

insideARM
Think Differently

Transcript of conversation between Stephanie Eidelman, CEO of The iA Institute
and Cheryl Kananowicz, President of Financial Services at RevSpring
Published June 5, 2020

Stephanie Eidelman

I'm here today with Cheryl Kananowicz, President of Financial Services at RevSpring. Cheryl, you and I don't know each other super well because you're relatively new to the industry so I've been looking forward to this conversation to help us remedy that.

Cheryl Kananowicz

Great. Thank you. I am looking forward to it as well. I can give you a little bit of background. While I've been with RevSpring about two years now, my background is primarily in the high speed volume print and email/mail transactional space. Which was a nice fit and transition as I moved over to RevSpring, because RevSpring really is one of the leading omni channel communication providers in this space, primarily for third party collections, the accounts receivable management industry as well as first party collections. I think most people, when they think about RevSpring, they think about us as a letter provider. We're so much more than that where we're providing, you know, Omni channel was the buzz word in the industry, but understanding how to communicate with the consumer and communicating in the manner that they want to be communicated to, whether that's a printed letter, an email, a text an outbound IVR. So having all of those solutions in one place and understanding how to communicate is really what we're focused on, of gaining that engagement with the consumer. I'm sorry, I'm just saying...

Stephanie Eidelman

No, no, that's great. That's great. I think that's a good introduction because I think people do know RevSpring for sure as a mail shop, but I wanted to give you the opportunity to explain that it certainly goes beyond that today. So, that's a good lead into the next question, which is that, so much has changed obviously in the last six or eight weeks and you have the opportunity to see what many companies in the industry are doing, whereas most companies only know what they're doing. And so what insight do you have across all of the companies as to how this time has affected people? And what have you seen your clients doing?

Cheryl Kananowicz

You know, it's interesting, the feedback's really varied from client to client, from an impact perspective as it relates to their business. And some of that's based on the type of debt that they collect or where they're located, but for the most part, they all have in common the transition of moving to a work from home environment. Some were very prepared and they already had the soft phones, the computer technology, et cetera. Others did not. They needed to go out and procure that and set that up. Some had challenges where while states were indicating they were giving relief on the licenses to work from home, others didn't actually have a start date, so they still had employees in the office, but yet it was a stay at home order. So that sort of impacted their overall transition, which did slow down their business for like days versus weeks.

Cheryl Kananowicz

But outside of that, what we're hearing is more the challenge around managing through all of the state, city and county suspensions and deferrals. So now they've got to set that up in the collection software. They've got to work with us to set up logic to restrict certain zip codes, a tremendous amount of changes around language on communications, some focus on being empathetic, some focus on supporting hardship arrangements. So there's a lot of that activity. They've got to manage all of that through transition. They have to track it and then track it when the suspensions of deferrals are lifted and coordinating back. I think that's created just an elevated amount of communication coordination between our customers and our service staff here.

Stephanie Eidelman

You mentioned that some companies were more prepared than others for this to happen and so maybe got up and running more quickly. Have you made any conclusions about what would help companies be successful going forward and what kinds of adjustments you would advise your clients to make in the future?

Cheryl Kananowicz

Yeah, I mean, I'm hearing this from all of our customers. They've all bought the equipment now and created that infrastructure, but they are focused on bringing their agents back in the office. So they're discussing how do you leverage the assets that you've purchased for other scenarios and to be prepared for potential other pandemics, BCP (business continuity) planning, you know, those types of things. So they are focusing on that. I think the other thing that's come to light is early on we had a tremendous amount of conversations with clients around our preparedness so that they could get comfortable that business would be uninterrupted, at least in communicating with the consumers, which for RevSpring we have four operational centers. We're integrated across those four sites. So if one had to go down or became out of service for a period of time, we are able to move the work to another site.

Cheryl Kananowicz

So they quickly became comfortable with that. But what we're hearing from them is their customers are putting more and more pressure on them to ensure that not only do they have their BCP (business continuity) plans in place that their third-party relationships do as well. So we spent a tremendous amount of time making sure we've provided our plans so that they have those to provide to their customers and communicating on a regular basis. But you know, the one thing I keep hearing from all of our clients is their focus is to keep the business up and running, collect wherever they can. Their customers are pressuring them to collect as much as possible. So that's been positive. I've also heard from a number of clients that April was a tremendous month for them in regards to collecting and that could be because of the stimulus check deposits, it could be some had very focused campaigns to collect at the same time whether they are an email campaign or a specific letter similar to what they do during tax season. And they started to see that uptick on payment portals and those types of things. It'll be interesting as we get into May and June with the unemployment rate now so high, if that will start to take a turn.

Stephanie Eidelman

Yeah. To level off. I've heard as well that there are a lot of companies that were surprised, really also by the inbound communication from consumers. And what's interesting, as I will use this to deftly slide into our next topic, which is about thinking differently. I've noticed that I think many make an assumption that many consumers, or some would say most consumers, don't want to hear from collectors, especially in a time like this because well, why would you want to? But I think that's not entirely true. Many collection agencies have heard a lot more from their consumers and maybe because they have more time on their hands, they're available, but the fact is they could still choose to not want to engage and instead they're wanting to either pay off debt because perhaps they got that tax refund or a stimulus check and they choose to use it that way. Or it may just be to communicate about their situation and so, while many had made the assumption in the past that consumers do not want to engage with collectors, we can think differently about that and know that actually they do. It's just in the past perhaps they've been busy and it's been hard to find the right time to engage.

