


Taxpayer populations

Willing and
Able

Willing but
Unable

Able but
Unwilling

Criminals



How does
Collections
interact with
each
population?

Collections across taxpayer spectrum

Willing and
Able

- Make it **cheap and easy**
- Provide **online** portals

Willing but
Unable

- **Help** me
- Use **call center**

Able but
Unwilling

- Identify **early**
- Make life **progressively** more difficult
- Get **out** of Collections ASAP!

Criminals

- Not a collections or audit problem

Industry lessons

Collections overview

- Collections industry was unprepared for the credit crash
 - The focus turned to pro-active management of the debt collection process, moving from administrative to commercial activity
 - Human capital gaps were exposed in terms of volume and quality of collections functions
- Collections became higher priority
 - Investments in analytics, IT, and people across the industry
 - Higher organisational reporting
 - Recognition of the return on investment in collections and the importance of collections as an asset across the value chain
- Best-practice has evolved with increasing focus on specialisation, including greater use of advanced analytics to determine who to treat, combined with specialized processes

Analyze taxpayers

*I didn't
realize I
still owe
money*



*I can't find a
way out of
this*



*I don't
understand
what I need
to do*



*I wish this
would
just go away*



Analyze your people!

Optimization criteria

Direct financial impact

Taxpayer burden

Voluntary compliance

Indirect deterrence

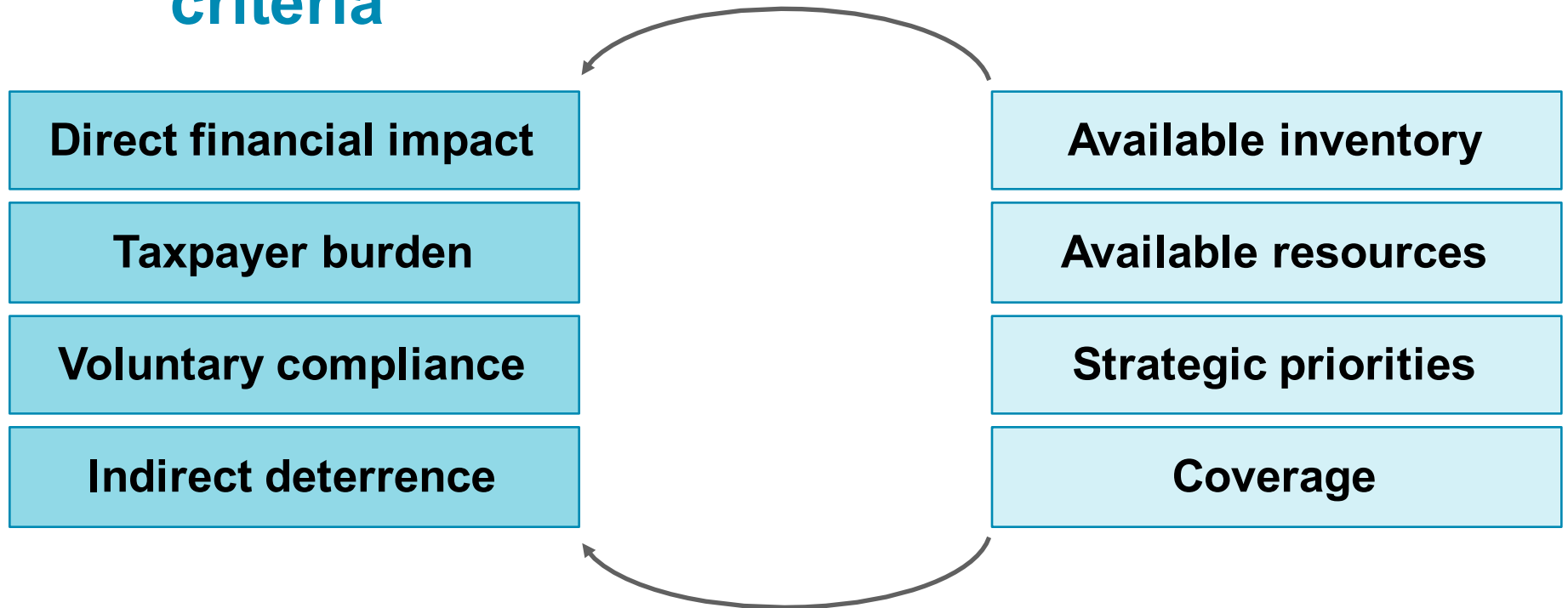
Constraints

Available inventory

Available resources

Strategic priorities

Coverage




Analyze your processes

Is this the end of your process?

[illegible]

Listen to your audience

Internal owners and experts		Length	Notices are too long and overwhelming Notices have too much information , much of which is not relevant to taxpayers
Taxpayer facing groups		Clarity	Notices are full of jargon that makes them difficult to understand Taxpayers indicate that it's hard to find information that they are looking for
Taxpayers		Tone	Notices are harsh and scary Taxpayers want to see that the you understand their situation
Other third parties		Content	Notices need to give clear instructions on how taxpayers should take action Taxpayers ask that notices provide options other than the phone

Example: “Humanized” notices

Before

A credit has been posted to your above referenced account.

While conducting a review of our customers' accounts, we found that your Bank XXXXXXXX with Tiered Interested Checking account referenced above was charged account servicing fees in error. We apologize and want you to know the issue has been corrected.

What to expect

- You will see \$XX.XX credit on your account statement and through Online Banking displayed as *Ancillary Banking Services Fee-Credit Adj.*
- There is no need for action on your part

After























Our apologies. We've posted a credit to your account to correct an error.

Hi Joe,

You may have noticed a credit that recently posted to one of your accounts. That's because you were charged a servicing fee by mistake. We apologize for the error and wanted to let you know it has been corrected.

