

# **CAS INSIGHTS**

## **TECH-ENABLED OUTSOURCED BUSINESS SERVICES MARKET REPORT**



**2020 Year In Review**



# A WELCOME MESSAGE FROM MARK RUSSELL

*"CAS closed six transactions during the pandemic last year and we have several more currently in confirmatory due diligence."*

With all the recent economic, political and financial unrest, I am sure there is at least one thing we can all agree on. It feels good to close the books on 2020!

Despite the horrific impact caused by the pandemic, the U.S. Tech-Enabled Outsourced Business Services (OBS) sector fared surprisingly well in 2020. This can be attributed in part to support from stimulus funding, combined with client and government willingness to allow vendors to provide their services remotely.

While the current virtual work environment will not entirely replace brick and mortar, I strongly believe we have seen the beginning of a transformation in our corporate culture that will allow for a hybrid remote/commercial office existence going forward. This will have both short- and long-term ramifications for the Tech-Enabled OBS sector.

In the short-term, OBS companies will be able to more effectively manage their cost structures while they work through the challenges associated with inconsistent client business volumes. In the long-term, it may create a more competitive labor environment vs. near and offshore resources.

Another critical market trend is the ongoing development of artificial intelligence/machine learning solutions. Chatbots are currently the rage. When combined with improved data and speech analytic solutions, they are starting to effectively replace "butts in seats" for certain client interactions.

This trend, too, will have short- and long-term ramifications for the OBS sector. In the short-term, vendors with these solutions will hold a competitive advantage over those who do not. In the long-term, these solutions will likely change the OBS landscape leaving potentially fewer vendors supporting reduced staff. Surviving vendors will be larger and more profitable. Financial and strategic buyers are actively aware of this trend, and are proactively seeking to acquire strong platforms to reap the benefits.

As we move on from the tumultuous impact of our new President's inauguration, we at CAS are focusing our attention on upcoming changes that may affect the OBS sector. While we believe tax rate increases are likely during this new Administration, we do not foresee them being implemented this year.

Most likely, President Biden and his team will focus on getting our country through the pandemic during 2021. The new administration will wait to reach some level of economic stabilization before introducing tax rate increases. We anticipate the new administration will pursue rate increases for the wealthier portion of the U.S. population (specifics not defined yet), including a capital gains tax increase. While it remains unclear how ambitious they intend to be in this regard, we could see a rollback to Obama era levels.

Another area of focus involves changes to regulatory compliance requirements. With a new CFPB



director, Rohit Chopra, expected to follow Acting CFPB Director Dave Uejio, we are interested to see if he and the CFPB will pursue further regulatory changes. Also, certain states such as California have been pursuing their own CFPB regulatory compliance framework, the results of which have yet to be determined. We suspect other states may follow suit if it is determined California has produced positive results for its constituents and its financial statement.

Regardless of how events unfold in 2021 and beyond, the OBS sector has and will continue to adapt to upcoming changes. We saw this in 2020, when despite all the economic and financial uncertainty, the M&A market remained highly active.

We at CAS closed six transactions last year and have several more currently in confirmatory due diligence. In addition, we helped a top 20 financial institution sell its first non-performing credit card portfolio. We strongly believe the M&A landscape will remain active in 2021, and buyers will become even more competitive as the economy eventually reaches a “normal” state post-pandemic.

In other CAS news, we have partnered with Affinity, the leading relationship intelligence platform. Affinity replaces Salesforce as our de facto Customer Relationship Management platform. Affinity brings unparalleled insights and ease-of-use to help close more deals and strengthen client relationships.

As always, we at CAS are eager to share our insights with you and look forward to confidentially discussing your business interests.

Sincerely,  
*Mark Russell*

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P.S. CAS is proud to be a Gold Sponsor of the 2020 [ACA International Committee of 100 Meeting](#).

This exclusive Invitation-Only Event is scheduled from February 23-26 at the Ocean Reef Club, Key Largo, Florida.

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## SELECT WEBINAR AND PODCAST ACTIVITY

- **What the ARM Industry Can Expect in 2021**

- o While 2020 was a dumpster fire of unprecedented proportions, to many in the ARM industry 2020 was a pretty good year. Michael Lamm joined with eight experts to consider whether 2021 will be better or worse than 2020 on AccountsRecovery.net.
- o Read Michael's contribution [here](#).



- **How Will the 2021 Tax Season Be Different?**

- o 2020 will go down as an unusual year. But that unusualness will bleed into the 2021 tax season. A new stimulus package will also impact the 2021 tax filing season. Michael Lamm joined a panel of industry experts to answer this question.
- o Listen to the free webinar [here](#).

- **What Is Your Debt Collection Agency Worth?**

- o Michael Lamm and Jacqueline Waller discuss how to prepare to sell your debt collection business. If you are on the buy side learn what you need to look for when purchasing an agency.
- o Listen to the free podcast [here](#).

- **NCBA 2020 Executive Experience: "Mergers & Acquisitions; The Price Is Right: Selling & Buying a Firm Is No Game Even Before COVID-19"**

- o Michael Lamm and Chris Couch, of Couch, Conville & Blitt, provide analysis, concepts, and strategies all firm owners need to take into consideration before they explore selling, buying, or merging their law practices.
- o Download their presentation [here](#).



- **ARM M&A Deal Talk with Michael Lamm**

- o An ongoing, podcast by [Mike Gibb](#) with Michael Lamm on a different ARM subject during each session
- o Listen to all the FREE sessions [here!](#)



© & © 2018 ARM M&A Deal Talk with Michael Lamm

- **Leadership Fuel with Michael Lamm**

- o *Leadership Fuel* is a podcast series produced by ACA International featuring Michael Lamm. This series shows how building and maintaining strong leadership skills is a lifelong process that requires ongoing training and a commitment to greatness.
- o Listen to the most recent podcast [here!](#)



## UPCOMING INDUSTRY CONFERENCES

- [RMAI 2021 Annual Conference](#)  
April 12 – 15, 2021, Las Vegas, NV – In-Person and Virtual
- [NCBA 2021 Spring Conference](#)  
May 19 – 21, 2021, Chicago, IL

Tune into Getting the Most Out Of Industry Conferences on ["Leadership Fuel with Michael Lamm"](#)

## SELECT ARTICLE ACTIVITY

- **ACA Daily:** “M&A Specialist Expects the Number of Defaulted Accounts to Increase in the Fourth Quarter”
  - Michael Lamm expects the number of defaulted accounts to increase despite a projected decline in total household debt during fourth quarter 2020.
  - Read the FREE article [here](#).
- **ACA Daily:** “M&A Specialist Notes Increased Activity This Year”
  - Michael Lamm notes increased merger and acquisition activity in the accounts receivable management (ARM) industry during 2020.
  - Read the FREE article [here](#).
- **ACA Southwest Collector Connector:** “ARM Alert – Q3 2020 Review”
  - CAS reviews Q3 2020 ARM M&A activity in Fall ACA Southwest Collector Connector
  - Read the FREE article [here](#).
- **Collector**
  - Michael Lamm discusses how to use a leadership development plan to build people up in ACA’s November 2020 Collector magazine.
  - Read the FREE article [here](#).

## CAS KNOWLEDGE CENTER

- **Check out our industry resource on the CAS website, a series of informative blogs in the [KNOWLEDGE CENTER](#) under Resources!**

## Here are some key highlights of what you will find in this OBS Market Report



Managing Partner Mark Russell reports the U.S. Tech-Enabled OBS sector fared surprisingly well in 2020, despite the horrific impact caused by the pandemic. He expects the M&A landscape to remain active in 2021, with buyers becoming even more competitive as the economy eventually reaches a “normal” state post-pandemic.



Overview of the M&A Market for the OBS subsectors (ARM, RCM and CRM). Included in the overview: a breakdown of completed OBS transactions, OBS sub-sector overviews, Specialty Finance highlights and noteworthy transactions.



A current listing of CAS webinar, podcast and article activity.



CAS has completed more than fifty transactions since its founding. We include six transactions completed during the pandemic on page 6.



Tratta introduces its next generation payment experience software.



KG Hawes navigates through the pandemic with applications of speech analytics for business continuity.



Gustav A. Eriksson discusses the Debt Management Industry in Southeast Asia.



Telmac demonstrates the benefits of consolidated and standardized global wide-area-network, voice communications and contact center architecture with improved functionality.



Balto shares a Contact Center Agent Survey Report.

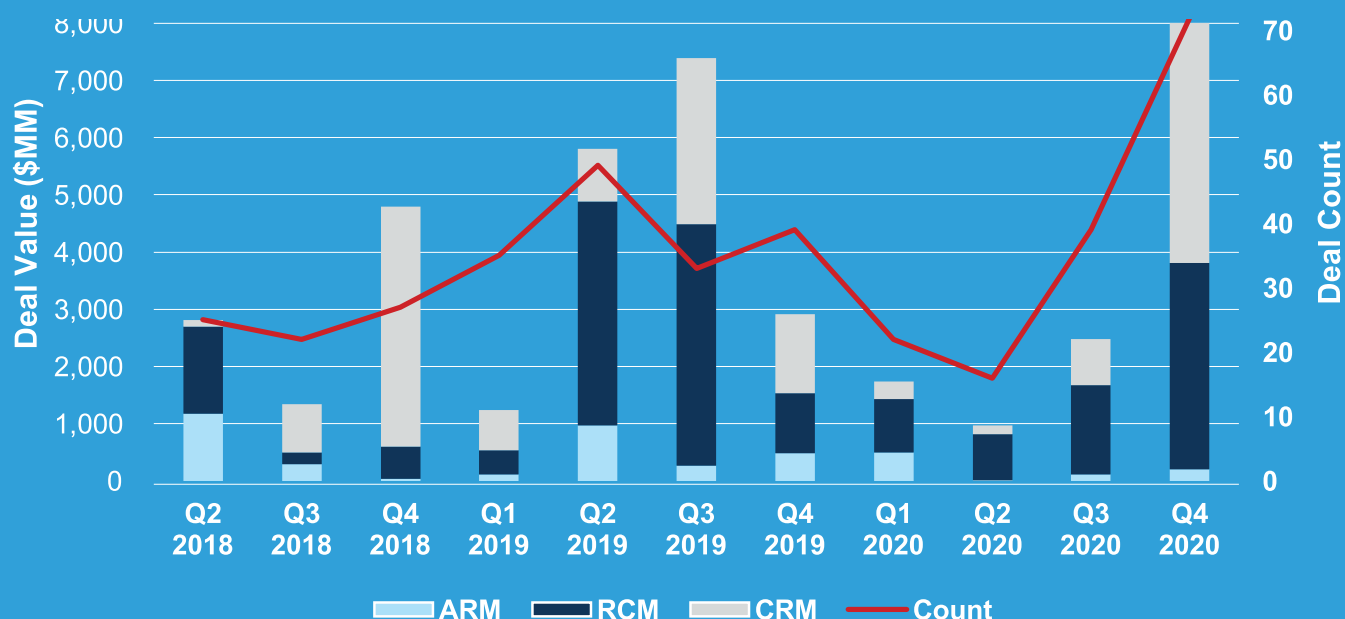
# CAS CLOSED 6 TRANSACTIONS DURING THE PANDEMIC

Although the challenges we have faced during the pandemic have been unprecedented, we have successfully closed 6 transactions in the Tech-Enabled Outsourced Business Services space by working virtually and without many of our familiar business processes. Several more are currently in confirmatory due diligence.