Cheryl Kananowicz

You know, when I first joined RevSpring and was really getting up to speed on the industry, someone explained it to me this way, there's really two types of debtors. There's the debtor that ultimately is always going to be in debt and they're always going to try and play the system, and then there's the other that's had a hardship or a change in their life or a change in a job situation that's put them into a collection situation that they are very focused on managing. And I think especially as the unemployment rate is rising, we're going to see the percentage of the latter increase. And they do want to communicate. They do want the financial counseling. They do want to figure out a payment plan. And you know, to your point, a lot of our clients are saying people are home, they're answering the phone. They may be out of work, but they received the stimulus check and they want to be able to leverage that and take care of the business that they're responsible for. So, I think consumers, ultimately, everybody wants to be responsible, right? They want to become as financially stable as possible. And I think I always look at the good in people and they're going to want to do the right thing.

Stephanie Eidelman

So how are you thinking differently about your business these days?

Cheryl Kananowicz

Yeah, so for our customers, our goal with them is to be as supportive as possible during this time. Obviously, communications with customers is different now for them, which ultimately impacts the volume that RevSpring is providing to them. But we've been able to work with several clients on special campaigns that they've tried to do, again for hardship or empathetic type messaging. But I believe that the communication is the most critical. And as I mentioned earlier, early on, our clients were really focused on how are you prepared? What are you doing, what effects happens? And that communication on what you're doing, how we're managing it and ensuring it's regular is critically important to get them comfortable. Even if things are business as usual and nothing's changed. We've been sending out a communication every two to three weeks to our clients just saying, you know, here's where we're at. Especially now with some of the stay at home orders starting to become lifted and we're in several states. How does that impact our

strategy? It's important for them to know they can always count on us. And being open and honest is the most important thing right now. They're expecting transparency from us and we're really focused on making sure we're providing that transparency and getting them comfortable with what our plans are.

Stephanie Eidelman

Yeah, that's certainly important. Do you see anything new you're doing today that you think might actually carry through beyond the point of the crisis?

Cheryl Kananowicz

Yeah. So as I mentioned, we're fortunate where we have four operational centers and for most of our customers, we've processed them in two facilities, every single file that we process for them. So we're already in a real time DR (disaster recovery) testing every day. But I think coming from that, we have several clients that have custom stock or custom envelopes, custom inserts and those types of things. And we are looking at how do we become more creative to support the customization without having to move materials and those types of things and having that plan already agreed to with the customer before we get into a situation where we need to deal with it. So there's some additional planning going on there with our clients. We were fortunate that moving from an office environment to work from home was pretty seamless for us, and actually exceeded expectations. I hear that from a lot of our customers. Once they got there and they moved to that remote environment, it, things worked out very well for them from managing the agents and productivity.

Stephanie Eidelman

Yeah. A lot of people are saying productivity is up, uh, with the exception of certainly of families that don't have childcare and maybe have a small environment or a single parent in the home and managing school and kids. That certainly has been challenging, but for those who do have the right kind of set up, I've heard about a lot of increases in productivity.

Cheryl Kananowicz

Sure. You know, I think one of the hardest things in a situation like this is everyone's trying to manage costs and so we're all seeing that from every direction. We believe there'll be an increased focus on how you communicate via email, how do you ensure that you have solid, accurate email addresses, and working with our customers to be able to support those types of things. Especially with the CFPB pending ruling coming up. I think we're going to see an increased trend there because that's a lesser cost alternative to support communicating with the consumers and in somewhat financially challenged times.

Stephanie Eidelman

Have you already started working with, with clients on that process? Because I know it seems inexpensive to just be able to email but being able to get those emails through is another story. And I would think that clients would look to you as an expert in that.

Cheryl Kananowicz

Correct. And so we email for a hundreds of customers today and we absolutely have the ability to assist them in ensuring that the content is formatted correctly. The messaging will get through the spam filters and also tracking what ultimately gets bounced, what doesn't, what gets caught up in the spam filter and then what ends up in the inbox as well as what gets open. So being able to provide all of that tracking data is what's most valuable to them. And that is a service that we offer to them and clients are wanting to get more and more sophisticated in understanding the success of those messages. For sure.

Stephanie Edelman

Yeah. In another conversation I was having we did talk about that one way clients are thinking differently is really becoming more sophisticated, in thinking like marketers as opposed to collectors, and the data of that sort of digital engagement can give you that information that you need to do that. So it's definitely a trend. Some have been doing it for some time, but I think others are just waking up to it.

Cheryl Kananowicz

Yeah. And I think it's a never-ending process. It's not one and done. Once you set up your templates, you send out, set up your message, it may get through the Google spam filter today, but things change. So you've got to constantly be retesting to make sure it gets through there in 30 days or in 60 days. And you know, it really is about gaining that consumer engagement and because ultimately you're sending it, you want to get some, get an action, whether it's, hopefully they're making a payment but you know, they may be making a call.

Stephanie Edelman

Well I think that's a good conclusion to end on. So I really appreciate your time. I'm glad to be able to get to know you a little bit and I look forward to continuing and having future conversations.

Cheryl Kananowicz

Great. Thanks so much for the opportunity.