There is nothing you need to do. We've already taken care of it. You'll see a \$15.00 credit on your account statement with the description *Ancillary Banking Services Fee-Credit Adj.*

What behaviors do you want to drive?

Taxpayer situation	Desired behavior	Desired channel	What happens today
Can make a payment now	<i>Preferred:</i> Full payment <i>Otherwise:</i> Partial payment		
Cannot make a payment now, but can eventually pay in full	<i>Preferred:</i> Payment extension <i>Otherwise:</i> Payment plan		 +  + 
Will not be able to pay in full at any point	<i>Preferred:</i> Debt settlement <i>Otherwise:</i> Payment plan		 + 
Does not accept the balance	Request adjustment of the balance	 + 	 +  + 
Has a special circumstance	Confirm eligibility/contact if special action is needed	 + 	 +  + 
Does not understand notice	Request help or clarification		 + 

Example: Measuring notice impact

Objective: Increase taxpayer compliance

Sample metrics

- % of notices resulting in a **full or partial payment**
- % of notices resulting in a **payment plan**
- **Dollars collected** by sending the notice

Objective: Increase self-service

Sample metrics

- Mix of **payments by channel** (% online vs. checks)
- Mix of **payment plan requests by channel** (e.g. % self-service applications vs. mailed)
- **Inbound call rate**

Objective: Decrease costs

Sample metrics

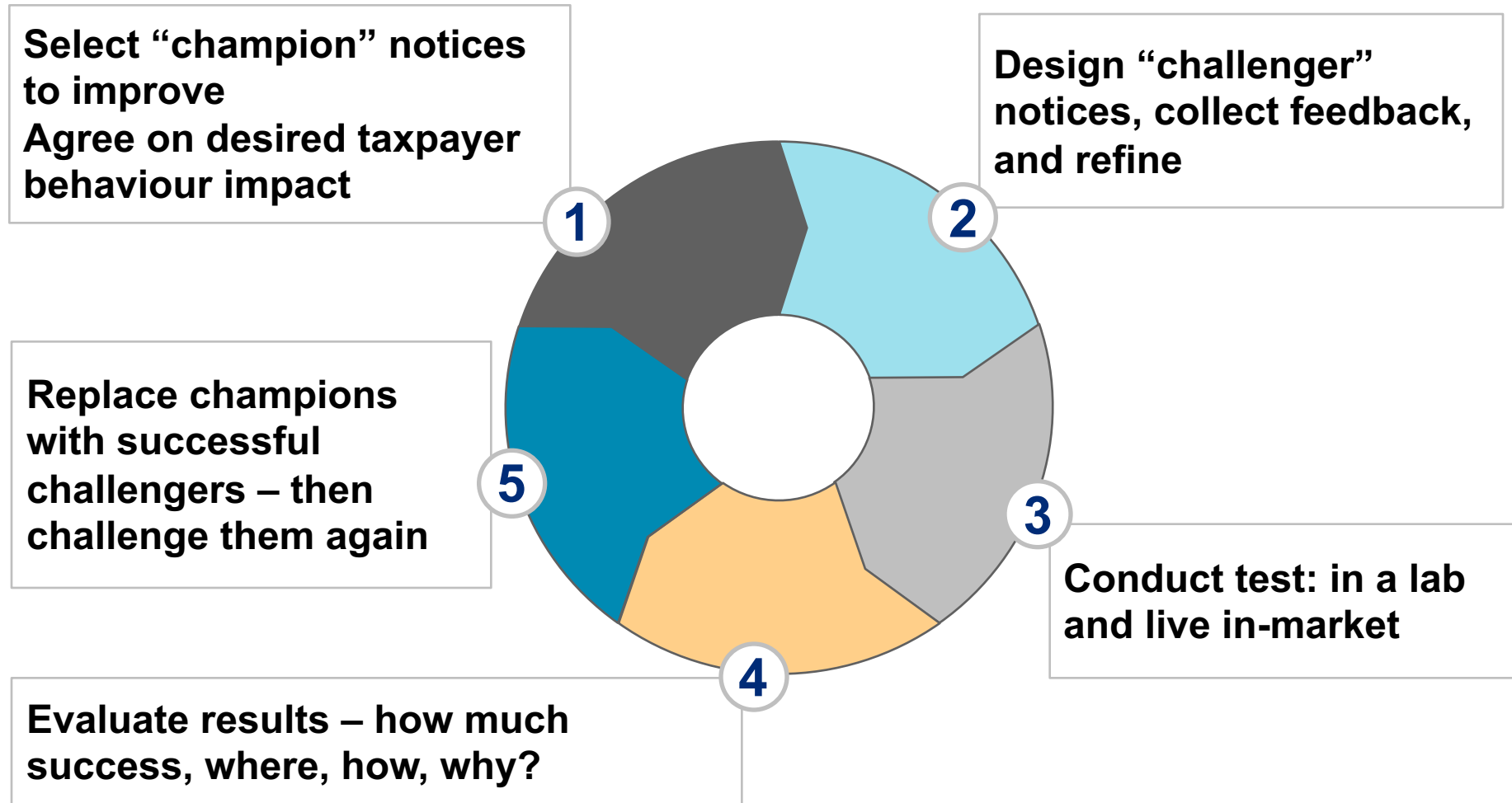
- Cost to **send notice** (e.g. physical costs of printing notice and any inserts, postage)
- Cost to **handle responses** from customers, including inbound calls

Objective: Increase taxpayer experience

Sample metrics

- Customer **satisfaction rate**
- Customer **complaint rate**

Challenge, test, replace, repeat



Questions?

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