If you have any questions about M&A during the pandemic, please contact Managing Partners Michael Lamm at 202.904.7192 or [mlamm@corpadvisorysolutions.com](mailto:mlamm@corpadvisorysolutions.com) or Mark Russell at 301.404.5757 or [mrussell@corpadvisorysolutions.com](mailto:mrussell@corpadvisorysolutions.com).

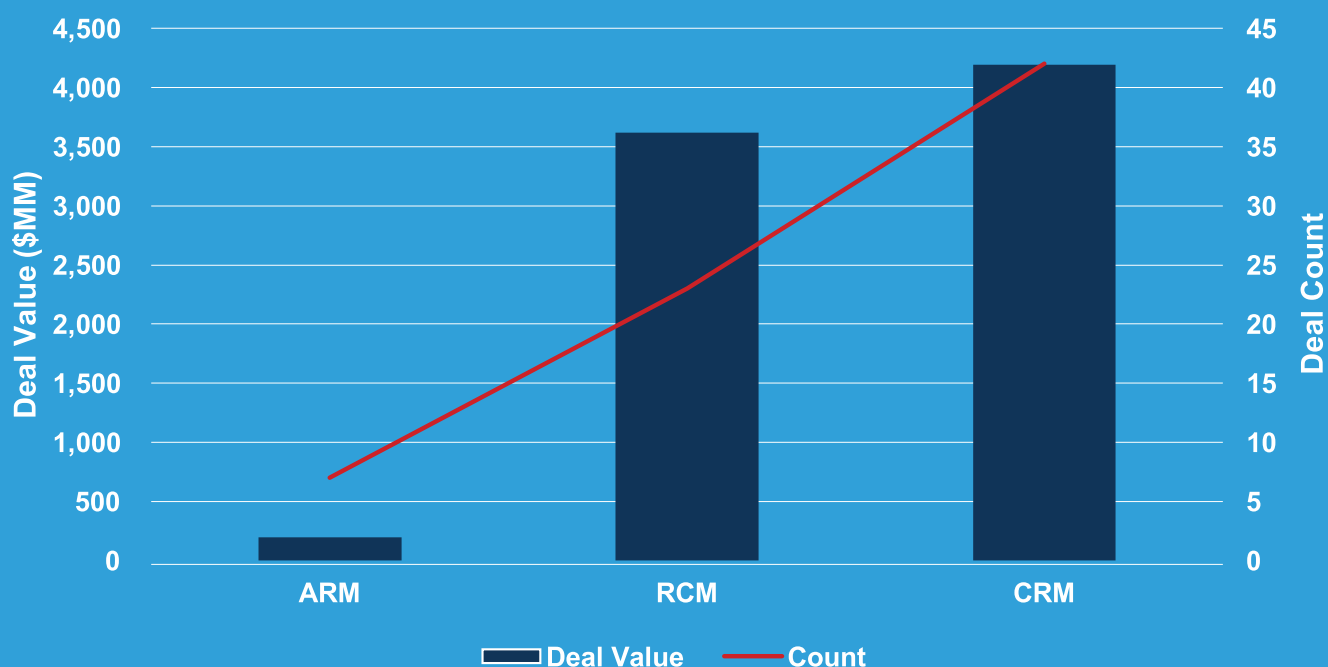
 <b>KATABAT</b>	MERGED WITH	<b>KATABAT HOLDINGS, LLC</b> OWNED BY   Securities transactions conducted through StillPoint Capital, LLC Member FINRA/SIPC
	MERGED WITH	<b>ASPIRION</b> A PORTFOLIO COMPANY OF <b>AQUILINE</b> CAPITAL PARTNERS LLC Securities transactions conducted through StillPoint Capital, LLC Member FINRA/SIPC
	ACQUIRED SELECT ASSETS OF	 <b>CPA</b> LP CREDIT PROTECTION ASSOCIATION an ETAN company
<b>INVESTMENT GROUP</b>	SOLD ITS INTERESTS IN	<b>PHILIPPINES OPERATION OF A MULTINATIONAL BPO COMPANY</b>
<b>A START-UP DEBT PURCHASER</b>	ENTERED INTO A	<b>LENDING AGREEMENT WITH A NATIONAL INVESTMENT FIRM</b>
<b>A MID-ATLANTIC ACCOUNTS RECEIVABLE MANAGEMENT COMPANY</b>	WAS ACQUIRED BY	<b>AN INVESTMENT FIRM</b>

## OBS Market Overview



Source: Proprietary CAS database

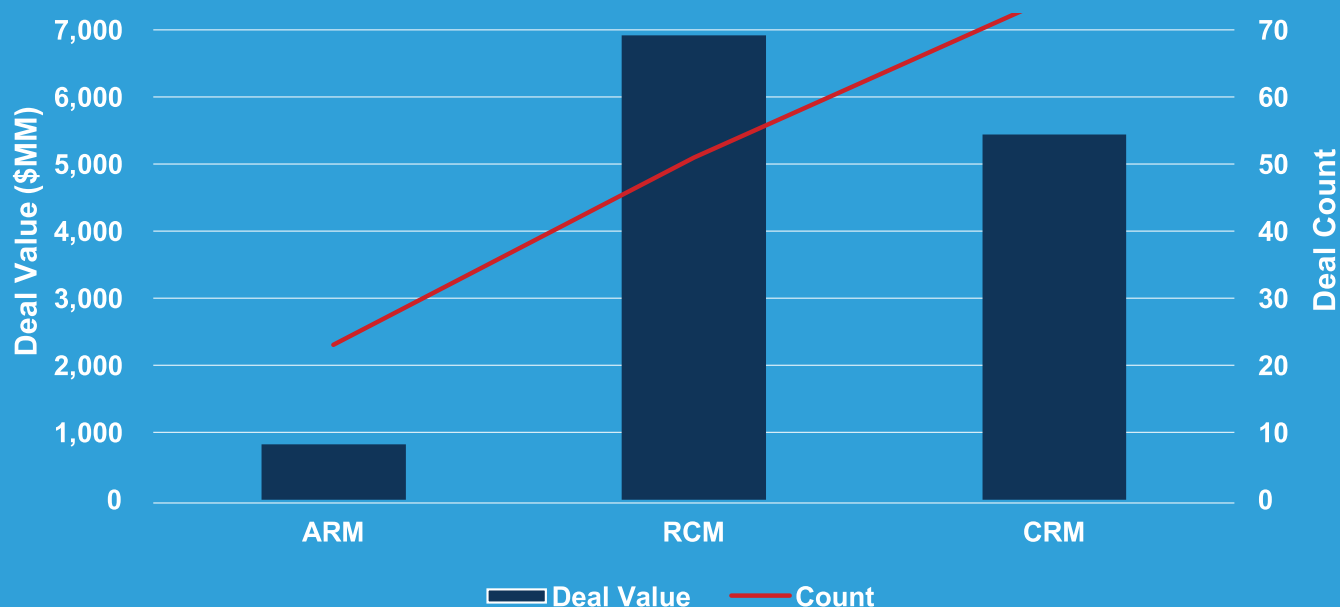
## Q4 2020 OBS Deal Value and Count by Sector\*



Source: Proprietary CAS database

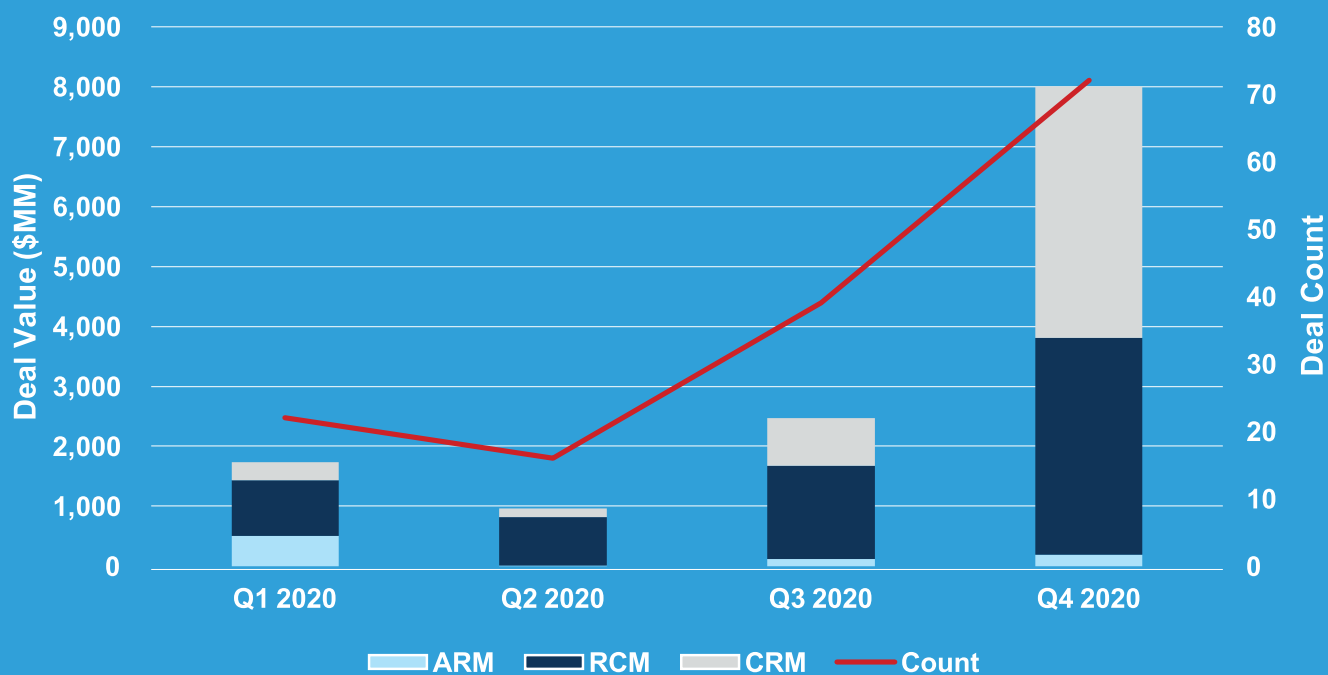
\*We continue to reflect technology companies that service our coverage markets in the OBS Market Overview chart above. We began to include technology service companies in Q1 2019. CAS believes these companies characterize similar companies we have represented in the past. As technology transforms our markets, they should be included in our deal count.

