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Collections in a **Digital Age**

From volume to intelligence — Technology without execution fails.

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THE THESIS

"A Formula 1 engine in a Toyota Camry still loses the race."

Technology without execution destroys value.

Every collections leader has heard the AI pitch. Few have the people, process, and data discipline to make it pay. This hour is about what closes that gap — and where the money is hiding while it's open.

THE ENGINE

AI · ML · Big Data
Digital channels
Automation

THE CHASSIS

People · Strategy
Training · Execution
Customer trust

THE 30-YEAR ARC

How collections technology evolved

1990–2005
Telephone

2005–2012
Dialers

2010–2018
Internet & Email

2012–2020
Mobile & SMS

2018–2026
AI + Big Data

> *The channels keep multiplying. The hard part — getting humans, data, and machines to act in concert — hasn't changed.*

WHAT ACTUALLY CHANGED

Tech got faster. The real shift is data intelligence.

Better data = better decisions

Quality and speed of decisioning is now the bottleneck — not channel capacity.

New behavioral signals

Social, device, and digital exhaust create signal we never had access to before.

Beyond human capacity

People aren't built to find correlation across millions of accounts. Models are.

PART II

Where the money **is leaking.**

A small case study, real numbers.

CASE STUDY

The math: a mid-size operation

Base assumptions for the leakage estimates that follow:

25
collectors
front-line FTEs

$16
/hour
fully loaded labor

250
working days
annualized basis

$100–250M
portfolio
consumer / auto receivables

Focus: operational leakage, not collections strategy.

LEAK #1

Wrong-time calling

ESTIMATED ANNUAL LOSS

$400K

25,000 wasted hours / year, team-wide

25 collectors × $16/hr × 4 hrs/day × 250 days

= $400,000 / 25,000 hours

Where the dead time goes

4 unproductive hours / day

Per agent. Most of it concentrated in two windows: 8–11 AM and 1–3 PM.

Worst days of the week

Monday morning and Thursday/Friday afternoon — answer rates collapse.

Plus: ignored work-hour calls

~30% of dial attempts hit consumers who can't pick up at work.

Secondary loss from missed work-hour contacts: $300K – $600K / year

LEAK #2

Customer fatigue & note-taking drag

10%

conversion drop

Excess messaging fatigues consumers

Over-contacted accounts pay less, complain more, and churn the consent you spent money to earn. The dialer rewards activity; the customer punishes it.

3,700

hours / year

Customer-note overhead

1–2 hours per agent per day spent reading and writing customer notes in legacy LMS screens. Across 25 collectors, ~3,700 hours never spent on a contact attempt. (McKinsey, Going Digital in Collections.)

L E A K # 3

The skill gap

~60%

of collection staff lack a post-secondary credential.

Buying tools they can't use is a CapEx line item, not a strategy. The competitive moat is training — the operations that win invest in the human side as aggressively as in the platform.

Up to

25%

performance hit

When staff aren't equipped to interpret model outputs, the lift is silently absorbed by execution losses.

Harvard Business School research

THE FIX

What data intelligence actually does

Predict payment behavior

Score every account on probability and timing of payment. AI-driven voice and SMS optimize the next contact rather than the next dial.

Optimize contact timing

Replace static dial schedules with consumer-specific windows learned from response history and digital signal.

Smarter skip tracing

Combine alternative data sources with traditional credit signal to surface reachability that scoring alone misses.

Personalized, lower-friction outreach

Tone, channel, and message learned per consumer. Reduce the humiliation tax that drives complaints and disputes.

THE FINE PRINT

The risks you inherit with AI

Reg F mis-application

Bad input data ripples into wrong validation notices, wrong addresses, wrong call counts. No regulator cares that the model meant well.

Discrimination & disparate impact

Models trained on historical data can encode historical bias. Any deployment needs a fair-lending review built in, not bolted on.

Over-contact & tone errors

Automation amplifies whatever you point it at. Bad scripts at scale generate complaints at scale.

Hallucinated or stale data

Generative components fabricate. Pipelines drift. Trust requires monitoring, not a one-time deployment.

BUILD vs. BUY

Why a specialist agency wins

Collections is a sole-focus discipline for a specialist. For a creditor, it's one of many. The math of focus shows up in the P&L.

Sole focus, deeper investment

A specialist amortizes platform, model, and compliance investment across many creditors. You can't match that ratio internally.

Lower unit cost, higher specialization

Per-account economics improve as the agency tunes against a much larger and more diverse training set.

Compliance scale & faster iteration

Reg F, TCPA, state rules — interpreted once and operationalized across the book. Changes ship in days, not quarters.

Cost-improvement potential when collections is digitized properly: 20–35%

Source: PwC

THE TAKEAWAY

Technology + Data + People = *Execution*

And execution drives performance.

The next decade rewards organizations that pair AI with the people, training, and partnerships to actually run it.
Pick the engine — but build the chassis to match.

Thank you. Questions?

Ofer Alon, CPA, MBA · Nexa Optimum Solutions · AFSA 2026