

SUCCESS STORY: SIGMA



SIGMA

Background

Historically a debt purchaser and debt recovery agency, Sigma is now an innovative business process outsourcer providing a range of ‘white label’ customer contact solutions for clients within the utilities, financial services and retail sectors.

Services include:

- consumer and commercial early arrears debt recovery
- direct debit re-assessment campaigns
- a range of customer service calls and support functions
- complaint and query handling
- ad-hoc inbound and outbound dialling campaigns
- off-shoring via its operation in Cape Town, South Africa

Company info

Client: **The Sigma Financial Group Limited**

Country: **UK**

Product: **Qualco ExtraCollect & PortfolioManager**

Set up in: **4 weeks**

The challenge

Sigma acquired an amalgamation of sub prime debt portfolios through M&A. The clear business need was to achieve its Purchase Price + Servicing and IIR (Internal Rate of Return). With Sigma increasingly focused on delivering its ‘white label’ early arrears services to clients, it embarked upon a brief internal collections strategy followed by five or six external DCA placements, by which time it had exhausted liquidation avenues.

After considering its collections options Sigma appointed Qualco and employed its ExtraCollect technology platform in order to extract further revenue from the portfolio.

THE SOLUTION

After careful examination of the portfolio, Qualco employed its ExtraCollect platform, supplemented with the optional PortfolioManager service layer, which manages assets and recoveries processes through external agencies. The offering enabled Sigma to refine and optimise who it outsourced its allocations to, even though some of the same agencies were used from previous collections activity on the portfolio.

Not only did the ExtraCollect platform improve key collections metrics on the portfolio for Sigma, it also improved metrics related to customer insight, customer treatment and understanding the full debt lifecycle:

Enhanced analytics

Using proprietary tools created by the development team at Qualco, Sigma was able to interrogate the data sets and extract maximum value held within the portfolio by deploying intelligent segmentation techniques via the Qualco Decision Engine (QDE).

The ability for Sigma to gauge such rich insight into its portfolio gave it the ability to generate accurate and meaningful key performance indicators.

Focus

Customer treatment

At the touch of a button, Sigma was able to see the treatment of each individual customer at all external partners via the ExtraCollect portal. They could view the type and regularity of all contact with each customer. This data was constantly analysed and transformed into multidimensional snapshots that allowed for analysis of past, present and future trends, which enabled Sigma to make fast, efficient and individualised decisions for the treatment of each of its customers.

Customer insight

Qualco provided analytics solutions that included out of the box OLAP (Online Analytical Processing) Cubes that are delivered directly from the portals or through ODBC to drive understanding and insight of the performance of the portfolio. The technology ensured individual customer circumstances were taken into account and the most appropriate strategy was deployed at account level.

In addition, Qualco was able to identify vulnerable customers and ensure they were handled correctly with the appropriate treatment strategy.

QUALCO
ExtraCollect

BENEFITS OF QUALCO EXTRACOLLECT

- Purpose built asset management platform
- Demonstrates adherence to FCA requirement for adequate systems and controls (SYSC)
- Highly intuitive
- Platform fully managed by Qualco with training and support provided
- Uplift in performance
- Rapid deployment
- Defined system of record
- Reduction in hardware costs (cloud based platform)
- More efficient process, accounts placed quicker with most appropriate partner
- Fully scalable
- Daily reporting delivered through Client Portal
- Customer journey visibility via daily partner activity files
- Integrated query management
- New agencies swiftly onboarded
- Weekly reconciliation of accounts

THE RESULTS

At the stage of the cycle Qualco became involved, the typical industry standard would see collections increase 1%. However, with Qualco's involvement, a further 13% of the gross value of the book was collected in 12 months, adding significant value to the investment for Sigma. If the Qualco solution had been applied at Prime Placement it could have netted returns of more than 50%.

KEY ACHIEVEMENTS

- At the stage of debt life cycle the technology was employed at, a typical industry standard would see collections increase 1%. Qualco's involvement helped Sigma achieve a 13% uplift.
- Activity on the portfolio concerned had been exhausted both internally and externally. Qualco enhanced the portfolio and significantly increased collections.
- Using Qualco's technology employment, Sigma was able to maximise yield and Net Return on the portfolio.

FACTS & FIGURES

329,160 non-performing accounts under management

27 agencies Sigma has access to

13% increase in collections once Qualco became involved



“Having exhausted all internal servicing options on the debt book and with Sigma placing increasing focus on its ‘white label’ BPO business, we decided to utilise Qualco in order to see if more revenue could be extracted from the portfolio.

It was a challenging portfolio to service but Qualco made a convincing proposal to analyse the accounts and apply their strategy;

We have been immensely pleased with the results! The 13% return far exceeded our expectations and we are continuing to work with Qualco on a number of projects where their enthusiasm and expertise has been hugely impressive.”



Gary Gilburd,
Chief Executive Officer,
The Sigma Financial
Group Limited