

SCIP Web Page Content

Improve Billing Collection Rates with Intelligent- Evaluation and Processing

We recently got challenged by a request to develop an independent rules- and processing engine for debit order collections, that will non-intrusively enhance the legacy billing system capabilities, improve payment successes with lower collection rates, and furthermore provide an enhanced view on client affordability profiles.

We understood that for companies with a large debtor's book, there is always a toss-up between the saving of operational costs and the improving of existing IT systems to achieve better productivity. So for this project to succeed the end-results needed to outweigh the time and costs to develop such a solution by a big margin.

And that is what we did.

Problem Statement

The behaviour and capabilities of billing systems need to be flexible according to varying product profiles. Service providers with large debtor's books normally tend to diversify their product offerings to have a bigger catchment basket for a specific line of product types. Billing systems need to be able to adapt to different product- and collection rules.

Changed operational conditions may at short notice require billing rules to be changed. When the behaviour of the billing system can't then be changed in time, manual interactions may lead to tedious waiting periods for data to be corrected, which in turn may result into collection losses and inaccurate data for future use.

The problem statement therefore comes down to the following: how can additional processing be added to an existing billing system, to improve collection rates and reduce collection costs, without making changes to the billing systems?

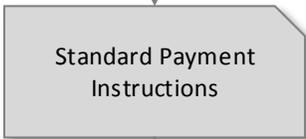
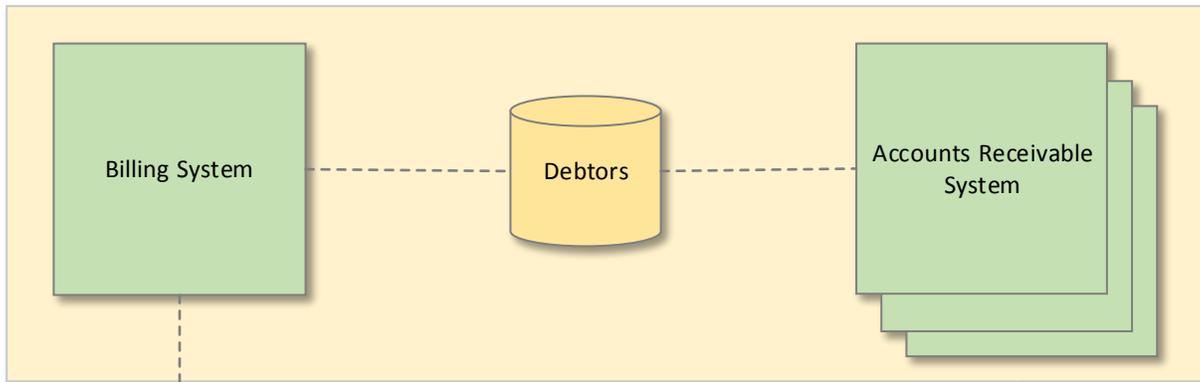
Solution Approach

The processing engine ("SCIP" as we call it) is implemented at the collection bureau as an add-on service to its clients. On the allocated time slots, payment instructions from the billing system is used as input to SCIP (1). The payment instructions are then matched with history to determine the profile of the account holder (2). User-defined rules are applied to determine the risk of the payment instruction, which results into a final set of payment instructions that is sent to a collections gateway (3). The evaluation- and processing results are then returned to the Accounts Receivable System for reconciliation and escalation processes to engage with account holders (4).

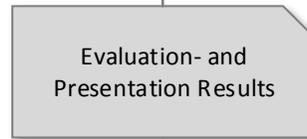
Conclusion

As expected, collection costs were reduced and better payment profile information was available for client-service follow-ups. Maintenance to SCIP was largely simplified by the use of parameters and small pockets of customizable code logic. Within a short period of two months, collections through SCIP has improved billing success rates substantially.

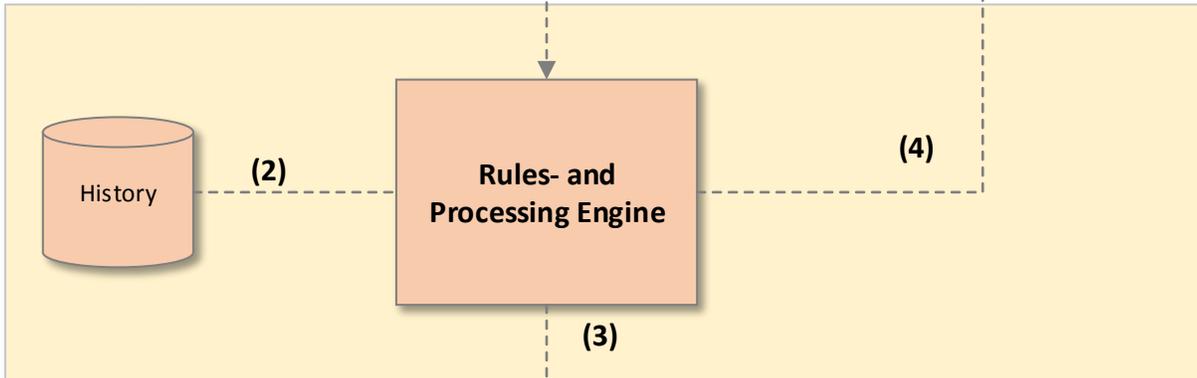
Operational Systems



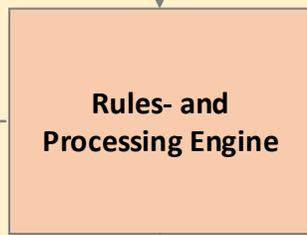
(1)



Bureau Systems



(2)



(3)

