>Activity: Collector Mentoring and Coaching</p>	<ul style="list-style-type: none"> • Role-play that includes a call evaluation process that collections supervisors use when they monitor calls. • Coaching process role-play between supervisors and collectors. • Apply coaching techniques outlined in the Collector Motivation and Incentives module.
<p>Case Study</p>	<ul style="list-style-type: none"> • 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.
<p>Provisioning</p>	<ul style="list-style-type: none"> • Explain the basics of provisioning. • Discuss the methods of calculating provisions. • Identify the factors that impact provisioning.

Appendix 2: Simulation Game Learning Objectives

Risk Strategy	<ul style="list-style-type: none"> • Determine risk vs. reward trade-off by setting credit policy and score cutoff. • Design collection policy tailored to risk group.
Capacity Planning	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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® 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.