

Debt Collection - Finding the Right Collections Partner for Changing Market Conditions

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JOHANNESBURG, SOUTH AFRICA, March 3, 2023 /EINPresswire.com/ -- [Debt collection](#) methodology and strategy has evolved significantly over the years, with changes in laws, regulations, and technology driving these changes. Similarly, the fallout from the pandemic and the subsequent tough economic conditions have demanded a different approach in terms of how debt is collected, and the accommodations needed to help debtors get back on their feet and rehabilitate their accounts.

“Advances in technology have made it easier for debt collectors to communicate with debtors as well as provide more convenient and electronic payment platforms, as well as offer alternative payment options to debtors, making it easier for debtors to pay off their debts and avoid collections rolling into legal stage. Layered over this is the increasingly sophisticated data analytics used by debt collection providers to better understand the behaviour of debtors and improve their collection strategies. By analysing data such as credit scores, payment histories, and demographic information, agencies can tailor their collection efforts to each



Tej Desai - CEO of Alefbet Collections & Recoveries



Is your Debt Collections Partner still the Right Fit for your Business and Changing Market Conditions?



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Tej Desai, Chief Executive Officer of Alefbet Collections & Recoveries

debtor's individual circumstances, offering a far more individualised and empathetic approach that takes into account each debtor’s unique circumstances,” explains Tej Desai, Chief Executive Officer of [Alefbet Collections & Recoveries](#), a group of collections BPO firms which includes [Shapiro Shaik Defries and Associates](#), Metropolitan Revenue Collections and ITC Business Administrators.

“The bottom line is the debt collection industry has become a lot more sophisticated, data-driven, and consumer-centric. With such big changes and evolution of practices and market conditions, it begs the question of whether your current debt collection practices - whether

handled inhouse or by a professional collections agency – are still the right fit for your business objectives, or whether you could be doing more to improve recovery rates and maintain those all-important customer relationships. The key challenge is, how do you test your current methodology and strategy, against the potential that exists for major improvement, without upsetting the whole apple cart,” explains Desai.

This is where a Champion Challenge methodology can prove an invaluable bench marking tool to test the waters so to speak – and will reveal whether current providers or practices are on form and delivering better results and value, or whether they may be left wanting in the face of healthy competition.

“In the context of assessing different collections partners or even different strategies and methodologies, the current champion – which can be a provider, technology or specific methodology – is challenged by new providers, technology or methodologies – in a competitive bid process to try and ‘win the business’. It involves a thorough evaluation of each challenger against the current champion or status quo, based on the defined performance factors that are relevant to the company's needs. The champion may work with a team of experts or other stakeholders within the company to identify key criteria and prioritise them based on the company's goals and objectives. Essentially, it’s a competitive bidding process that involves comparing and evaluating the performance of different suppliers, technologies or strategies, against the current one,” he explains.

It also means that there is a fair, rigorous, objective and transparent evaluation process in place. It ensures that before any potential changes are made, that they are tried, tested and trusted to ensure business continuity, real improvements and measurable results. So, there’s no upsetting of the apple cart based on gut, but rather, on proven results!

In assessing a potential collections partner for a business, Desai points out that a champion challenge can be a helpful way to evaluate potential vendors for several reasons.

“Firstly, it’s an objective evaluation. A champion challenge is a competitive process whereby a vendor competes to demonstrate their capabilities, allowing for an objective evaluation of each vendor based on a specific and defined criteria, and on a level playing field. The second consideration is quality assurance. A champion challenge can help ensure that the supplier you choose is of high quality and meets your specific needs. By evaluating the vendor based on their actual ability to meet your requirements before making any material changes, you can be more confident in your selection. A champion challenge can also deliver cost savings by helping you negotiate better pricing with vendors - by creating competition, you may be able to get a better deal than if you currently employ. Finally, a champion challenge also encourages innovation and bringing new ideas to the table, without increasing risk to your business. By challenging vendors to think creatively, you may discover new solutions or approaches that you hadn't considered before. It also leaves little room for complacency among current providers as they know they need to compete effectively,” explains Desai.

When it comes to assessing a collections partner and strategy for your business, or whether your current provider and strategy are still fit for purpose in a changing market, a champion challenge is a useful way to evaluate all the potential, ensuring that you select the best option for your specific business needs.

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