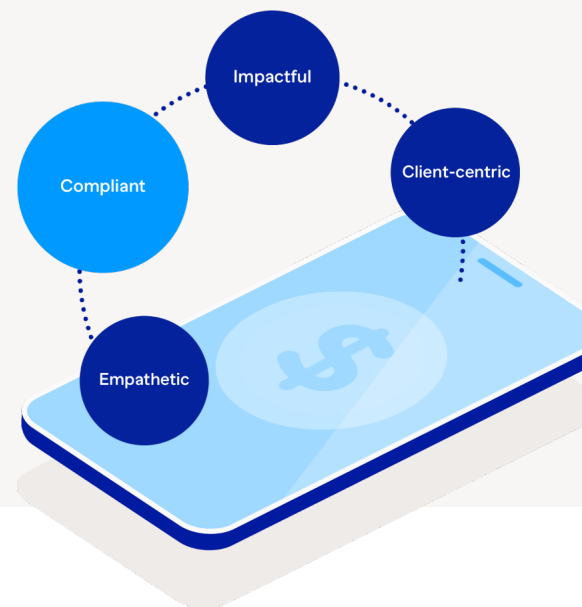**CASE STUDY**

Embracing a Digital First Collections Strategy at a Major Debt Buyer:

How January's AI-powered platform helps lenders and debt buyers improve recoveries by 152%.

At a Glance

CLIENT'S CHALLENGES

1   Stressed portfolio returns

2   Low-data partners

3   Unresponsive/slow partners

4   High internal turnover

JANUARY'S IMPACT

→   152% higher all-in liquidation rates

→   1.4x higher performance to goal

→   97% SLA adherence

→   6 week implementation

Background

The outset of the pandemic posed significant challenges for borrowers, lenders, and debt buyers alike. Debt buyers faced headwinds due to high demand for distressed consumer debt portfolios caused by low consumer spending, forbearance programs, government stimulus, and high unemployment.

When demand outstripped supply, it drove portfolio prices up materially and squeezed margins.

About the Client

One debt buyer came to us facing several internal challenges. They were frustrated by the account management practices of their existing digital agency, they were facing high turnover internally which led to time-constrained resources, and their existing agency partners lacked the analytical capabilities to provide sufficient engagement and performance data to inform a tailored account allocation strategy.

BOTTOM LINE

This debt buyer needed a digital agency where compliance would be a non-issue, account management would be a priority, and where its product and data capabilities raised the bar across its network. Ultimately, they wanted to invest in a long-term partnership that could scale effectively and compliantly over time.

January

CHALLENGE 1

Pandemic dynamics stressed portfolio returns

> **Problem**

A supply/demand imbalance raised prices of purchased portfolios of debt and squeezed debt buyer margins.

> **Solution**

January provided a flexible, scalable solution across loan types. With a fee structure that enables January to charge less, the client was able to operate profitably in this new environment. Our data-driven decision models drive individualized treatment strategies and a seamless/ trusting customer experience to optimize the net present value of accounts.

> **Our Impact**

152% higher "all-in" liquidation rates than traditional agencies, with 38% higher liquidation rates within the first 6 months of collections.

" This was the first time we placed certain types of accounts through a digital strategy and we hit the highest 'collection to goal' in the past 4 years. It really paid off. "

CHALLENGE 2

Low-data partners

> **Problem**

Limited analytical capabilities of existing partners caused difficulty refining placement strategy. This client wanted an agency partner that could provide consistent and reliable engagement/performance data analysis to demonstrate where they were most effective. Their current agencies lacked this capability, which undermined their ability to tailor their overall placement strategy.

> **Solution**

January is a data-driven, analytically minded agency. We use data to make nearly every borrower-facing decision from our communication structure to payment offer strategy to website design. For this client, we proactively shared a comprehensive analysis of the key attributes driving our outperformance to goal.

> **Our Impact**

1.4x higher 'performance to goal' than direct competitors, on average, in terms of gross recoveries during this time. Data about where we thrive enabled this client to refine its placement strategy and maximize recoveries with minimal effort on their end.

" I absolutely love the detailed performance breakdowns you shared. I wasn't aware of how engagement time and cadence were affecting performance. Please continue to share this information. "

CHALLENGE 3

Unresponsive/slow partners

> **Problem**

Another challenge that they came to us with was frustrations surrounding the responsiveness of their existing digital agency. This client was not satisfied with the account management practices or customer experience provided by their existing agency. Questions, feedback, data requests and product requests went unanswered for extended periods of time and in some cases, were not actioned upon at all. They felt strong communication was a key ingredient to a successful long-term partnership.

> **Solution**

January is an engaging and responsive agency that keeps open lines of communication. We invested in a long-term partnership and prioritized responsiveness, agility, flexibility and full transparency. Not only do we continuously stay in touch with the client, we provide an easy to use client portal. Our client portal provides real-time insight into our performance and borrower interactions, and simplifies administrative oversight.

> **Our Impact**

97% SLA adherence over two years. We have agreed upon SLAs in terms of response time across several different types of client requests, which range from hours to days depending on the nature of the request.

" Other agencies aren't like you. I've never in my life seen an agency seek and action feedback from us like you do. From our perspective, it's refreshing. We love the partnership and feel it puts you above the rest. "

CHALLENGE 4

High turnover

> **Problem**

High turnover internally led to constrained resources. There was a lack of capacity to physically handle the expected workload required to diligence, integrate and onboard a typical new agency.

> **Solution**

January stepped in as an agency the debt buyer client could onboard seamlessly, quickly and with minimal resources. We approach implementation with speed and simplicity in mind — our focus on education ensures that clients understand how to use our portal to get up and running quickly.

> **Our Impact**

~6 weeks from contract signed to first upload.

" You guys have been a dream to onboard and work with. Other agencies we've worked with could not automate everything as quickly as you did and were not close to as responsive or agile. "

This client's leaders have decades of experience in the collections industry. They understood and appreciated the growing trend towards digital solutions and acknowledged that our value proposition resonated strongly.

Ultimately, our key points of differentiation, namely our flexible and scalable strategy, analytical capabilities, agile/responsive account management, seamless onboarding and relentless focus on data security and compliance lined up perfectly with the broader challenges they were looking to solve at the time.

The culmination of these factors has contributed to sustained outperformance of both traditional and digital agencies for this client over time and negligible complaint/lawsuit rates through 2+ years of partnership, all with overwhelmingly positive borrower reviews on Google and BBB.

120x

More efficient than traditional collection agencies.

January can help you

Improve Scalability

Deepen Analytical Capabilities

Strengthen Partnerships

Minimize Compliance & Security Concerns

Ready to Learn More?

Chat with us today to learn how you can improve your collections strategy and create a better experience for your borrowers, with January. Schedule a demo or email **sales@january.com** to get started.

Schedule A Demo