CASE STUDY
13.09.2012

LOAN COLLECTION MANAGEMENT SYSTEM

SUMMARY

Develop a loan collection management system to monitor unpaid debt and to automate and streamline the collections process.

- **CLIENT**: A Russian corporate and retail bank
- **BUSINESS AREA**: Loan collection, overdue payments
- **ASSET CLASSES**: Loans
- **TECHNOLOGY SET**: Delphi 5, Oracle 9i
- **USER PROFILE**: Customer Relations and Retail Credits departments (50+ users)
- **GEOGRAPHY**: Russia
- **RELATIONSHIPS STATUS**: T&M
- **SERVICES PROVIDED**: Business analysis, Development, QA/Testing, Production support
- **TEAM SIZE**: 8 team members
- **DURATION**: 1 year
BUSINESS CHALLENGE

An increased risk of delinquent debt is a consequence of the growth in Russian corporate lending and retail loans. To mitigate the risk of losses associated with outstanding debt, the bank needed a more focused collection strategy, including the following high-level objectives:

- Prioritization and segmentation of outstanding debt
- Standardize and streamline the collections workflow
- Automated monitoring of the status of unpaid debt

LUXOFT DELIVERED SOLUTION

Luxoft developed a modular approach to reduce future IT costs and to increase the flexibility for customization when the business needs change. Luxoft’s solution included three modules:

- Outstanding Debt Management
- Supervising Employee Workflow
- Prioritized Bad Debt Queue

The modules work seamlessly together to fulfill the bank’s objectives and to realize quantifiable savings in the reduction of delinquent debt. Each module contains rich functionality to support the bank’s collection strategy.

Outstanding Debt Management Module Functional Highlights

- Automated credit agreement tracking for assignment or removal of bad debt status
- Segmentation of debtors with recommended collection approach
  - Soft debt collection for initial stage of collection with call center integration
  - Hard debt collection for pre-judicial stage of collection
  - Legal debt collection for judicial and post-judicial stage of collection
- Automated debtor notification of outstanding debt via SMS text and email
BENEFITS

The bank realized the following benefits from Luxoft’s loan collection management solution:

- Significant increase in overdue debt recovery
- Reduced administrative costs associated with debt recovery
- Increased profitability with shorter debt delinquency time
- Reduced exposure to fraud risk

CUSTOMER FEEDBACK

Detailed feedback is available on request.
About Luxoft

Luxoft, a principal subsidiary of IBS Group, is a provider of advanced application and software engineering outsourcing services for global and regional enterprises. Luxoft builds partnerships with its clients, such as Boeing, IBM, Deutsche Bank, UBS, Harman, Avaya, Alstom, and Sabre, based on the culture of engineering excellence, innovation, and deep domain expertise. Luxoft offers international delivery capability through its network of state-of-the-art delivery centers in North America, Eastern Europe, and Asia. Luxoft’s customers benefit from the right mix of technology skills, industry knowledge, proprietary processes and methodologies, and a choice of engagement models.

For more information about Luxoft, visit

www.luxoft.com
www.luxoft.com/financial-services/