## FY 2020 OBS Deal Value and Count by Sector



Source: Proprietary CAS database

## FY 2020 OBS Quarterly Deals\*



Source: Proprietary CAS database

\*We continue to reflect technology companies that service our coverage markets in the OBS Market Overview chart above. We began to include technology service companies in Q1 2019. CAS believes these companies characterize similar companies we have represented in the past. As technology transforms our markets, they should be included in our deal count.

# Accounts Receivable Management (ARM)



CAS looks forward to a robust ARM M&A market in 2021.

The ARM industry grew rapidly in 2020, marked by robust M&A activity in Q4 and a trend of consumer deleveraging of preexisting debts.

Going into 2021, increased regulation will exert mixed impact on the industry, and overall consumer willingness to take on additional debt may decrease as long as recessionary circumstances continue. Nevertheless, industry revenue and profits are projected to rise as aggregate household debt and consumer confidence indices are expected to rebound in 2021.

The industry is valued at \$13.4 billion in 2020, increasing an annualized 1% over the five years prior to 2020, primarily due to a 5.1% increase in 2020 alone caused by deleveraging by the private sector as consumers paid off debts, despite the volatile economic environment.

Economic uncertainty due to the pandemic has hindered new debt issuance and temporarily lowered household debt in 2020 (-1.1%). More consumers are expected to default as a result of ongoing poor economic conditions related to the pandemic in the first half of this year. Low interest rates will also encourage homeowners to refinance and likely increase their household debt in the future. Increased per capita disposable income in 2020 due to stimulus payments to consumers and businesses helped to support and even increase liquidation rates in 2020, benefitting ARM operators.

In the aggregate, deleveraging trends have had a very positive impact on industry growth. Looking into 2021, aggregate household debt and consumer confidence indices are expected to increase as the pandemic subsides, while the national unemployment rate is projected to decline an annualized rate 14% over the next five years.

As consumers increasingly take on debt as job security and charge-offs rebound, industry revenue is expected to increase an annualized 4.5% to \$16.7 billion over the five years to 2025, particularly from 2021 through 2023. Furthermore, outsourcing of collections is set to increase, particularly at earlier stages in the delinquency process, further improving the industry's outlook.

The recession associated with the pandemic has heavily influenced how consumers spend their disposable income. This factors into ARM growth as unemployment increases, consumer spending decreases, and consumers are less willing to invest in large expenditures such as cars or homes. This reduces the issuance of new debt, as both borrowers and lenders alike are limited by economic uncertainty, instability, and risk.

As there is a time delay between the issuance and repayment of debt, the downward effect of lower debt issued in 2020 will not necessarily be demonstrated in 2020 industry revenue and may instead impact collections in 2021. On the other hand, the two stimulus packages, though debatably inadequate, have had a positive impact on the ARM industry, as they increase consumer disposable income and promote deleveraging. In general, the paydown of pre-existing debt overshadows decreased debt issued in terms of impact on ARM revenue in 2020. As a result,



the industry has benefitted from a mix of recessionary behavior this year.

The ARM industry has historically been strengthened through consolidation and enhanced technological infrastructure. Improvements in data warehousing, proprietary databases, computerized and predictive calling systems, debtor location databases, and the use of machine learning (ML) models to forecast probability of payment have positively impacted the industry.

Tech-Enabled ARM practices substantially improve collection rates as agents gain access to tools such as statistical models, scoring systems, and segmentation formulas. Particularly given the [CFPB's rulings to integrate omnichannel contact methods into regular collection protocol](#), investment in technology and automated communication is crucial. Nevertheless, ARM remains a labor-intensive industry, and automation is not expected to replace human agents in the near term.

2020 was a particularly noteworthy year in the ARM industry for reasons unassociated with the pandemic, as well. The Consumer Financial Protections Bureau (CFPB), which has increasingly turned its regulatory attention toward debt collection practices, released its highly anticipated provisions to the Fair Debt Collection Practices Act (FDCPA). In general, stricter debt collection regulations usually lead to fewer players within the industry and lower recovery rates on delinquent receivables, suggesting an inverse relationship between regulation and industry growth. However, the most recent CFPB rule change is widely considered to be industry-friendly and reflective of the relaxed regulation under former CFPB Director Kathy Kraninger.

The CFPB rule becomes effective one year after it is published in the Federal Register in 2021. The CFPB sought to provide maximum protections for confidential information and consumer protections against harassing practices. Among the key issues addressed were provisions regarding electronic communication methods, such as e-mail and text messages; such methods are permitted, procedures for electronic disclosures have been provided, and consumers can reasonably opt out of such communication.

The CFPB also expanded prohibitions on harassing or deceptive conduct to apply to all communication methods, including omnichannel. Additionally, the CFPB placed a contact cap of seven calls within a seven-day period, and once every seven days thereafter. This rule change supports agencies expanding omnichannel practices, and for many agencies these anti-harassment, anti-false representation rules have already been standard practice.

On January 17, 2021 President Biden [announced he will nominate Rohit Chopra to replace Kathy Kraninger as the Director of the CFPB](#). Chopra is a strong consumer advocate aligned with Senator Elizabeth Warren, the main founder of the CFPB, and assisted the establishment of the agency in 2010. His selection indicates that Biden's administration will return the CFPB to a more-muscular posture following Trump's emphasis on relatively relaxed regulation, narrower jurisdiction, and lower consumer protection standards.

President Biden will also nominate Gary Gensler, a former financial regulator known for aggressive bank oversight, as chairman of the Securities and Exchange Commission (SEC).

It is anticipated that as Director of the CFPB, Chopra will take an aggressive approach to regulation that is less industry-friendly. [Chopra's first likely priorities include](#) restoring the agency's focus on enforcing fair lending laws, cracking down on payday lenders, and building up robust case law on what counts as "abusive act or practice" under the Dodd-Frank law.

The first priority can be achieved quickly by restoring the Office of Fair Lending, but rolling back Trump's payday rules, which rescinded requirements for verifying borrowers' eligibility, is a longer-term process, as is increasing

abusive practices standards.


While [Chopra's nomination is not a certainty](#), given that the Senate is deadlocked at 50-50, this is a significant transformation in ARM industry regulation we will be monitoring closely.

These regulatory developments will spur consolidation and M&A activity, such that larger industry players with pre-existing infrastructures, compliant protocols and cutting edge technologies will acquire smaller companies unable to compete with them. Smaller players will likely struggle to adopt technological overhauls while incorporating the CFPB rule changes, as both factors may prove too costly.

As such, the [number of ARM players is expected to decline gradually, while industry profit should increase over time for larger players who are positioned to benefit from economies of scale](#).

Despite the challenges COVID-19 posed relative to financial uncertainty and due diligence, ARM M&A activity was very strong in 2020, particularly in Q4. Debt management software solutions servicing lenders, fintechs, and collection agencies were of particular acquisition and investment focus, and a top 20 bank sold its first consumer credit card portfolio to a large debt buyer, demonstrating the rise in outsourcing and tech-enabled ARM.

The ARM sector exceeded expectations throughout the pandemic, and CAS looks forward to a robust M&A market in 2021.

Company	Overview	Insights
	Collectius is a fintech-enabled debt management company for banks, telecommunication and consumer finance companies in many of the countries in ASEAN.	In September 2020, <a href="#">Collectius</a> announced their landmark partnership with IFC to launch a \$60 million regional investment platform solely dedicated to acquiring and resolving unsecured debt in Indonesia, the Philippines, Malaysia, Thailand, and soon Vietnam. IFC has also become a minority equity shareholder in Collectius. This partnership expands Collectius' regional market and increases their capital as Collectius maintains their strong authority as a leading ARM provider in Asia.
	Bill Gosling provides live agent support, technology solutions and professional services. As leaders in the ARM industry, the company has made significant investments in technology to provide world-class omnichannel solutions to its customers to drive operational efficiencies and improve their results. Currently, the Company offers customer care support, training and content solutions, workforce management services, sales and acquisition services, and its innovative Flight Plan™ to transform a company's customer experience.	Although Bill Gosling has been in operation since 1955, the company is performing a technological overhaul to adapt to emerging digital demands. After committing to technological development and flexibility in a changing industry, Bill Gosling recently received funding from Owner Resource Group (ORG) in December 2020, making them a "clear leader in culture and technology." Bill Gosling will combine their industry experience with ORG's forward-thinking strategic partnership to expand into global markets.
	A 2020 IDC SaaS Accounts Receivable Award recipient for accounts receivable (AR) customer satisfaction, Billtrust is a leading provider of cloud-based software and integrated payment processing solutions that simplify and automate B2B commerce.	Toyota Material Handling has partnered with Bulltrust to offer 230 dealers access to Billtrust's invoicing, payments, cash applications, and collections software, as well as their business payments network, expanding their ability to take control of the order-to-cash process. Billtrust is set to debut on the NASDAQ in early 2021 after merging with a special purpose acquisition company (SPAC).

# Customer Relationship Management (CRM)



CAS anticipates a dynamic and successful upcoming year for the CRM sector.

The customer relationship industry (CRM) is rapidly responding to a surging demand for online consumer management, and the macroeconomic environment is ripe for CRM growth.

