



# Sopra Steria Financial Services

How we help Government departments to put in place a Debt Management approach which reduces operational costs, improves collections rates and makes sure debtors are cared for at every stage of the collections lifecycle

The world is how we shape it

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# DEBT MANAGEMENT IN GOVERNMENT

At Sopra Steria we believe Government departments need to develop a debt management approach which improves the collection rate of outstanding debts earlier in the citizen lifecycle and takes into account different types of debtors. If successful transformation of the debt management process is going to happen the fundamentals need to be put in place. This means starting with the citizen journey and understanding each and every touchpoint they have with your organisation, their data, their expectations, their likelihood to repay and making sure relevant information, educational materials and opportunities to repay are available at each stage of the process.

## KEY CHALLENGES Government departments are facing in relation to Debt Management

 <p>Incorrect data being collected at the start of the collections lifecycle</p>	 <p>No central strategy or approach to debt management</p>	 <p>Too much emphasis on late stage costly litigation and enforcement action</p>	 <p>Over - reliance on legacy IT systems for processing repayments</p>
 <p>Contact strategies still reliant on letter/phone calls not digital methods</p>	 <p>Silo'd focus on collections by different departments</p>	 <p>Broken customer journeys in terms of digital repayment options</p>	 <p>Lack of availability and access to the right tools, skills and capabilities</p>

## UNDERSTANDING THE DEBTORS VIEWPOINT

The beliefs a debtor holds affects their ability to pay and their relationship with an organisation they owe money too. Usually resulting in one of the following responses:

Those who want to pay and can	Those who want to pay and can't	Those who won't pay whatever the circumstances
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## TREATING THE CUSTOMER FAIRLY

The FCA has stated that:

- **50%** of UK adults display one or more characteristics of vulnerability
- Expectation that financial difficulties will increase as a result of Covid-19 and so will bad debt
- All customer groups will need to be handled differently
- Organisations need to ensure customers understand the types of debt help available to them

## What areas should **GOVERNMENT DEPARTMENTS FOCUS** on to improve collection rates and their debt recovery process?

 <p>Build data and analytics capabilities to identify risks and tailor interventions</p>	 <p>Make digital transformation and automation a reality</p>	 <p>Create the right communication channels to improve responsiveness</p>
 <p>Develop a Debt Management strategy with debtors at the heart of it</p>	 <p>Make sure access to the right tools, skills and capabilities are available</p>	 <p>Identify and manage the right performance indicators</p>

“ Digital Ethics is a systematic way of defining principles of right and wrong with regards to the impacts of digital technology on society. ”

## DEBT RECOVERY DONE DIFFERENTLY

At Sopra Steria we have designed a Debt Management process which takes into account an organisations needs in terms of timely collection and a debtors requirements at each stage of the lifecycle. Our model can be implemented or tested at any stage and contains 5 distinct parts:

### THE ETHICAL BUILDING BLOCKS OF OUR PROPOSITION



Technology ethics



Data ethics



Service ethics



Treating Customers Fairly



Principles on AI Guidelines for Measuring Trust



WEF Ethical AI Guidelines



Ethics guidelines for Trustworthy AI



Standards for Ethical Technology



### Enhanced Analytics

- Business enhancing MI
- Performance measures and indicators
- Cashflow and strategy focus
- Configurable to match client needs



### Strategic Advice and Guidance

- Understand department drivers, policies and procedures
- Risk appetite and debt structure
- Flexible service options
- Provide expert advice, guidance and challenge



### Early Stage Debt Recovery

- Maximise recovery using automated processes prior to delinquency status
- Targeted recovery strategies
- Use of behavioural insights
- Debtor and client behaviour
- Risk profiles



### Later Stage Debt Recovery

- In house DCA function
- Minimising costs and maximising control
- Appropriate payment plans
- Risk vs Recovery



### Litigation and Enforcement

- Using industry experts
- When absolutely necessary with client agreement
- Strategy driven
- Risk vs Recovery

# OUR SERVICES

Every clients requirements are different and we recognise this by ensuring end to end service options are available, individually tailored to meet client needs.



**DATA CLEANSE  
ACTIVITY**



**REVIEW OF SYSTEM  
CONFIGURATIONS**



**DUNNING LETTERS –  
TONE AND CONTENT  
(EMAIL CAPABILITY)**



**PHONE CALLS &  
TEXT MESSAGE**



**INSTALMENTS AND  
PAYMENT METHODS**



**ENHANCED  
COLLECTION SERVICE**



**INTELLIGENT MI  
AND REPORTING**



**LEGAL ROUTE  
(LITIGATION)**



**ENFORCEMENT**



**DEBT POLICY ADVICE  
AND GUIDANCE**



**BAD DEBT AND PROVISIONS**

By working with Sopra Steria Financial Services to create the right Debt Management approach Government departments will unlock a number of benefits including:

- Tailored intervention approaches for different citizen groups
- Improved data, information and reporting for management teams
- Better accuracy of predictions on who is likely to default
- Understand where digital transformation initiatives can help improve debt management models and processes
- Identify areas in the debt management value chain to reduce operating costs related to collections activities
- Build the right educational literature and offer support channels to citizens early in the debt management cycle
- Maximise recovery using automated processes prior to delinquency status
- Implement different collection methods through a CX strategy aligned to debtor persona's
- Use data and analytics to understand can't pay vs won't pay debtors
- Make sure fair citizen outcomes are at the heart of the final collections decision process
- Offer final opportunity to pay through digital channels

# Sopra Steria Debt Management Services

## Total care for Debtors and Clients throughout the collections lifecycle

At Sopra Steria the digital transformation solutions we put in place help our clients drive real business change, resulting in achieving better strategic, financial, citizen and employee outcomes. Our vision is to become the market leader in End-to-End ethical debt management services. With a clear focus on ethics and vulnerability, making sure we exceed the baseline requirements of the FCAs Treating Customers Fairly (TCF) agenda.

For more information on the Debt Management services we provide to Central Government departments please email [pscomms@soprasteria.com](mailto:pscomms@soprasteria.com) and one of our experts will be in touch.

[www.soprasteria.co.uk](http://www.soprasteria.co.uk)

We look forward to working with you.



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