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Debt Management Technology: Key Considerations for a Successful Digital Transformation

When it comes to debt management, historically, businesses looking for a new system were left with the same question: go in-house or outsource? The outcomes were a product of considerations around pricing, project scope and maintenance costs. But thanks to the flexibility of cloud-native systems, businesses are now able to hybridise their solution, leveraging their pre-existing infrastructures and integrating future-proof tools to increase productivity and efficiency.

What are your debt management needs, and how will a new solution solve them?

While every business is different, third-party software vendors typically harness the flexibility to work with clients to craft solutions that match their use case. Whether you require a bespoke solution for case management, reporting, self-service tools or other functionalities, it's likely the vendor has developed a solution that matches at least one of your needs in the past.

Pivotally, the use of APIs enables collections heads to outline a system that works in lockstep with their existing tech stack, with quick, simple integration and none of the inherent development stresses associated with updating an in-house system. This freeing up of resources can be extended to system maintenance more generally. Organisations that choose to build their own software must hire a team of developers, purchase hardware and software licenses, and invest in ongoing maintenance and support.

For businesses with an in-house development team, their success and efficiency also rely heavily on the domain expertise of the CFO/collections head. But with cloud-native solutions, system maintenance is handled by the vendor, affording your IT teams the freedom to focus on core functions in their department.

Outsourcing debt collection software provides businesses with adaptability. As your debt collection needs change, your software needs to be able to reshape. This can be particularly valuable for smaller organisations that may not have the resources to invest in a large in-house development team.

Going cloud-native can also prove particularly beneficial for businesses that are scaling, since hardware maintenance costs and infrastructural upgrades aren't necessary.

Instead, users gain access to the same dashboards and up-to-date data instantly, all in one system, no matter their location. This affords organisations expanding into new geographies the freedom to allocate expenses to build their brand in new markets without having to dedicate resources to ensuring legal compliance and usability across multiple regions. Likewise, access to a cloud-native platform arms C-level executives with a more comprehensive view of their organisation, while enabling flexibility of recovery approach and communications strategies across multiple locations.

92%

of companies consider their business model to be at risk if they do not adopt digital technologies.

(McKinsey - How six companies are using technology and data to transform themselves)

Implicit costs and the steps to maximising value

With the use of a third-party system, the burden of security, robustness and interoperability falls on the vendor. The terms of your contract will render them responsible for system reliability, security and continued maintenance. Further, competition in the market forces solutions providers to deliver a product that's thoroughly tested and benchmarked against leading options available. This also creates pressure on vendors to innovate and update their products with the latest features and functionalities, to remain competitive and increase their market share.

Going into a large development project can be a daunting task, with budgeting often proving tricky to get right. In many cases, hidden costs are revealed over time, and producing a minimum viable product (MVP) becomes both a time-consuming and costly process.

Then the costs of maintenance over time must be considered, resulting in excess resources being allocated to ensure continued operational viability. As outlined, this often results in your IT department's focus being drawn away from core business functions — while potentially reducing the budget required to acquire new clients via sales and marketing activities.

26%

Companies that have implemented digital transformation initiatives are 26% more profitable than their industry peers.

(Deloitte - Digital Transformation Survey)

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Yielding recovery success

While outsourcing a debt management solution cannot wholly eliminate risk, it can prove highly valuable in yielding better resource management and ongoing support. In the initial phase, a roadmap that accounts for your existing setup and needs should be developed, resulting in a business-specific solution that accounts for your collections requirements. Thereafter, the provision of continued support enables businesses to maximise the effectiveness of their system and foster best-practice use for greater efficiency in the long term.

In almost every case, time to value (TTV) will be reduced by outsourcing your debt management solution. But successful implementation can be facilitated through a collaborative approach wherein your vendor works together with your in-house team. The result: a flexible implementation process, a platform that offers key collections functionalities, and consultative services that empower your business to customise the platform to match your changing requirements.

Take your debt management processes to the next level

If you're ready to adopt a future-proof collections approach, we invite you to book a demo today and learn why receeve is the best choice for your organisation. The demo will give you a chance to see how receeve can help you leverage customer data and behaviour, automate processes, maximise recovery and minimise risk across every stage of the credit management lifecycle.

Book a demo today

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receeve is a fully customisable All-in-One Platform for Collections & Recovery. We simplify the growing complexity of data and systems and empower in-house teams to easily automate processes, engage customers and apply 360° insights to maximize recovery and minimise risk across every stage of credit management - from pre-delinquency to portfolio assignment or sale.

One Platform. A perfect balance of ease of use and power, receeve's cloud-native, no-code platform is fast to deploy, simple to manage and easy to customise and expand. Bring together intelligence, strategy and operations in one place.

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