COVID-19 has forced a breakthrough in online transactions, digital consumer activity, and remote customer servicing in virtually all verticals. [The banking, financial services and insurance \(BFSI\) segment of the CRM industry is projected to grow most in 2021 followed by retail, travel, and e-commerce](#) due to increased digital transformation of mobile banking and online transactions in a contactless environment. As the CRM market prepares for a new normal empowered by digital solutions, cloud-based SaaS providers evolve toward advanced intelligent processes through noteworthy M&A activity.

As previously discussed in the Q3 CAS INSIGHTS TECH-ENABLED OUTSOURCED BUSINESS SERVICES MARKET REPORT, call center volumes reached an unprecedented spike while customer satisfaction rates declined in early 2020, highlighting the need for more robust customer service channels that can support higher call volumes and home-based call center workers.

Per IBIS World, service-based [call center industry revenues are expected to decline in 2020 and remain constrained in 2021, as major players observe decreased revenues in 2020](#). In 2020 specifically, industry [revenue](#) is expected to contract 4.1%, the result of the COVID-19 pandemic. [Profit, measured as earnings before interest and taxes, is likewise expected to decline over the five years to 2020](#) as a result of the coronavirus, estimated at 3.9% of industry revenue in 2020.

The call center industry is sensitive to corporate profit, which can impact both demand and the price clients are willing to pay for services; furthermore, consumers curbed demand in 2020 for nonessential goods. However, rebounding consumer spending and corporate profit will likely drive industry demand in the future.

Meanwhile, many call centers have distinguished themselves in 2020 performance through technological advancements, including cloud-based systems, voice-recognition software, interactive voice response (IVR) technology, intelligent virtual agents (IVA), and other broadband-enabled solutions.

[IVR](#) enables computers to interact with and provide information to inbound callers through voice recognition and guided keypad prompts. Basic information such as store locations, hours of operation, subscription information and other commonly requested straightforward information can be provided by



robots after navigating these prompts, eliminating the need for a human representative.

While IVR technology is often not enough to answer more complex customer inquiries, it saves wage costs by eliminating a large percentage of call volume for human operators.

IVAs, a slightly more advanced version, are animated, human-like graphical chatbots commonly displayed on website home pages and advertisement landing pages that are embedded with a predefined script and responses. IVAs are expected to surge in implementation in 2021. [McKinsey forecasts that IVA labor force productivity will equal the output of up to 140 million FTE workers by 2025.](#)

The new era is made possible by commoditization of core enabling technologies that include automated speech processing (ASP), natural language processing (NLP) and machine learning (ML) through cloud-based APIs from tech giants Google, Amazon, IBM, and Microsoft. Collectively, they support functions such as intent recognition, translation and emotion detection. See these resources for more information on [IVRs](#) and [IVAs](#).

Similar omnichannel web-based programs have also been implemented, further reducing the need for formal human interaction. These programs are generally in the form of a live chat or instant message format through AI-empowered chatbots. As technology has become less costly and more accessible for industry operators, numerous new companies have entered the industry using these omnichannel communication tactics.

The CRM chatbots segment is expected to be the fastest growing market segment among customer service offerings. [The global chatbot market is expected to reach \\$1.23 billion by 2025, a CAGR of 24%, according to Grand View Research. Gartner forecasts that 85% of customer business relationships will be carried out without human interaction.](#)

Despite the substantial benefits IVR and chatbots provide, these solutions are not capable of entirely displacing the demand for human agents. Non-human solutions are highly scalable during busy hours, and they can reduce agent demand for menial requests. [Younger consumers in particular prefer messaging platforms that have voice and text-based interfaces, with 40% of millennials already accustomed to using them on a daily basis.](#)

However, consumer satisfaction reports in 2020 have shown that [non-human solutions are best for repetitive, simple customer service responses \(such as providing information and routing consumer demands\).](#) AI, ML, and IVR technologies are not yet reliable and accurate enough to handle certain complicated requests, and consumers report low satisfaction scores when complex tasks are handled entirely by chatbots.

[Organizations currently using intelligent assistants/chatbots report errors](#) of misunderstanding requests (59%), misunderstanding the nuances of human dialogue (59%), executing inaccurate commands (30%), difficulty understanding accents (29%), inability to distinguish voices (23%), providing inaccurate information (14%), and setting off false emergency alarms. As such, negative customer attitudes need to be



routed to human agents. Therefore, call centers can remain optimistic that IVR and chatbots can enhance and complement their offerings, rather than entirely displace their human expertise.

Nevertheless, call centers that opt to invest in these technologies have proven significantly more successful in 2020 and will maintain their surging performance as they continue to deploy cutting-edge CRM technologies.

Above all, though, the greatest boom in CRM has occurred for software-as-a-service (SaaS) developers. As an uncertain economy continues to absorb the impact of an unpredictable virus, the SaaS “pay-as-you-go” model will be attractive to many businesses. Organizations will be seeking flexible, easy-to-deploy solutions that will allow them to adapt quickly when vaccines bring the next new normal.

Digital-first, cloud-based SaaS offerings [dominate](#) CRM market growth in terms of revenue due to the scalability, flexibility, 24/7 availability, and large storage space offered by cloud technologies, as exemplified by substantial growth in 2020 for companies providing SaaS offerings and a [CAGR of 11% from 2021 to 2025 for the CRM SaaS market](#).




CRM software derive much of their value from their ability to access and leverage massive quantities of data in real-time via all online sources (particularly social media) to provide business analytics, sales and marketing insights, unstructured text-based review, consumer behavior tracking, and lead generation.

Integration with Internet of Things (IoT), the connection of all devices over the internet, is changing the CRM market by providing complete data mining optimization. CRM systems are increasingly leveraging IoT technology to improve front-end processes and provide a constant stream of data from customers into CRM databases. By connecting devices, products and equipment to the internet, IoT drives insights throughout departments, including sales, marketing and customer service. CRM software developers that utilize all forms of data blossomed in 2020 and will continue to do so in 2021.

These advancements in CRM capabilities have spurred increased M&A activity as 2020 comes to a close. Some noteworthy transactions include Salesforce’s acquisition of Slack Technologies to provide a unified platform for connecting remote employees, customers, and stakeholders to augment existing remote workflows, as well as Cisco’s recent acquisition of IMI Mobile, an AI-enabled, omnichannel software provider allowing enterprises and organizations to connect with customers through omni-channels including social, messaging, and voice.

Middle-market M&A and investment activity was also robust in 2020 as CRM providers focus on technological value drivers.

Technological advancements in the CRM market cannot be understated, nor can the macroeconomic demand for digital-first customer service and information management in the age of online consumerism. As call centers and CRM software developers align with these trends, we look forward to a dynamic and successful upcoming year for the CRM sector.

Company	Overview	Insights
	<p>SugarCRM's time-aware sales, marketing and service software helps companies deliver a high-definition (HD-CX) customer experience. For mid-market companies and anyone demanding a CX-driven platform, Sugar gives teams the time-aware customer data they need to achieve a clear view of the customer and reach new levels of business performance and predictability while increasing customer lifetime value.</p>	<p>Observing the increase in remote and disrupted workforce, Accel-KKR accelerated their sales and marketing implementation service and high value add-ons for customers with two acquisitions this quarter. They continue to lead in time-aware CX empowered by AI and cloud-based CRM automation.</p>
	<p>Automation Anywhere is a global leader in Robotic Process Automation (RPA). The company is the industry's only web-based, cloud-native intelligent automation platform.</p>	<p>Automation Anywhere was recognized as a 2020 Gartner Peer Insights Customers' Choice for RPA, the second award they have received this year for leading excellence in RPA. The company also unveiled the world's first integrated process discovery solution, Discovery Bot, and the first RPA-as-a-Service Solution.</p>
	<p>Five9 is a leading cloud contact center platform providing omnichannel, inbound, outbound, and workflow CRM solutions for enterprises, healthcare providers, and financial services.</p>	<p>In October 2020, Five9 acquired Inference Solutions, a developer of an intelligent virtual agent platform. Latest code-free platforms like Five9 Inference Studio allow even non-technical business users to build and manage virtual agents that leverage IVA technologies.</p>

# Healthcare Revenue Cycle Management (RCM)



CAS projects the demand for interoperability, in addition to hospital consolidations, will lead to robust RCM M&A activity in 2021.

Despite continued pressure the COVID-19 pandemic has put on the healthcare revenue cycle, the healthcare revenue cycle management (RCM) market is slated for growth in 2021 as strained providers are expected to increase RCM outsourcing to account for financial shortfalls.

All segments within the RCM lifecycle, from payer contracting to back-end claims management, are expected to grow, especially as each sector evolves in the direction of automation. Increasing government reforms favoring the adoption of RCM solutions, surges in virtual health, and growing inclination toward cloud-based solutions are driving the global RCM market.

CAS finds that the dynamic and mission-critical nature of the RCM sector instigated robust deal activity in 2020. We expect this trend to continue even further as economic certainty recovers. Having observed the resiliency of the RCM sector throughout the COVID-19 pandemic, we are optimistic regarding its performance in 2021.

COVID-19 has highlighted the demand for outsourced RCM solutions to combat revenue loss and revenue cycle complexities. Financial losses related to COVID-19 will have lasting effects on healthcare providers, but accelerated trends leveraged during the pandemic have built a more resilient healthcare revenue cycle that is anticipated to sustain after the pandemic has subsided.

Hospitals and health systems are projected to lose \$323 billion in 2020 alone as a result of pandemic-related costs and revenue losses, the American Hospital Association (AHA) [reports](#).

While the first COVID-19 wave in Spring 2020 was concentrated in coastal regions, the second wave is concentrated in Western, Midwestern, and Southwestern areas. On a national basis as of January 2021, many states are withdrawing into stricter stages of COVID-19 mandates and guidelines, and 34 states have seen suspensions of elective surgeries, a major driver of provider revenue.

Rural hospitals and small physician groups have proven to be especially financially vulnerable in COVID-19, as well as those in Western and Midwestern regions impacted most by COVID-19 at the conclusion of 2020. As hospitals face continued financial strain on a national basis, they increasingly turn to RCM providers to decrease expenses, maintain steady revenue streams, and reduce claim denials.

Furthermore, changes in payer mixes may have negative impacts on hospital systems. According to the [Urban](#)



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*(continued on next page)*

[Institute, approximately 2.9 million individuals will become uninsured by the end of 2020 because of job losses related to the pandemic.](#) Many more will also lose employer-sponsored coverage, resulting in more Medicaid beneficiaries.

