Collections
Benchmarks, KPI Definitions & Measurement Details

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*The OpsDog Collections Benchmarking Report*

## Collections KPIs

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Report Details & Methodology
The OpsDog Collections Benchmarking Report

More than 600 KPI values (i.e., data points) were analyzed to produce benchmarks for the 15 KPIs included in this report.¹

Data Range: 2012-2017  Region(s) Included: United States  Industries Included: Collections Agencies, Banking, Consumer Packaged Goods Operations

The benchmarks included in this report were found to be comparable across companies of varying sizes (i.e., number of employees, total revenue) and industry segments.

Methodology: Data Collection & Validation

1. Gather
OpsDog’s analysis team aggregates data collected through traditional consulting engagements and targeted research.

2. Refine
Aggregated data is standardized, categorized and run through multiple validation checkpoints prior to being stored in our database.

3. Package
We analyze and compile comparable data, then package our findings in the form of benchmarking reports and data sets.

Looking for customized research and analysis? Contact our research team. P: 844.650.2888 E: info@opsdog.com

Note: ¹ The sample size of the observed data varies for each KPI.
The purpose of collections is to ensure that delinquent accounts are reconciled and paid in a timely, cost-effective manner. Companies must balance direct credit losses and the costs of debt recovery judiciously. Most companies are willing to allow small debts to lapse if the cost of recovery starts to exceed the amount being collected. Companies can afford to devote considerable time and energy, however, to the collection of larger debts. Typically, collections agencies follow an escalation method based on the number of days the account has been delinquent and the amount owed.

* This section is not included in this document.
Percentage of Inbound Promises to Pay Kept

Definition & Measurement Details

What is Percentage of Inbound Promises to Pay Kept?
The number of promises to pay (PTP) made through inbound calls from delinquent customers that were actually paid/settled divided by the total number of customers who promised to pay on inbound calls over the same period of time, as a percentage.

Why should this KPI be measured?
Percentage of Inbound Promises to Pay Kept measures the number of promises to pay (PTP) made through inbound calls from delinquent customers that were actually paid/settled in relation to the total number of customers who promised to pay over the same period of time. A low value for this metric can be indicative of inefficient call scripts and call handling policies, an increase in payment disputes (can be due to product or service errors, customer dissatisfaction or undelivered products or services), and sub-par collections employee training and performance. Excessively low values for this metric can expose the company to financial risks (e.g., fines, legal actions, bankruptcy, etc.) by preventing on-time payment of liabilities.

How is this KPI calculated?
Two variables are used to calculate this KPI: (1) the number of promises to pay (PTP) made through inbound calls from delinquent customers that were actually paid/settled, and (2) the total number of customers who promised to pay over the same period of time. A promise to pay (PTP) is defined as a verbal agreement between two parties (e.g., the customer and the collector), typically made when a payment is overdue, in which the customer promises to pay a certain amount of money by a certain date. Include accounts at all stages of collections (i.e., early to late stage) in this calculation.

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Percentage of Inbound Promises to Pay Kept

Benchmarks & Characteristics of High Performers

Percentage of Inbound Promises to Pay Kept

(Inbound Promises to Pay Kept / Total Inbound Promises to Pay) * 100

How to read this chart: This chart summarizes the performance gaps between high (Top 5%), mid (Median) and low (Bottom 5%) performers for this Key Performance Indicator (KPI). For example, the column labeled “Top 5%” represents a company that outperformed 95% of the peer group observed for this metric.

Characteristics of High Performers

- KPIs are well-defined, tracked and tied to performance reviews
- Robust self-service options for customer (online FAQs, etc.)
- Agents cross-trained to handle and resolve multiple call types
- KPIs are well-defined, tracked and tied to agent performance reviews

Sample Size: XX
KPI Type: XX
Unit: XX
Is High or Low Best?: XX

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