TransUnion

CPA Collections Prioritisation Models

Optimising collections performance

TransUnion offers a suite of industry specific Consumer Collections Prioritisation Models that can be used across the collections lifecycle. The TransUnion Affordability Model is then overlaid on the Collections Model outcome to provide a clear view of high, medium and low-priority prospects in your collections book. This allows your business to maximise collections effectiveness.

Choose from any of the following Collections Models, depending on the unique requirements of your business:

- Early Stage (1-3 months)
- Late Stage (4-6 months)
- Post write-off (6+ months)
- Cellular
- Banking
- Loans
- Clothing
- Furniture
- VAF

Apply the models to:

- Enhance your collections strategies
- Improve customer service and retention for low-risk consumers
- Improve collections ability for higher risk consumers
- Maximise recovery amounts (pre- and post write-off)
- Minimise collections costs
- Identify consumers to be handed over to legal
- Collect on debt previously considered uncollectable (due to low returns)

Why are effective collections processes so essential?

The collections function in any organisation is critical as it can ultimately make the difference between excellent or poor financial performance. An effective collections unit facilitates business growth by allowing the business to take on additional risk. It also greatly increases profitability by reducing the cost of provisions and write-offs.

The collections department identifies opportunities that make the process more efficient and customer-oriented, adding significant value to the business. Leading organisations implement advanced methods to enable their collections departments to perform optimally, set effective objectives for each stage of the collections lifecycle and adopt a strategic approach towards improving overall collections. This includes making use of data to enhance the decisioning processes as well as understanding the reasons why customers have become delinquent.

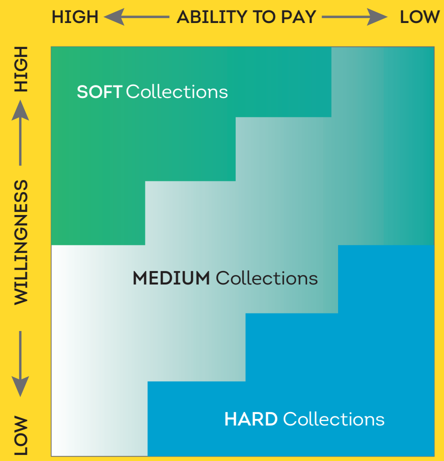
TransUnion's Collections Prioritisation Models

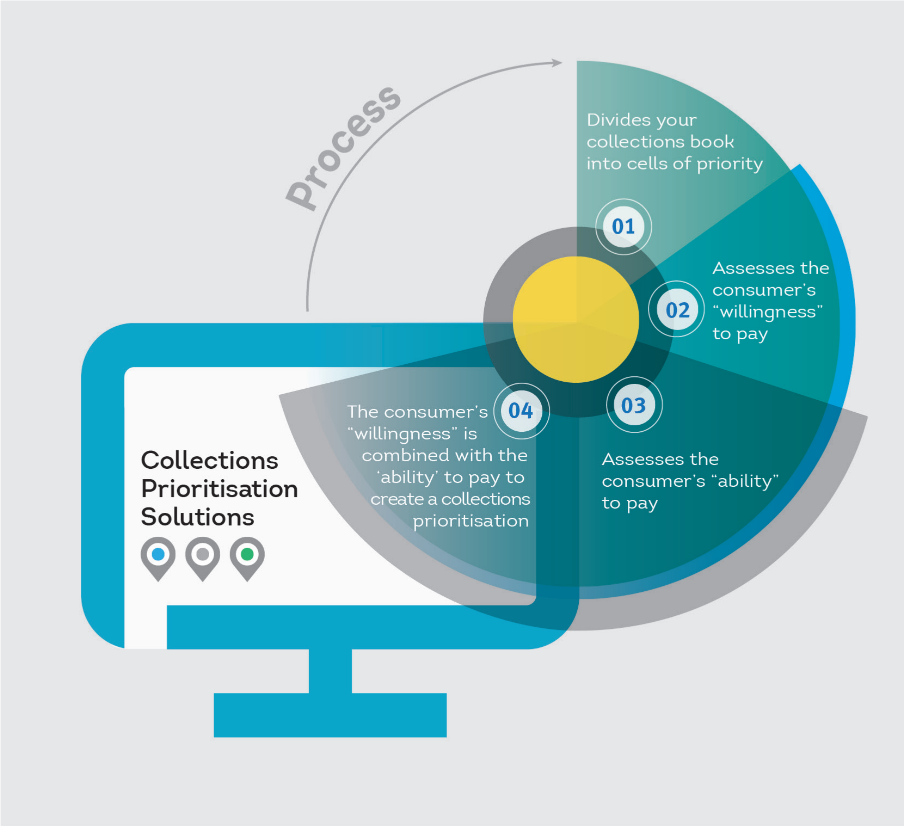
The collections process is a balancing act that requires the collector to weigh credit risk against future potential customer value. The challenge is to identify the course of action most likely to achieve the best possible outcome given the circumstances.

We help you achieve your collections objectives by effectively segmenting your overdue book into risk categories. The Collections Models combined with our Affordability Model solution use a combination of consumer affordability, bureau commitment and payment behavioural information as well as contact information to provide the most accurate result. This enables your business to develop a specific action plan for each account that will maximise the likelihood of success. The models effectively combine the consumer's "willingness" to pay with the consumer's "ability" to pay. By overlaying affordability data onto the Collections Prioritisation Models, a clear view of high, medium and low-priority prospects emerges.

Taking a strategic approach to collections allows an organisation to implement sound collections strategies which:

- Increase recovery rates
- Realise departmental efficiencies by making optimal use of limited resources
- Effectively prioritise activities in the recovery process
- Demonstrate and measure the value associated with each action taken
- Segment the delinquent book to determine which portion to outsource/sell





PRIORITIES

HIGH (Level 4)	ABOVE AVERAGE (Between 4 - 3)	AVERAGE (Level 3)	BELOW (Between 3 - 2)	LOW (Level 2)
Consumer is not over-committed at all and is able to incur an additional monthly expense = **Very Low Risk**	Consumer is very likely to be able to incur an additional monthly expense = **Low Risk**	Consumer is not likely to be able to incur an additional monthly expense = **Medium Risk**	Consumer is not likely to be able to incur an additional monthly expense = **High Risk**	Consumer is very likely already financially over-committed in terms of debt = **Very High Risk**

In today's increasingly competitive environment, organisations can gain a valuable edge by employing a strategic approach to collections by segmenting the collections book and prioritising clients that are the most willing and able to pay.

For more information on CPA collections prioritisation models please contact your sales representative:

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