Hospital finance leaders expect their payer balance will shift more toward Medicaid and individually insured self-pay patients, while commercially insured patients will decrease over the coming 12 months. To combat the lost margin, hospitals may need to shed less profitable services or press commercial insurers for rate increases.

Additionally, President Biden has emphasized his intention to expand insurance coverage by introducing a public insurance option and lowering the Medicare eligibility age from 65 to 60. This would require an act in Congress and would greatly expand the populations of Medicare/Medicaid beneficiaries. As a result, payer mixes would move toward Medicare/Medicaid from commercial plans (for 20 million Americans). Providers with a heavy commercial payer mix between 60 and 65 would be adversely affected by this. In general, fewer people covered with private (typically higher-paying) health insurance means inconsistent revenue streams for hospital systems and complicated verification processes.

The “No Surprises Act” of the Consolidated Appropriations Act of 2021, passed in December 2020 by Donald Trump, suspends surprise medical billing and increases transparency provisions throughout the pandemic. The rule protects patients from surprise medical bills in situations where patients have little or no control over who provides their care; as such, patients pay no more than the in-network sharing amount for out-of-network care, and they must be provided clear information on deductibles according to maximum limitations.

This benefits patients (price transparency, less financial responsibility, provider accountability, expedited verification, etc.), however, providers are concerned with the burdensome strain it will place on finances, claims management, verification, and dispute resolution. [The AHA and AMA have voiced concerns of the burdens of unworkable, rushed billing processes; data reporting; rushed verification protocols; and duplicative and costly transparency provisions.](#) Furthermore, many smaller practices (i.e. physician groups) lack the internal resources to take advantage of the proposed independent dispute resolution (IDR) process to obtain compensation and may hinder patients’ access to independent physicians.

Overall, this rule puts more pressure on hospitals’ already stressed administrative systems and financial situations, but accelerates the transition toward outsourcing these difficult verification processes to RCM vendors.

Finally, the movement toward value-based care (VBC) reimbursement models poses challenges for hospitals, a topic we previously discussed in the Q3 CAS INSIGHTS TECH-ENABLED OUTSOURCED BUSINESS SERVICES MARKET REPORT. President Biden’s healthcare plan involves a push toward VBC and has bipartisan support. He has emphasized dialing back risk for providers, lowering racial disparities in coverage, and increasing accountability and appeals mechanisms for coverage decisions.

Additionally, the contentious Transparency in Coverage rule, applying to most group health insurance plans as

well as payers in the group and individual health insurance markets, requires plans to provide members with real-time access to relevant patient pricing information via online self-service tools, including in-network rates, out-of-network charges and allowed amounts, and prescription drug pricing effective as of January 1, 2021.

This prioritization of price transparency, while optimal for consumers, puts financial pressure on hospital pricing and presents logistical challenges. However, this also creates an opportunity for RCM vendors providing payment estimators, claims tracking, cloud-based onboarding, prior authorization management, and consumer-facing portals.

The aforementioned factors—COVID-related revenue shortages, changes in payer mixes, and heightened standards of accountability and transparency—have indeed presented obstacles for health systems, resulting in overwhelming M&A activity on a horizontal basis (primarily among primary care and specialist providers) and vertical basis (as smaller organizations join larger systems). This trend of increased hospital M&A activity has trickled down to RCM vendors as well, as demonstrated by heightened RCM M&A activity.

The COVID-19 pandemic has highlighted weaknesses in legacy, internal RCM strategies, from patient access to claims denial management. The greatest threat to hospital revenues in 2020 came from denied claims due to inefficient technical disconnects in the authorization management stages. [Coding-related denials lead to over \\$15 billion in lost revenues to U.S. healthcare providers annually, 90% of which is deemed preventable with the implementation of cloud-based integrated systems.](#)

RCM providers have aptly responded to all of these trends, and outsourcing to RCM vendors, particularly those providing digital-first, cloud-based solutions, has surged heading into 2021.

In 2020, RCM vendors provided solutions to this inefficiency with technologies to track claims throughout the RCM lifecycle, collect payments, and address claim denials to facilitate a consistent revenue stream.

Health IT automates payer-provider communications, ICD-10 coding, medical billing processes, and appointment scheduling, addressing virtually all emerging issues in hospital systems. Investment in Tech-Enabled RCM solutions has grown substantially in recent years, a trend that has accelerated dramatically as the COVID-19 pandemic impacts revenue streams of healthcare systems and drives demand for remote, tech-enabled solutions across every segment. [Claims and denials management accounts for the largest share of the global RCM market and is also expected to grow the fastest, while the software segment \(product\) and integrated RCM solutions \(type\) dominated the RCM market in 2020.](#)

Rising demand for medical claims processing services will continue attracting new entrants, while current players merge across segments to diversify their service offerings.

The RCM industry is still fragmented and is likely to consolidate in 2021, fueled by cost cutting and the replacement of multiple vendors for one offering a full suite of RCM services. Various technology solutions continue to emerge in each step of the RCM cycle.

With the increasing interplay of billing software, cloud APIs, practice management solutions, EDIS systems, [EHR](#) interfaces, clearinghouse integrations, and add-on tools, providers prioritize [interoperability](#) of tech solutions to realize efficiency and benefits. As a result, revenue cycle organizations prefer core solutions that meet the highest number of needs with optimal efficiencies to streamline workflow and improve reimbursement, necessitating end-to-end RCM service providers.

As it becomes clear that automation and widespread outsourcing of RCM are the new normal, CAS projects that this demand for interoperability, in addition to hospital consolidations, will lead to robust M&A activity in 2021 to provide synergetic, all-in-one RCM solutions.

Company	Overview	Insights
	AccuReg is a healthcare technology solutions company offering a full suite of front-end RCM solutions for health systems and hospitals.	Observing the RCM trends of digital-first healthcare and rising obstacles to patient access, AccuReg acquired Zenig, an innovator in patient engagement technology solutions that enable touchless check-in, virtual waiting rooms, patient flow, and bi-directional communication methods. AccuReg will continue to build its market-leading patient access suite with this synergetic acquisition.
	HealthShare Exchange (HSX) is an industry leader in making electronic patient-care information available to the greater Philadelphia healthcare community.	HSX announced in December 2020 that it is integrating the CareAlign technology into its HSX MarketStreet platform. The CareAlign technology supports clinical workflows by enabling care teams to collaborate within the same digital workspace in real time. The integration combines the power of data and technology within a single mobile application to support patient continuum of care.
	Syllable AI is the leader in call center automation technology for integrated delivery networks and hospitals.	Emblematic of the healthcare industry's demand for AI-enabled omnichannel solutions, Syllable announced a collaboration with Houston Methodist, one of the nation's leading health systems, to improve the patient experience through the deployment of conversational AI assistant in their call centers. Houston Methodist worked with Syllable to shift messaging to address the influx of patient inquiries related to COVID-19 testing and scheduling appointments.
	Nym transforms RCM with direct-to-billing autonomous coding technology empowered by AI.	In October 2020, Nym <a href="#">announced</a> they had received Series A funding led by GV (formerly Google Ventures).

# Specialty Finance



CAS remains confident the debt settlement industry will continue to thrive as we approach a wave of charge-offs and delinquencies in 2021.

## Fintech Lending

The Fintech lending sector remains strong as its digital capabilities and alternative lending options provide mission-critical services that will sustain after the COVID-19 impacts recede.

Fintech lenders were perfectly positioned to thrive in 2020 given their robust online infrastructures, giving them an advantage over many traditional banks that struggled to move offline processes online. The current environment offers a buying opportunity for accelerating plans to seek new solutions and develop new digital capabilities for financial institutions.

In general, the COVID-19 pandemic posed challenges for the lending industry. Demand for loans (particularly mortgage refinancing activity) is elevated, but economic uncertainty has resulted in tighter credit and lower volumes so far for most lenders. Economic uncertainty, reduced financial activity, and high unemployment associated with recessions regularly results in higher delinquencies, default rates, and overall loan losses. Many online lenders, for instance, are [tightening](#) their underwriting standards to retain the quality of their balance sheets and mitigate any potential rise in defaults.

However, digital payments and consumer-facing online Fintech companies bloomed in 2020 due [to the rise of e-commerce, contactless check deposits and money transfers; payment processors with high exposure to online sales were also well-positioned for growth in 2020](#) and are slated for growth in 2021.

Traditional banks are under pressure to expand digital footprints, while Fintechs remain resilient due to less balance-sheet intensive models. Enterprise Fintech solutions providing online payment systems, fraud/authentication solutions, and trading infrastructure proved to be in high demand, and tech-heavy Fintechs were able to manage remote workers seamlessly. In general, Fintechs accelerated as leaders in the financial services industry in the era of online economic activity.

Furthermore, non-bank lenders became a rising alternative to traditional banks in 2020 amid growing default rates for subprime loans. As previously discussed in the Q3 CAS INSIGHTS TECH-ENABLED OUTSOURCED BUSINESS SERVICES MARKET REPORT, Fintech lenders have disrupted the small business market as Fintech business loans carried higher rates than bank credit but appealed to small business owners for their ease of application and 24/7 online portals.

This increased demand for non-bank lenders grew particularly after the first federal stimulus package was released. Lending Fintechs were being [inundated](#) with customer requests for forbearance and relief, as well as for help in securing the small business loans established by the Payroll Protection Program (PPP) of the Coronavirus Aid, Relief, and Economics Security Act (CARES Act).

Non-bank online lenders offered tech-enabled fast access to PPP funding and were among the top PPP lenders. On December 27, 2020, the Consolidated Appropriations Act of 2021 was signed into law and provided \$900



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*(continued on next page)*

billion in additional PPP funding.

Some Fintechs, like nCino, have developed a new solution to optimize the PPP loan process for small businesses, and others (PayPal, Lending Club, Square) have instituted fee waivers to support customers during COVID-19. CAS projects that Fintech lenders will hold at least as significant a stake in PPP lending during this second wave of stimulus funding as the first, which will kickstart Fintech lenders with a very strong beginning to 2021.

Fintechs are also taking a role in the healthcare and RCM sectors as these industries lean toward widespread technological advancements for collection of payments, cost estimation, claims management, and other processes (see RCM section in this Market Report for more information on RCM companies' surging demand for digital payment platforms).

