The Collection Floor of the Future: Designed to Meet Evolving Demands of the ARM Industry
Shifting ARM Environment is Changing the Structure of the Collection Floor

The ever-evolving operational environment in the accounts receivable management industry has led to many core changes for collection professionals. From the challenges of staying on top of current laws and technology, to managing the effects of macroeconomic forces, the most successful ARM leadership teams are often those that are the most nimble.

While these changes often manifest in the back office environment, new pressures on debt collection agencies are forcing a shift in the actual physical layout of the collection floor.

Before we explore what a next generation collection floor looks like, it’s important to understand the old model and how it worked.

The Legacy Collection Floor

Traditionally, debt collectors (or account representatives) performed most of the front line functions in a collection agency. When accounts were received from clients, they went straight to the collectors to sort out. The collectors then organized the accounts as they saw fit, did skip tracing work on the consumers, started (and hopefully completed) collection efforts, and then took the payment from the consumer.

As such, the collection floor had a very flat layout. Each collector had their own station with a few managers strategically placed to make sure everyone was working efficiently. Even when enterprise-wide software systems and dialers came online, the structure was basically unchanged: a big open room filled with individual cubicles or workstations that were all essentially the same, and served the same purpose.

The layout of the floor was a reflection of the business environment of the time. Each individual collector was similar to a separate entity: they were responsible for their accounts and any help they needed (sending letters or maintaining systems) was done in the back office environment.
LEGACY COLLECTION FLOOR

Front Line Debt Collectors
Each station performs all debt collection functions, including skip tracing, collection efforts, and payment processing.

Floor Managers
Spread out around the floor to keep efficiency high.
The Shift

The environment began changing, however. New technology was a primary driver of the shift. While debt collectors had new communication technology to use, so did consumers. Calls made by automated dialers were now answered by machines. And leery consumers could screen communication attempts with caller ID.

At the same time, computers were becoming more powerful and easier to obtain and manage. Processes that were manual in the past could now be automated.

Then the Internet happened. The information revolution proved to be a boon for the ARM industry. Massive databases aided in skiptracing, and even scoring accounts before they were worked. Payments could be accepted online at a consumer’s convenience. And near-universal connectivity gave rise to even newer forms of communication technology.

The Next Generation Collection Floor

Today — and it’s safe to assume, tomorrow – compliance guides much of the strategic direction of a collection agency. This directional shift can be seen on the collection floor.

The collection floor of the future will probably be a much quieter environment. Gone are the days of collectors using menacing tones to convince consumers to pay. Technology tools are replacing a lot of phone interaction and being incorporated directly into the collection floor.

A next generation collection floor is much more compartmentalized, with certain areas dedicated to different functions. Skip tracing is now a much more specialized task that utilizes Big Data applications. In larger agencies, an entire team can be dedicated to finding the best possible contact for a consumer. Quality assurance has also moved directly onto the collection floor. While call recording and voice analytics, both back office functions, are used heavily in quality assurance, having QA managers on the floor helps to ensure compliance.

Many different “compartments” in a modern collection floor are still actively engaged in collection activity, of course. They are just using different tools.

One section is dedicated to web chat and instant messaging. Agents there are communicating with consumers that have responded to a collection letter. They will be referring the consumers to a self-service payment portal that allows them to schedule payments on their own time. Another corner of the floor houses the specialty services team. Those agents are filtering
accounts for legal action or handling requests from debt settlement firms. And there is still a large section of the floor dedicated to agents making live phone calls.

The dramatic shift in the collection market over the past decade has already altered strategic thinking in the industry. Now tactics are being altered to accommodate the new world and they will be evident in the look and structure of a next generation collection floor.

**Monarch Recovery Management, Inc.**

Monarch Recovery Management, Inc. is equipped with the latest compliance focused technology, including but not limited to full call recording, speech analytics, and a full-scaled complaint management system. Monarch is a uniquely qualified collections agency whose focus on a customer service model is leading the way for a fresh approach to collections.

Monarch provides collection services to many of the nation's largest issuers and has redefined the agency-vendor relationship by providing trail-blazing services coupled with stellar performance statistics.

Where does your current collection agency stand? Have they won compliance awards from the largest banks in the country? We have. Monarch takes a compliance first approach and we deliver better performance.

To start a meaningful conversation, contact Anthony Mazzacano of Monarch Recovery Management, Inc. at 800-220-0605 x2166.
NEXT GENERATION COLLECTION FLOOR

Front Line Collectors
Still do much of the heavy lifting.

Skip Tracers
Specialization in complex tools and data-intensive tasks.

Quality Assurance
Manager Collaboration
Coordination of teams is critical.

Specialty Services
Such as handling accounts in debt settlement and other special cases.

Emerging Channels
Responding to web chat, texts, email, and other methods.

Front Line Collectors
Still do much of the heavy lifting.