

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

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



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

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?



66

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 <u>م</u> <u>}</u> Collaboration Customisation Accuracy Enhanced **Strategic Advice Early Stage Analytics** and Guidance **Debt Recovery** Accessibility & Efficiency & Effectiveness **Business enhancing MI** Understand Maximise recoverv Service Quality department using automated Performance measures processes prior to drivers, policies and and indicators procedures delinguency status Cashflow and strategy Targeted recovery Risk appetite and focus debt structure strategies Configurable to match Use of behavioural Flexible service options client needs insights Provide expert advice, guidance and Debtor and client behaviour challenge **Technology** ethics **Data ethics** Service ethics **Risk profiles** WØRLD ECONOMIC **∲** FORUM Later Stage Litigation and **Treating Customers** Principles on AI WEF Ethical AI **Debt Recovery** Guidelines Enforcement Fairly Guidelines for **Measuring Trust** In house DCA function Using industry experts When absolutely Minimising costs and IEEE necessarv with client maximising control STANDARDS ASSOCIATION agreement Appropriate payment **European Commission** Strategy driven plans ----Risk vs Recovery **Risk vs Recovery** Ethics guidelines for Standards for Trustworthy AI Ethical Technology

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. 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

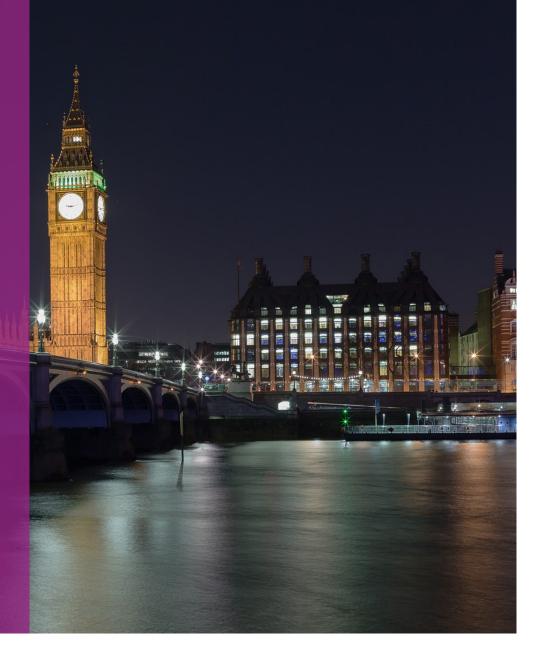
Total care for Debtors and Clients throughout the collections lifecycle

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** and one of our experts will be in touch.

www.soprasteria.co.uk

We look forward to working with you.





The world is how we shape it