While Fintechs definitely have a competitive advantage in terms of scalability and digital solutions compared to traditional banks, CAS observes a movement toward financial innovation and bank-Fintech partnerships, rather than competition, due to open banking standards.

Banks are increasingly opening APIs and enabling third parties to access consumers' financial data, increasing transparency to consumers while lowering barriers of entry for new third-party service providers. These open banking standards will promote synergy within the financial services industry while also [blurring the lines](#) between banks and Fintechs. [Some Fintechs are considering or pursuing bank charters, enabling them to compete more broadly and avoid having to address disparate regulatory requirements across individual states where they conduct business.](#) Banks are courting—and, in some cases, are already working with Fintechs to leverage their disruptive capabilities and meet the demands of tech-savvy consumers.

One major uncertainty within the Fintech lending sector is regulation, particularly who will be responsible with overseeing Fintechs. A task force created by the Consumer Financial Protection Bureau is [recommending](#) that Congress consider authorizing the bureau — and not the Office of the Comptroller of the Currency — to issue federal charters to Fintech companies engaged in lending, payments or remittances.

Currently, nonbank Fintech companies are subject to state laws and must register or acquire a license in each state in which they operate. One of the leading recommendations was that Congress should create a federal charter that allows nonbank Fintechs to operate anywhere in the nation under the same rules as banks and others that offer similar products and services. However, the task force immediately came under fire last year from consumer advocates and some lawmakers who alleged its members were biased against strong consumer regulation.

Furthermore, President Joe Biden has nominated Rohit Chopra as director of the CFPB and Gary Gensler, a former financial regulator known for aggressive bank oversight, as chairman of the Securities and Exchange Commission (SEC); both of these appointees will be stricter on consumer protection standards and may present some regulatory obstacles for Fintech expansion.

Despite these regulatory uncertainties, Fintechs of all kind, particularly lenders, have channeled their strengths during the pandemic and have become major providers and competitors within the financial services and lending industries. Going into 2021, we expect investor interest to surge along with consolidation as Fintechs mature, strengthening the market overall.

## Debt Settlement

The counter-cyclical debt settlement industry has benefitted from rising delinquencies, loan losses, default rates, and non-mortgage debt caused by the recessionary impact of the pandemic. However, as regulatory bodies—including state legislatures, the CFPB, and President Biden's administration—critically examine the debt relief



industry, firms will increasingly consolidate and automate practices to maintain compliance and solid performance.

Economic uncertainty has hindered consumer spending and temporarily [lowered](#) household debt (-1.1%) as consumers [deleveraged](#) debt in 2020. Nevertheless, household debt is set to increase in 2021 and beyond as consumer spending recovers to normal levels, and [more than 20% of Americans have added to their credit card debt](#) since the onset of the pandemic.

These key factors push debt relief performance upward. Since 2015, the total available market (TAM) for debt settlement [has grown by 50%](#). Due to the pandemic, the [TAM for debt relief is expected to rise more than 70% in 2021](#), as the number of consumers utilizing debt settlement will rise at a [CAGR of nearly 30%](#).

Projected spending increases are [expected](#) to expand the demand for debt settlement services by 75% in 2021. This is caused by rebounds in consumer spending that out-pace rises in disposable income, resulting in a wave of charge-offs, credit card debt, delinquent receivables, and settlements to arise in 2021. It is possible that the most recent stimulus package, providing \$600 to individuals making less than \$75,000 in the 2019 tax year, may slightly delay this wave of settlements in the short-term, but since on [average Americans carry over \\$6,200 in credit card debt](#) alone, a \$600 stimulus is hardly sufficient to substantially decrease settlement demands.

The industry does face some challenges, though, as regulation of debt settlement increases. The main regulatory body, the CFPB, has gradually augmented its focus on the industry. CFPB [lawsuits](#) against specific debt relief firms increased in 2020 across multiple states, citing violations such as illegal telemarketing before terms of debt are settled, lack of transparency, misleading marketing and guarantees, and illegal advance fees, all of which violate the Telemarketing Sales Rule (TSR).

Furthermore, it is anticipated that the Biden administration will seek to expand the jurisdiction of the CFPB and consumer protection. As we discussed in the Q3 CAS INSIGHTS TECH-ENABLED OUTSOURCED BUSINESS SERVICES MARKET REPORT, the CFPB is now sensitive to changes in the executive branch after Seila Law v. CFPB (June 2020) permitted presidents to remove CFPB directors at will, and it is anticipated that the appointment of Chopra may likely direct the CFPB toward aggressive regulation (see our ARM section for more information on Chopra's key priorities).

Additionally, some state legislatures, like those in New York, [California](#), and [North Carolina](#), have proposed legislation to largely prohibit debt relief. This may pose a threat to industry performance, but many debt settlement firms are combatting complaints by implementing consumer-facing technologies and portals to maintain transparency and compliance (see the Q3 CAS INSIGHTS TECH-ENABLED OUTSOURCED BUSINESS SERVICES MARKET REPORT for more details on industry compliance solutions.)




On January 14, 2021, the debt settlement industry [announced](#) the launch of the Consumer Debt Relief Initiative (CDRI) trade association, a coalition of debt relief industry experts advocating for the important option of debt settlement remaining available to consumers burdened by heavy amounts of high-interest, unsecured debt.

The CDRI will focus on responding to legislative threats that are preventing consumers from accessing debt relief options in states like California, New York, and North Carolina. The CDRI aims to educate the public about the often-misunderstood method of debt relief, while also holding companies accountable to consumers.

Additionally, the American Fair Credit Council (AFCC) announced the appointment of Denise Dunckel as CEO on January 5, 2021. Dunckel has more than 20 years' experience working with a diverse set of entities and organizations and hopes to draw from her background in federal and state financial services policy to educate the public on the material benefits that debt settlement provides for consumers. CAS will be monitoring the CDRI and

AFCC closely, as well as their success is influencing legislative dynamics.

As consumer debt increases, debt collection firms are [displacing](#) alternative forms of debt relief, such as credit counseling. As we monitor regulatory obstacles, we remain confident the debt settlement industry will continue to thrive as we approach a wave of charge-offs and delinquencies in 2021.

Company	Overview	Insights
	Biz2Credit offers both a white label lending solution, through Biz2x, as well as lending directly to small businesses.	Biz2Credit was among the leaders of PPP lending after the first stimulus and has announced they are already partnered with 350 banks for PPP loans.
	Lendio is a small business loan marketplace offering a free online service to find financing by borrowing multiple loan products from a network of lenders.	Lendio is not a lender itself but instead partners with dozens of lenders and was a major player in the first round of PPP funding. Lendio has already begun accepting preliminary PPP applications and will be expanding their staff to process the flood of applications for new PPP loans in 2021.
	Blend Labs Inc. offers a platform that focuses on mortgage lending and the home buying process for both buyers and lenders, and its digital lending platform is used by more than 285 leading financial institutions. The company's system offers a configurable platform for mortgages, consumer loans and deposit accounts as well as an end-to-end digital mortgage solution where consumers can complete the full home finance process, including insurance and closing, in one place.	After raising \$130M in Series E funding in June 2019 and another \$75M in Series F funding in early 2020, Blend recently announced \$300M in Series G funding, bringing its total funding raised to more than \$650 million. The company has gained key banking customers in 2020, expanding coverage to approximately 30% of all U.S. mortgage volume.

# TECHNOLOGY AND INTERNATIONAL SHOWCASE – GUEST CONTRIBUTORS



## Instantly launch with no code or IT

**Tratta launches out of private beta to usher in the next generation of payment experience software.**

[Tratta](#), a payment experience platform (PXP), officially launched as of January 2021 after a successful 6-month private beta after partnering with some of the most well-known companies in healthcare, government, financial services, telecommunications, fintech, auto finance and other various industries intersecting with accounts receivable, credit and collections.

Tratta provides a payment experience platform that uses real-time data to improve the transaction experience across an entire organization: the business' experience on the back end, and the customer's experience on the front end.

Tratta includes a unified dashboard, data enrichment, public and private APIs, a growing suite of ready to launch 3rd party applications, and prebuilt components to help create the best payment experience for customers and operators alike.

Tratta's technology and methodology have proven to reduce ACH returns from 10% of total transactions to between 1-3%, increase card approval rate to an average of 80% or greater, prevent payment plan breakage by factoring in early warning signs, and, through its BankConnect feature, clients have seen a reduction in reconciliation errors of at least 50% and shortened month-end close by 2-4 days.

For more advanced companies who are focused on machine learning, AI and data driven decision making, Tratta offers a vast amount of raw and enriched data that can be fed back into any system.

The platform has a free trial version and no startup cost. Tratta's subscriptions model is built to scale for operations of all sizes, from small business to enterprise level organizations that require complex workflows, troves of data, and role level access among multiple departments.

The platform's vendor agnostic approach means it doesn't replace or interrupt any ongoing processes, fully launches in minutes, and can scale as needed instantly. Tratta has no code or IT required when starting, making it incredibly user friendly for anyone at any level of experience with technology.

Tratta is accepting new clients, expanding its partnerships, and releasing new beta features on a first come first serve basis. You can get a sneak peak at [Tratta](#) by [clicking this here](#) to book a time to talk with the team or visit [tratta.io](#) for more information.



# Applications of Speech Analytics for Business Continuity

## Navigating Throughout the Continuing Pandemic

Businesses continue to experience all kinds of unanticipated fallout from the COVID-19 virus. From social distancing policies that pushed workforces into remote-work scenarios to fear behaviors that have changed the ways consumers communicate and spend. As a result, companies are more dependent than ever on technological resources to provide business continuity. VoizTrail®, a behavioral & speech analytics program, is one of these key resources to help navigate through the continuing COVID-19 pandemic and beyond.

## The Technology in Brief

Spoken content is analyzed for keywords and so are emotional cues such as: pitch, tone, and volume. A good speech analytics' platform can further measure for the space in-between, the length of the call and, yes, even "dead air!" Other parameters can be customized to a business' specific needs. The resulting audio data is captured and stored so that it can be searched and used to generate reports.

Speech analytics has created opportunities for automating processes that can eliminate human error, measure quality of service, and strengthen procedural standards for script adherence and compliance. The most progressive application of this technology involves behavioral science. By applying techniques and research on consumer behavior to a company's call data, business strategies can be optimized for the best possible results.

