

NEWS

Good Workflow, Technology Are Keys to Improving Collection Services

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SAN JOSE, Calif. — Solutions in Finance, a lending and collections consulting firm for financial institutions, recently helped Desert Schools Federal Credit Union upgrade its collections department.



Ron Amstutz, Desert Schools senior vice president, said that the credit union brought in a consulting company to evaluate its call center a few years ago and wanted to do the same now for its collections department.

“We wanted to see what others were doing,

We don’t want to be in repossession mode; that should be a last resort.

— **Bill Garcia**

what new things are out there and how we could be more efficient,” Amstutz said.

Solutions in Finance President/CEO Bill Garcia went into Desert Schools and conducted a 12-week evaluation that included behavioral scoring to see what accounts were being addressed first and interviews with staff members. He came back with a list of 22 suggestions that the credit union could implement to be more efficient.

The top suggestions that Amstutz said Desert Schools is already implementing were to use an auto dialer to make first calls to members, to reorganize collector’s queues and to redistribute work across different positions.

“We may not implement all 22, but we definitely want to redefine that area,” Amstutz said.

The credit union also recently hired a vice president of credit services who will be responsible for deciding what suggestions are necessary to improve collections service.

One of the immediate impacts Amstutz said he has seen from redistributing work is that the staff is happier and that there is higher morale among some employees. He said they had three or four individuals that were handling multiple tasks. After seeing the evaluation, the credit

union saw that it’s more efficient to have these employees focus on specific areas.

Garcia said this is a common issue they come across with many credit unions not having the proper workflow in place. During the evaluation, Garcia said he looks for a gap in workflow between workers and if workers are taking the right steps and having appropriate actions.

One thing Garcia said he has seen in his work that he finds a little disturbing is some collectors are overly aggressive. “We’re trying to change that culture. We don’t want to be in repossession mode; that should be a last resort.”

With delinquencies on the rise, Garcia said that

they’ve been very busy handling the increase in client demand. Many clients he said are looking for help with the repossession and foreclosure process.



Ron Amstutz

When he goes into a credit union, Garcia said he’ll see what they’re doing to help people rather than just repossess. He looks at their bankruptcy and legal process, and he checks to see if they have management reporting and the proper management forms in place. He also looks at the technology the credit union is using and makes sure the system they’re using is configured properly.

In response to the current economic conditions, Garcia said he’s experiencing credit unions in three stages: those that were overly

aggressive in lending and got seriously hurt in the economic downturn and don’t know how to deal with the high demand in their collections department; credit unions that are conservative lenders and have good collections services in place but aren’t equipped to deal with the current market; and conservative lenders that have insufficient collections departments in place.

In encouraging cases, Garcia said he’s found that some credit unions have efficient collections departments and the only reason they’re experiencing an increase is because of the economy.

“While there are some credit unions that don’t have the proper organizational structure, there are a lot of credit unions that are doing it well.”

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