

of the randomness out of the equation. ACD sends the call to one of several queues designed for small groups of representatives with similar skills, responsibility, and authority. It accomplishes this with tiered queries to which the caller may respond by pressing a number on his telephone keypad.

The first tier of questioning may be for language: if the debtor speaks Spanish, for example, he can press “1” to let the ACD know that. The next tier of questioning might ask the caller something about his situation: for example, if he’s calling about an automobile account, he might press 3. There may even be a third tier to narrow the request down still further: for example, if the auto deficiency is under \$5000, he might press 2. Now the ACD knows which group of reps to which to send this call: the Spanish speaking, small balance auto deficiency staff. Your telephone system can transmit the calling phone number to the computer system (or query the caller for an account number or social security number) for the screen pop to further streamline the transfer. The call is sent to the appropriate queue, and (hopefully) without a lot of waiting, the call will be routed to a staff member who’s equipped to handle it. These types of menus and the rules for routing can be modified by the agency or department, depending on the queues they want to establish and how those queues perform.

A well-designed ACD system provides hold and delay messaging as well as the “skills-based” routing described above. Just as with your dial-by-name directory, it should be possible for a caller to “escape” the ACD and be transferred to a receptionist or other live agent (though perhaps not on the first try). Take care that you haven’t created so many menus that callers will get tired of the system and hang up, or always try to dial through. Keep it simple.

Real-time ACD reports will help you determine whether your queues and agents are effective. Too many debtors on hold, too many hang-ups in transit, and outrageously long talk or idle times might clue you in that you need some new menus, queues, or even some new collectors.

***Definition: ACD***

*Automatic Call Distribution, or ACD, allows an agency to distribute inbound calls to collectors on the basis of a debtor’s menu selections. For an agency with many inbound calls, ACD can save time, effort, and money..*

IVR, on the other hand, is good at dealing with call-ins that don’t necessarily require a human operator. Though at first blush, this may seem counterintuitive for a collection agency or department, it has its uses.

An IVR system “talks” to your debtors in a “human” voice, while your debtors talk to your IVR system either by pressing buttons on their phones or vocally (if your system’s equipped with voice-recognition technology). IVR can be set up to accept telephone or credit card payments, set up promises, or schedule agent call-backs. It can also be used to request copies of charges and paid-in-full letters, though undoubtedly you’ll want to route these requests through a clerk anyway, to make sure your internal standards and legal

requirements are met. Best of all, IVR is available 24 hours a day, seven days a week. The same caveats apply to the IVR system as to ACD—don't lock your caller into the IVR if he doesn't want it, and don't bore him to death with never-ending menus.

The success of your IVR can also be measured with reports. Use these reports to find out how many IVR calls you're getting, when the calls come in, what options IVR users are selecting, and what percentage are "dialed through" or abandoned. IVR is a good solution for large agencies or departments which receive a large number of inbound calls. When viewed as an alternative to unmanageable overflow, IVR can seem like a pretty good deal.

***Definition: IVR***

*Interactive Voice Response, or IVR, allows a debtor to make commitments or requests without speaking to a live operator. For an agency that routinely provides paid-in-full letters or "cure" commitments, IVR can make life easier for the collection agency as well as the debtor.*

**Reach Out and Touch Someone**

"Smile and dial," quipped the collection manager to his hard-working staff. "The smile is optional," he added as an aside.

Not every collection representative is likely to see the humor in that remark. After all, it's no secret that one of the most frustrating parts of a collector's day is the sheer drudgery of dialing. Think of it: dialing two hundred times just to talk to one hundred answering machines, sixty wrong numbers, sixteen third parties, fifteen busy signals, four fax tones, and five debtors.

Low contact rate isn't just a problem for collectors. Collection managers and administrators don't like it either. Wasted efforts represent tremendous nonproductive expenditure that any company would like to be able to jettison.

One of the most effective tools for doing exactly that is the *predictive dialer*. Used properly, this device can double or even triple right-party contacts. That's a benefit that simply can't be ignored, no matter how naturally "dialer-averse" you or your staff may be.

The predictive dialer works by automatically dialing more phone numbers than it has agents to send them to. It evaluates what it "hears" on the other end of the line—an answering machine, a fax tone, a busy signal, a human voice, and so on—and determines whether or not to send the call to a live agent on that basis. It also increases or decreases the number of calls it's making based on the number of agents it predicts will be available and the number of live answers it predicts it'll get. The more agents on the dialer, the more accurate these predictions become. Non-contacts are either discarded or scheduled for another attempt: your collectors speak only to living, breathing human beings.

Of course, sometimes the dialer will succeed in making more debtor contacts than it has agents to which to send them. In these cases, the call is

either delayed or dropped. This is one of the reasons why consumers hate calls from predictive dialers: no one wants to pick up a telephone line just to hear thirty seconds of silence or to be disconnected. Collection managers must monitor their *dialer campaigns*—those “lists” of debtors and telephone numbers selected for the predictive dialer to call—very carefully, ensuring that their ratio of dropped calls isn’t too high.

Conversely, too few calls results in excessive *idle time*, periods when the collector’s sitting at his station, doing nothing except waiting for a call to come through. This is perhaps the most frustrating part of working on a dialer, and the reason why so many collectors dislike and mistrust them. Keep a close eye on idle time as you run your dialer. It’s better to drop a few more calls than to lose precious man-hours while collectors file their fingernails.

Make sure you’re watching collectors’ *wrap time* as well. This is the period of nonproductive time in the interval between the collector’s hang-up and the time he becomes available to receive another call. A collector’s wrap time is typically spent noting an account, and an undisciplined collector may have much too much of it. Emphasize the “talk and type” approach—having your collectors document the account *while* speaking to the debtor—to maximize your dialer productivity.

The key to success with a predictive dialer is designing these dialer campaigns to optimize contact. Many agencies with debtors across the United States build their campaigns around peak times and time zones. Any weekday between 8:00 A.M. and around 10:00 A.M. in the debtor’s time zone is considered “morning prime time”. That’s a high-contact period during which people haven’t yet left for or have just arrived at work. 4:00 P.M. and after is thought to be “evening prime time,” when debtors are beginning to arrive at home.

Different points of view exist about Saturdays and Sundays. Some managers feel it’s a great contact time because people are at home relaxing. Others believe that weekend calls only alienate debtors, who will become even more disinclined to repay. In any case, most consumer collection agencies and departments run at least half their staff on one or both of the weekend days.

But there are far more creative ways to cook up a dialer campaign. Combine your time zone strategy with a more specific set of criteria. If a client has approved a special settlement authority for your agency, for example, run that client on the dialer. There’s very little that motivates people like a bargain. Or run accounts that made a payment more than thirty days ago, but not since. That’s a great way to catch folks who’ve “forgotten” a monthly payment plan, or who’ve bounced a check and haven’t gotten around to making it good. Do you have any demographic information on your debtor? Run high income debtors, or debtors who have a cosigner, or multiple responsible parties. What about folks you’ve recently acquired phone numbers on? Dial them to make sure they’re getting the attention they deserve. Do you have a credit score? Run the debtors who are (or were) creditworthy, remembering to send them out to raise through credit cards and other lenders. Don’t neglect new business—make it a point to make your new arrivals feel welcome at your