## Oversight of Remote Workers

One of the biggest concerns for employers when it comes to remote workers is oversight. Speech analytics provides a way to monitor 100% of phone activity without the necessity of manual auditing. Not only can you keep a close eye

on your employees' engagement levels, but performance can be tracked and graded with personalized scorecards that allow you to rate the most important aspects of your agents' conversations, from attitude to compliance.

Originally, speech analytics was created for call-center agents; however, any employee considered a front-line worker (collection agents, sales, client care) can and should be monitored for compliance to both industry regulations as well as your business' own internal policies.

## Consumer Relations

Even pre-COVID-19, the way consumers communicated was impacted by many factors, and any one of them individually could easily contribute to a consumer's state of stress and fear. With speech analytics you have a tool for quickly and accurately gauging consumers' mental states. Trend data can illustrate not only what is on consumers' minds by tracking keywords, but how they are coping through the analysis of emotional cues. Insights like this can help you get the most out of your interactions.

## The Three Building Blocks to Success

There are three primary areas of focus that facilitate success for any business: compliance, efficiency and performance. Employing a speech analytics system can help maintain optimal levels of execution in these three areas in order to reap the rewards in the form of profitability and reputational success.

- 1. Compliance** Speech analytics is a key strategy for ensuring compliance standards are adhered to and to negate the possibility of fines or potential legal action. Scorecards can be generated for employee performance to ensure compliance standards are being met. This allows for accurate risk assessments and the mediation of potential issues before they have an opportunity to escalate. Speech analytics software facilitates quick and accurate audio searches in the instance of a dispute. Locating recorded call information in a timely manner can save monitoring, auditing and litigation costs.
- 2. Efficiency** Employing a speech analytics tool offers opportunities for quality assurance that would otherwise be unattainable. Monitoring call volumes produces invaluable data about business processes as a whole, highlighting areas for improvement. Speech analytics easily identifies trends in consumer experiences and agent performance. Information collected can give valuable insight to issues with products, services, as well as missed opportunities. This information is beneficial as a training tool and often used by companies to adjust internal policies. This technology not only points out weaknesses in operations, but also provides guidance on specific areas in need of attention, making improvements easier to implement.
- 3. Performance** Nothing can put you in the mind of consumers the way employing speech analytics can. Data mining call audio is the most powerful tool for giving businesses a competitive edge. Reports offer clear impressions of areas for concern, consumers' emotional states, levels of satisfaction, and reflect their overall attitude towards products and services. For example, VoizTrail's Decision Analysis module can track key decisions that consumers make while on the phone, such as payments, reasons why they can't pay and disputes. It also tracks new trends such as the growing prevalence of certain call types with a particular client (e.g. "insurance should have paid") and the success of new business initiatives such as digital engagement. Speech analytics is the most concise way to evaluate consumers' needs and to recognize when to make adjustments to better fill those needs.

The list below includes some of the key metrics provided by VoizTrail®.

## Measurable Metrics

- Number of Calls
- Time of Call
- Average Call Length
- Percentage of Sales, Upsells, Cross-Sells, Conversion Rates
- Service Level / Response Time (i.e. X percent handled in Y time)
- Agent Adherence to Scripts
- Compliance Standards
- Courtesy / Professionalism
- Emotional State of Consumer (i.e. Consumer Satisfaction)

## Summary

Data supplied by a speech analytics platform like VoizTrail® can offer a big picture view of how your business is being impacted, not just during the pandemic, but at any time, and allow for timely modification of strategies for process improvement and better consumer relations. Deep analysis from both sides, (i.e., employee performance and consumer behavior), provides you with all the metrics needed for stabilizing operations and maintaining business continuity despite present uncertainties.

If you want to learn more about how speech analytics can be applied to ensure continuity for your unique business model, contact the VoizTrail® team today for a personalized consultation and a free trial.



developed by [KG Hawes](#) | 866.687.9006 | email: [contact@kghawes.com](mailto:contact@kghawes.com)

### LINKS:

1. [Free-Trial Demo Form](#)
2. [White Paper: Speech Analytics - Unlocking its Full Potential](#)
3. [Booklet](#)



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# Disrupting the Debt Management Industry in Southeast Asia with Collectius and IFC

Gustav A. Eriksson, Chief Executive Officer and Founder, Collectius Group

*Collectius' focus on being a leader in transforming Southeast Asia's debt management industry is the core reason why the IFC chose Collectius to build its first Distressed Asset Recovery Program (DARP) in Asia. More than 100,000 businesses and households in East Asia Pacific are expected to regain access to formal credit by 2026 as a result.*

In these difficult times, professional debt management and debt sale are critical to the financial stability of the economy. [Collectius has recently raised USD 60 million together with the International Finance Corporation \(IFC\) – a member of the World Bank – to support banks and financial institutions in the region.](#)

For Collectius, our goal of transforming the debt management industry required a 360 approach, starting with culture. Collectius has a company policy that bans the word debtor and we use the word customer instead. We believe that our customers want to repay their debts and that our job as debt managers is to support our customers with amazing service to make that journey the best possible experience. A typical customer's ecosystem is digital – from retail and food delivery to banking and ride hailing – so why should debt management be any different?

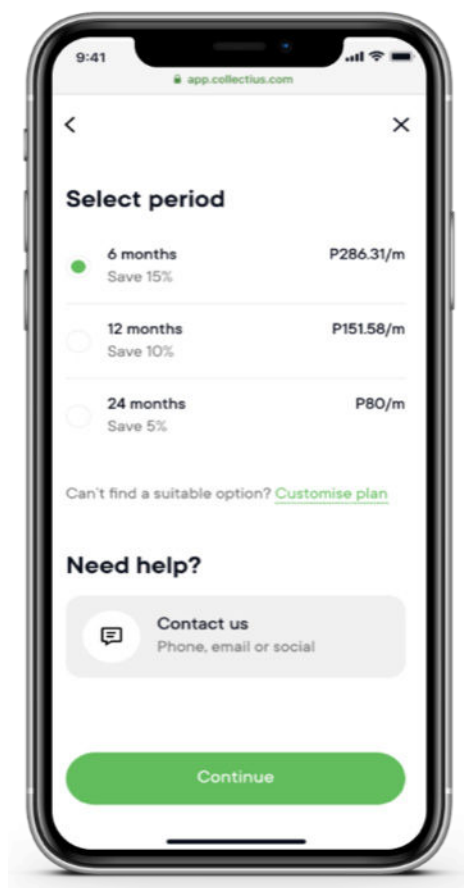


To achieve this, we've invested in various technologies such as a state-of-the-art, data-driven Debt Management System (DMS). The bespoke, cloud platform is based on Microsoft Dynamics and makes processes more seamless for both the customer and Collectius in several ways.

First of all, automation of tasks. For instance, Collectius has automated the sending of reminders to customers by programming certain triggers – such as a set number of days before payment is due – initiated by the data within the DMS system. Collectius' power users can even create their own automations using Microsoft no-code/low-code.

Secondly, API connectivity. Having a cloud DMS easily allows Collectius to integrate other software and applications via API such as a calculation engine, customer web portal, payment gateways and an omnichannel communications system.

As the system works by unifying data and presenting a holistic overview of Collectius customers, Collectius agents are equipped with a 360 view of the customer's history. This benefits the customer by affording continuity even when they're speaking to a different agent, while Collectius agents are able to create a bespoke experience by tailoring communications accordingly.



In terms of other technologies, we also have a web portal that empowers our customers by giving them the freedom to settle their debts when and how they want through online payments. It enables our customers to easily access and manage their own accounts, download statements and create payment plans. Collectius offers a range of duration for payment plans – 3, 6 or 12 months – and if those don't suit, customers can customize it to their needs. We offer flexibility in payment terms and methods depending on our customers' preference. We have digitalized payments with payment gateways to make the customer experience more seamless and convenient for them to repay their debt over the internet.

Thanks to an omnichannel system, our customers can reach out to us through their preferred medium – over the phone with calls and SMS, through social media (including Viber, Line, WhatsApp and Facebook Messenger), webchat or email. For us, it is all about empowering our customers with choice and meeting them where they want to be met.

Payment and communication preferences vary between our customers in Indonesia, Philippines, Singapore, Malaysia, and Thailand. As such, we work with different payment gateway partners in each market – such as [Counter Service in Thailand](#) – to offer the most popular modes of payment in each country. This also extends to communication. Our customers in the Philippines prefer Viber and Facebook Messenger, while those in Thailand tend to use Line.

We also face different challenges in each of our markets because every market is different. Take Indonesia, for instance. One of the unique challenges we have to contend with is that it's a large country with many islands and our office there is in Jakarta. So if a customer lives on one of the more remote islands, skip tracing and right-party contact can prove to be tricky.

Another aspect is compliance, which varies quite a lot even within Southeast Asia. Thailand, one of our most mature markets, is heavily governed by the Bank of Thailand. The rule for collection in the Philippines is that an account is considered dormant and you can't collect from someone if there hasn't been any collection effort in 10 years.

On the subject of compliance, we foresee increased compliance and customer-centric technology working hand-in-hand to elevate the credit management industry in 2021. We are also working together with the IFC to examine the industry with a view to designing best practices around debt monitoring and resolution, and how this may serve to beneficially affect regulations in Asia.



