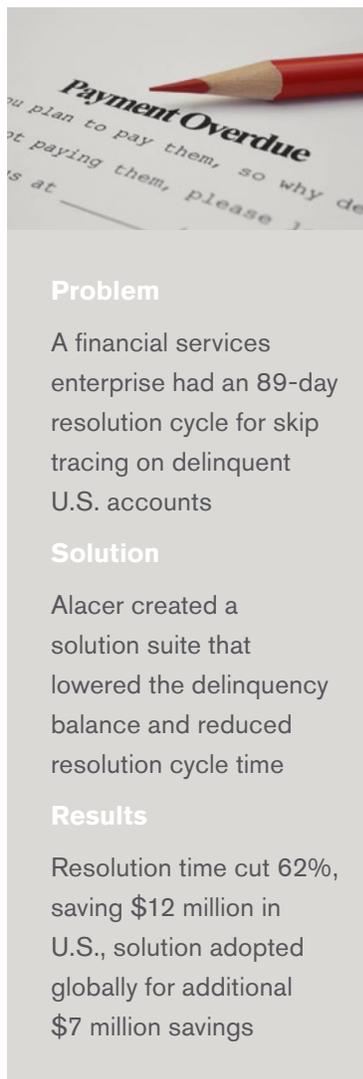


## Skip Loss — Stop Loss



### Problem

A financial services enterprise had an 89-day resolution cycle for skip tracing on delinquent U.S. accounts

### Solution

Alacer created a solution suite that lowered the delinquency balance and reduced resolution cycle time

### Results

Resolution time cut 62%, saving \$12 million in U.S., solution adopted globally for additional \$7 million savings

### Overview

The adage “time is money” accurately describes a financial institution’s dilemma when faced with soaring delinquencies. It’s critical to quickly identify accounts with high risk and to initiate a process to minimize their cost. During the recent economic downturn, U.S. accounts saw a noticeable rise in skip accounts. Skip accounts, where there is no valid contact information for a delinquent customer, grew to almost 2% of its backlog and had a challenging 89-day cycle time for resolution. The Alacer team was asked to create a process to lower the outstanding balance on skip accounts while reducing the resolution cycle time.

### Challenges

In order to create a complete process loop, Alacer’s collections experts needed to address the problems that occurred during acquisition of the debt as well as its back-end resolution. By focusing on domestic skip accounts for the pilot solution, Alacer built in critical design factors such as flexibility and scalability – and then fine-tuned the platform during rollout so that the organization could adopt it globally.

### Results

The domestic skip loss solution suite was deployed within five months and delivered savings of \$12 million in less than a year. The resolution cycle time was reduced from 89 to 55 days. The total number of outstanding skip account delinquencies was reduced by 200 BPS. After refinement, the solution suite was adopted globally, resulting in an additional \$7 million in savings within seven months.