



Case Study

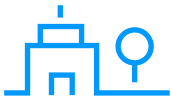
# Credit Collection Partners Taps Attunely's Machine Learning to Drive Increased Recoveries



"In addition to an amazing product, they've got some of the sharpest data scientists continually fine-tuning their models to go along with an elite management & customer care team."

Rick Bonitzer, President  
*Credit Collection Partners*

## The Customer



Credit Collection Partners (CCP) is a nationwide third-party collection agency that serves hundreds of government clients. Its collection portfolio includes more than 250,000 actively-worked accounts.

Founded in 1938, the company undertook a digital transformation in 2011, introducing new technology, leadership, and changes in workflow. CCP has taken a pro-technology, early adopter approach to its business that has led to significant revenue and margin growth. By consistently applying process improvements and modern technology, the company has adopted sophisticated collection strategies that give it a competitive edge. In August 2019, CCP approached Attunely to leverage its historical interaction data and refine its collection operations.

## The Approach



As at many agencies, CCP's collection workflows were previously based on a waterfall strategy that segmented debtors using collectability scores attached to new placements. While many agencies rely on scores derived from consumers' credit, CCP had subscribed to a more sophisticated service that based its scores on custom-built statistical models. CCP built automated account work lists around these scores and incorporated additional filters such as recency of calls to refine their account segmentation as the accounts aged.



## The Challenge



While CCP's incumbent scoring provider was an improvement over many competitive scoring products, it still produced static scores that did not reflect consumer interactions and behaviors. As accounts were worked, prioritization rules were hard-coded to incorporate some new information gained from the collection process. However, management knew that every debtor interaction and attempted interaction provides detailed and specific insights into the collectability of an account. Collecting those signals, assigning precisely the right value to each behavior, and incorporating the results back into the workflow at the right time was a challenge. To solve this challenge, management chose Attunely to create dynamic segments based on machine learning.

## The Solution



With insights from more than one billion consumer behavioral interactions, Attunely's dynamic machine learning integrates with the customer's system of record to optimize every interaction throughout the collection process. As new outreach occurs, it continually adjusts account scores, serving up prescriptive recommendations that help operators fine tune their outreach strategies. CCP's management team decided that this dynamic, interaction-adjusted decisioning engine was exactly what it was looking for, and that it had the capacity to implement such a system effectively.

# Preparing to Test the Solution

## Calibrating the Model

Because Attunely's machine learning model is calibrated using data specific to each customer, CCP began the engagement by uploading roughly five hundred thousand anonymized historical records with detailed interaction and disposition information. Attunely enriched those records with economic indicators and proprietary insights to train a model custom-tailored for CCP.

Initial analysis of the historical data showed a strong likelihood of revenue lift, compared with CCP's existing scoring and segmentation strategy. However, the company wanted proof that predictive gains would translate into higher revenue. In order to validate the gains from deploying the Attunely models, they ran a short pilot program leveraging Attunely's scores as the primary method of prioritizing debtor outreach.

## Operational Tweaks

At CCP's request, Attunely worked with the company's collection platform vendor, InterProse, to integrate the Attunely scores with a minimal impact on existing workflows and processes. Attunely and Interprose worked together to replace manually-configured account segmentation with Attunely's real-time recommendations. Once in place, CCP configured a small number of top-level segments based on state-level requirements, but allowed the accounts within each segment to be prioritized by Attunely.



# 21.4%

Increase in  
Attributed Revenue

# 16.4%

Increase in Value of  
Scheduled Future Payments



## 27% Increase

in Revenue Per RPC  
Compared to 2018



## 15% Increase

in Revenue Per RPC  
Compared to 2017

## Assessing the Results

### Measuring the Impact

**Analysis #1:** During the initial phase of the trial period, attributed revenue was 21.4% higher, and the value of scheduled future payments was 16.4% higher.

**Analysis #2:** For CCP, September has historically been a down month. Pre-Attunely, the revenue per right party contact (RPC) in September 2017 was 14% lower than the trailing three-month average; in September 2018 it was 22% lower than that year's trailing three-month average. However, with Attunely in place for the first time, September 2019 was only 0.5% lower than the trailing three-month average, an improvement of roughly 15% and 27% more revenue per RPC over 2017 and 2018, respectively.

### Understanding the Methodology

**Analysis #1:** Since CCP was primarily interested in whether Attunely could increase revenue, this test focused on gross revenue collected. To assess impact and track attribution, Attunely normalized the payments to attribute scheduled payments to the day they were promised rather than the day the transaction was executed. "New unscheduled collections" reflects the total collected that wasn't previously scheduled, and "scheduled future payments" is the discounted value of future payments committed to each day. Attunely discounted the value of future payment plans weekly from 0% to 100% over a six-month period to reflect that money now is better than money later, on the conservative assumption that anything promised beyond six months is worth \$0. There was no further need to normalize this analysis, as we were simply looking at CCP's performance in the two weeks before and after deploying Attunely's machine learning models.

**Analysis #2:** Because the trial period took place in September, a month that has demonstrated historically poor performance, we examined the revenue collected per RPC for the entire month and compared it to the trailing three-month average for both 2017 and 2018. The revenue-per-RPC metric normalizes revenue against call center capacity to control for variance in staffing, record placement, and other operational dynamics.

# Performance Evolution & Score Driven Workflows

## Next Steps

Understanding the nuanced relationship between consumer, debt, creditor, and collector is complex. Identifying best practices is often chasing a moving target. CCP's test proved that machine learning can help break this complexity down and deliver improved liquidation performance. However, as regulations, technology, and consumer preferences evolve, the value of information itself changes. As such, it is not enough to expect that the model deployed today will demonstrate the same predictive power tomorrow.

Today, CCP continues to evaluate new technologies that can drive operational performance. Attunely is working in partnership with CCP to develop new machine learning technologies, including optimizing for RPC rates by time of day, and exploring models that match each account with its best collector. The two companies are also incorporating new behavioral signals to develop deeper insights into each account. Looking forward, CCP views their partnership with Attunely as a means to drive continuous performance improvement.



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President

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# First Hand

## In the Customer's Own Words

*Liquidation and/or propensity scores are everywhere, and they all become stale over time. Initially, static scoring is immensely helpful and generally produces terrific results. But the effectiveness and accuracy of those scores diminishes a little each day. At what point does your static score stop providing value and actually start to impede proper segmentation? When does it begin to negatively impact revenue potential?*

*Attunely's dynamic machine-learning based scoring refreshes my entire database daily. In addition to an amazing product, they've got some of the sharpest data scientists continually fine-tuning their models to go along with an elite management & customer care team. I've been thoroughly impressed with Attunely since my first conversation with them.*

**"From a KPI standpoint Attunely is a resounding success!"**

*Rick Bonitzer,  
President  
Credit Collection Partners*

