



Client



Challenges

- Low performing collections strategies
- High account write-offs and service disconnects
- No visibility into collections performance metrics
- Limited IT resources to boost collections strategies

Solution

Automating the collections process with Varolii Courtesy and Disconnect applications.

Results

- 240% increase in customer contact per day (list penetration)
- 10% reduction in Disconnect Notices (compared to BAU after initial implementation)
- 11% improvement in roll rates
- Significant decrease in call center costs
- 45-day rapid implementation

Increased Revenue, Fewer Write Offs, and a Partnership for Success

Vectren collects more at a fraction of the cost, keeping fewer customers from disconnection

Vectren Corporation needed to improve their revenue stream and reduce overhead expenses. But with little to no visibility into their collections performance, they weren't sure where to begin. Prior to implementing Varolii Collections applications, the utility, which provides electricity and natural gas to over a million customers throughout Indiana and Ohio, would use customer service agents to manually dial delinquent customers with courtesy and delinquent reminders. They knew that the high costs and low payment rates from their call center operations produced diminishing returns but didn't have any metrics to evaluate its true performance. After conducting a thorough evaluation on the use of automated communications for their collections efforts, they implemented Varolii to reach out to their delinquent customers.

Reaching More Customers, Collecting More Payments

With the primary focus on cost reductions, Varolii was able to not only match but exceed Vectren's expectations. Had Varolii merely matched the success rate of the call center at a lower cost, the utility would have achieved their original objectives.

Varolii was able to offer a solution that was a fraction of the cost of using live agents and also dramatically boosted their daily list penetration rate. Having averaged 30-40% contact rate at the call center, Varolii improved that rate to 260% – 280%. Along with this penetration, immediate payments and "promise-to-pays" increased dramatically.

More than Message Delivery — Industry Expertise

Vectren was looking for a solution that not only focused on the delivery of their customer messages, but the expertise required to improve their entire collections operation. Vectren relied on Varolii's project team to build and deliver applications and provide guidance on best practices and the right calling strategy for optimum results.

"You know it's a very cohesive relationship. You couldn't ask for a better strategic partner," says Mike Burnor, Vectren's Supervisor of Credit and Risk. "And the reason I say that is because not only does Varolii offer an extremely efficient value add, they also offer a huge amount of intelligence and knowledge in the area of credit collections. So that, in and of itself, is immensely valuable."

Improving Results at Every Step

Varolii worked with Vectren to improve on the initial success of its applications by continuously monitoring their performance through daily online reports and modifying everything from the voice scripts to calling strategies to the response logic applied within the notification. Even the slightest changes to their applications were evaluated for improved contact and payment rates.

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Mike Burnor
Supervisor, Credit and Risk, Vectren Corporation

Providing the Technology, Consultation, and Metrics

“Varolii was able to tell us where the placements of the calls should be, about the end of the delinquency timeline, whether it should be at eight days past due, ten days past due, these types of things,” says Burnor. “And based on their experience, they offer us the best solution.”

Essential to optimizing their applications was providing Vectren with detailed metrics that break down every performance area, such as list penetration rates among specific customer segments and other detailed data that indicates how long each customer spent communicating with the automated communication and the actions they took. This data provided Varolii with the insight necessary to recommend changes.

Quick Implementation, Little Resources Required

Varolii implemented their program in 45 days and required minimal resources from Vectren’s IT staff. Varolii configured their online reports to give them immediate visibility into their campaign performance.

“Varolii helped us out immensely when it came to implementation,” said Burnor. “Because of their knowledge and their resources we internally did not have to dedicate a large amount of resources of which we didn’t have. We didn’t even have to borrow IT resources at all, which helped us immensely. Had it not been for that we would not have been able to implement as fast as we did.”

Expanding Collections to Multiple Stages and Automating Payments

Based on their overwhelming success with the Varolii solution, Vectren expanded their use of automated customer communications, launching a more holistic outreach strategy to reach customers at multiple stages. These include: Early Reminder, Broken Promise, Pre-Disconnect, Voluntary and Involuntary Disconnect, and Final Bill.

Vectren also uses Varolii to connect with their payment processing system, allowing customers to transfer through their IVR to make payments directly from the Varolii call. Payments are made quickly and without call center intervention.



About Varolii

Varolii provides on-demand communication software and services that enable organizations to more effectively reach and interact with their customers and employees, getting the best result from every interaction. www.Varolii.com

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