Bank of Queensland
Established in 1874 Bank of Queensland (www.boq.com.au) is Australia’s 10th largest bank. The bank was named the Best Mid Cap Company in Australia by AsiaMoney magazine in 2008.

Challenge
Consumer credit has grown to new heights of popularity as loans and mortgages are used, not just for necessities, but to supplement household income and improve the general standard of living. The downside to all this is that a growing number of customers are simply not repaying their debts.

It’s a subject that the financial sector is starting to take very seriously as it wakes up to the fact that, unless best practice solutions are deployed, it will lose millions each year as a result of having to write off non-performing loans.

Furthermore, whilst a certain level of write-off is an accepted part of lending, by failing to do everything possible to stop defaulters, banks end up having to penalise their good customers to subsidise those who don’t pay their bills.

All too often, good customer service tends to stop when a customer gets into financial difficulties.

The alarm bells strike, the customer is automatically removed from the main management or customer relationship management (CRM) system, and their details forwarded to the collections call centre where the focus shifts to firm-handed tactics to try and recover the monies owed.

Subsequently, all the effort and money spent recruiting and retaining a customer – along with the goodwill generated – can be wiped out in an instant when this myopic approach is taken to debt collection and revenue management.

Not surprisingly, BOQ wanted to adopt the most effective and proven techniques for ensuring that recovery rates were kept as high as possible, whilst still maintaining a high level of customer service. Traditionally, it had used a manual system to manage customers in arrears. Reports were run from the mainframe system and customers were then followed up by telephone or letter.
Benefits

- **Increased efficiency:**
  administrative costs of collections department decreased
- **Better monitoring:**
  Tallyman enables the performance of the arrears book and the efficiency of collections to be monitored
- **Autonomy:**
  Tallyman operates independently within within Bank of Queensland and requires no external support
- **Automated recovery of accounts** based on actions taken

The Tallyman system was chosen, not just because it fulfilled the criteria of helping the bank to reduce debt and save money, but also because of its ease of use and implementation.

Tallyman is specifically designed to help companies administer and recoup high value, complex debt. It automates the collections processes of organisations by consolidating all credit-related communications into a single, digital repository. However, its unique value lies in its ability to segment customer debt in much the same way that marketers segment customers and prospects using CRM systems.

This enables collections departments to adopt different, and customised approaches to each of their customers, thus increasing the likelihood of both recovering the monies due and maintaining a good relationship with the customer.

Tallyman went live in 2002 and now supports all of BOQ’s loans, from unsecured purpose loans, unsecured purposeless loans and car loans, to credit cards and mortgages.

Key customer details are fed from the mainframe system into Tallyman seven days after a payment has been missed. This information then passes from a group queue into the personal queue of each debt collector - who then has responsibility for all contact with the customer in question, thus ensuring they always deal with the same collector.

In keeping with its total customer service outlook, BOQ has chosen not to use certain elements of Tallyman’s functionality – particularly the automation of standard personalised letters and other administrative tasks. Instead, its 19 collections agents and three collection strategists work in-depth, evaluating and assessing every individual situation and tailoring a response accordingly. Tallyman gives a complete view of individual customers, enabling the collector to decide the most appropriate course of action - and stay ahead of the game.

Initially, the collector tries to reach the customer by telephone. Failing that, they select one of 90 different pre-written letters. Each collector has literally hundreds of options and is empowered to choose the most appropriate for the type of loan, amount of loan outstanding and customer history. The one proviso is that every collector leaves each customer encounter with a positive action.

Tallyman is used to support all stages of the recovery process: early stage collections, late stage collections in house, legal collections, outsourcing to external agencies, write-off and sale of debt.