*Gustav A. Eriksson is Chief Executive Officer and Founder of Collectius Group, the leading debt management company in Southeast Asia with headquarters in Singapore. Its business is to purchase portfolios of non-performing consumer loans and recover them by supporting its customers to become debt free using the "Collectius way of collection". The company offers a customer-centric approach and operates a data-driven collection platform powered by machine learning and digital-first communication. To get in touch, contact Gustav at +65 6382 2355 or [enquiries@collectius.com](mailto:enquiries@collectius.com)*



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## CONSOLIDATED AND STANDARDIZED GLOBAL WIDE-AREA-NETWORK, VOICE COMMUNICATIONS, AND CONTACT CENTER ARCHITECTURE WITH IMPROVED FUNCTIONALITY

### CUSTOMER PROFILE

- Global Medical BPO
- High growth through Acquisition
- 1,000+ Contact Center Agents
- 3,000 total employees
- \$14M+ annual voice & data billing

### CHALLENGES

- Disparate IT infrastructure
- No defined contact center global strategy
- Insufficient diversity at most locations
- Managing 20+ platforms and carriers

### RESULTS

#### ANNUAL SAVINGS

**\$895,000**

#### TOP-LINE REVENUE INCREASE

**\$1,300,000**

**25** DISPARATE MPLS AND DIA CIRCUITS INTO A **SINGLE** UNIFIED GLOBAL ARCHITECTURE

**17** VOICE & COLLABORATION PLATFORMS CONSOLIDATED TO **ONE**

#### AS WELL AS:

- Simplified and standardized voice, data, and contact center architecture with added functionality across all locations and platforms
- >12% increase to agent productivity
- Implemented 100% disaster tolerant WAN
- Improved analytics and reporting

Global BPO, LLC is a collection of several operating entities encompassing a wide breadth of products and services. Growth has been consistent through both organic growth and acquisitions. Customers range from small doctor's practices to large health systems. Each Global BPO, LLC business runs autonomously supporting its own set of products or services. This has created a scenario where there are numerous PBX/Contact Center systems and wide-area-network infrastructures in place today with no unified holistic strategy. This exposes Global BPO, LLC to numerous conditions of peril; weak disaster tolerance, poor analytics and reporting, no holistic strategy in place to cross train skills, ability to expand support hours, inability to implement IVR and ACD at certain locations, inability to leverage the labor capacity between facilities to maximize flexibility within the enterprise either in an emergency or as workload requirements change.

The Company was mandated to reduce telecom & contact center costs without sacrificing quality or performance. They further sought to standardize phone/internet implementations across all offices to reduce billing and management complexity. The network and infrastructure needed to be as resilient as possible, but within aggressive budgets and resource constraints.

### PROCESS

Telmac collaborated with the Client's Contact Center, PBX, IT, Marketing, and Sales teams to gain a clear understanding of the company's business, and then categorized their objectives into 6 focus areas:

- Explore new technologies in search of cost-effective but world class data, voice, and contact center infrastructures
- Simplify and standardize the architecture
- Generate savings



## PROCESS (CONT.)

- Improve FTE productivity
- Increase ARM productivity
- Unify stand-alone divisions into a single corporation

The Telmac team determined that a single managed WAN and cloud based UCaaS/CCaaS would align best with the customer's requirements. A business case was constructed that recommended implementing a single, easy to maintain architecture across all locations comprised of multiple diverse connectivity and "high-availability" edge CPE at all core locations. The WAN solution also incorporated proactive managed network monitoring to ease the burden on the Client's taxed internal IT support team. Telmac performed a market gap analysis customized to the client's exact contact center deployment, design requirements, reporting needs and current customer base Telmac solicited proposals from suitable service providers, performed all related financial and technical analyses and presented all findings to the Client.

## IMPLEMENTATION

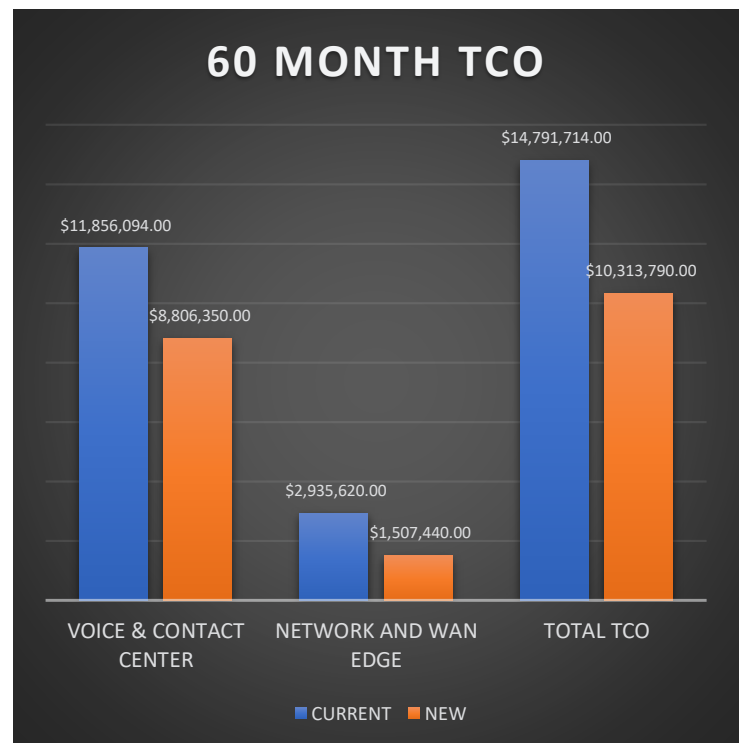
The Client ultimately selected the proposal from GTT / VMWare (Velo) for their connectivity and managed WAN. For the UCaaS and CCaaS the selection was Fuze / inContact because it exceeded both their technical and financial expectations. Immediately after the decision was made, Telmac's Project Management team contacted all award winners and began constructing a phased implementation plan and timeline to minimize disruption and avoid early termination fees of any decommissioned services. This plan included migrating the management of all related equipment (handsets, routers, switches, POE's, etc.) to the new provider.

## RESULTS

The Client was initially concerned that an effort of this scope and complexity would require significant effort that their capacity-stretched team would not be able to support. However, the Telmac managed service model only required them to submit 2 sets of invoices/contracts and a

spreadsheet with location addresses. From there, Telmac worked with the selected provider to design, negotiate, and implement a solution that standardized their data and voice infrastructures across all locations, offering them significant improvement in performance, reliability, scalability, agility, and ease of maintenance and support.

The solution consolidated all Data / WAN and Voice / Contact Center services onto individual platforms – meaning that, instead of dealing with 20+ vendors, they would only have to deal with one provider for connectivity & WAN and another for voice & contact center servicing and provisioning issues. Additionally, the client would have just two monthly invoices to pay. Proactive network monitoring and management added another level of 24x7x365 protection at all locations. The Client's users experienced no change in phone numbers, features, or security protocols, and benefitted from significant bandwidth increases at all offices. Most importantly this solution reduced their month costs by over 18%, with zero capital expenditures.



# Contact Center Agent Survey Report: Accounts Receivables Summary

With an estimated 39,000 contact centers and 3.5 million agents across the country serving as the front-line of businesses, more research into common reasons for mistakes and which training tools are most effective will advance contact center performance and customer satisfaction.

In September 2020, on behalf of Balto, Centiment conducted one of the largest surveys of contact center agents by surveying 1,032 English-speaking agents across the U.S.

## Key Findings

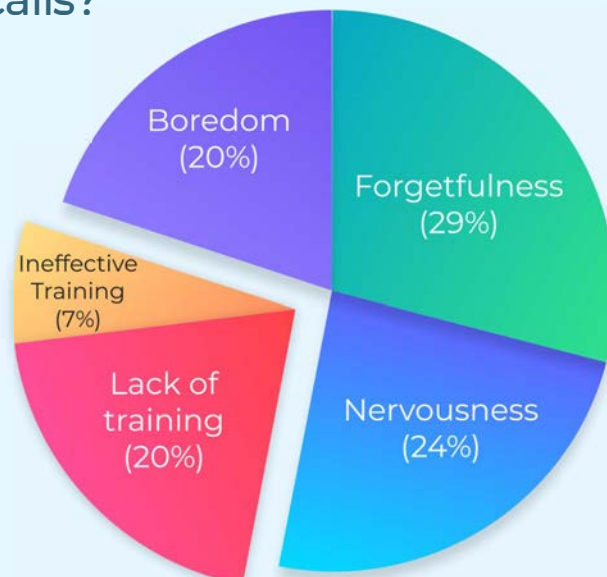
- 73% of agents in accounts receivables report that the primary reason they make mistakes on a call is due to human error, while only 27% attribute their mistakes to gaps in company training.
- The #1 reason agents in accounts receivables make mistakes is due to forgetting the right thing to say during the call.
- The most helpful training tool for agents in accounts receivables is company training (84%).
- Agents at larger companies (1,000+) forget the right response 8% more than smaller companies.

## What Is The Most Common Reason Accounts Receivables Agents Make Mistakes On Calls?

Human Error  
During Calls (65%)



Gaps in Company  
Training (35%)



You can read the full report and learn how Balto's real-time guidance platform is helping contact centers increase conversions, decrease ramp time and deliver a world-class customer experience at: [balto.ai/agent-report](https://balto.ai/agent-report)

# Next Steps for Contact Center Success

Based on our analysis of these survey results, we have found 4 different solutions that may help your contact center increase success rates.

## 1. Evaluate Your Processes

Although it is a basic step, not enough contact centers take it. You should evaluate what is and what isn't working by looking at key indicators such as CSAT scores, conversion rates, ramp time, and average handle times. The first step is to know what your company's strengths and weaknesses are and where your agents may need more support.

## 2. Identify Ways To Engage Your Agents

Based on the survey results, your more experienced agents are most likely bored with their scripts, which is a large reason why agent retention is very low for most contact centers. Methods for engaging your agents could include:

- Creating a competition to gamify their tasks
- Collecting feedback to gather insights and address concerns
- Asking for input on new playbook strategies

## 3. Optimize Your Training

Training tools related to coaching were cited as the most helpful resource by agents across almost all use cases, experience levels and industries. This is an area that you want to make sure is as strong as it can be. However, training is not enough since many agents also cited that they forget what to say on the call.

It's important to reinforce training materials with:

- **Up-to-date and easily accessible training materials.** Maintain a training repository for agents to reference regularly to learn at their own pace and build confidence.
- **Strategies for testing and tracking best practices.** Help agents and managers understand which approaches are resonating with customers and which are turning them away.

## 4. Use the Right Technology to Support Agents in Real-Time and at Scale

Post-call analytics have become a standard tool for contact centers. While it's useful in gathering data, it's often too late for the customer. The most common reasons for making mistakes are during the call, so post-call tools can't help agents when they need it the most. Many contact centers are turning to real-time technology to provide their agents with guidance in the moment.

Real-time guidance prompts agents with the best things to say live, on every call. Agents largely ranked company training as a helpful tool, so being able to offer live training during an active call would make the impact of training that much more effective. It would also help eliminate many of the common reasons agents cited for making mistakes, such as forgetting, nervousness, and boredom, and provides managers with insight into what is and isn't working.

You can learn more about real-time guidance and how Balto's real-time guidance platform is helping contact centers increase conversions, decrease ramp time and deliver a world-class customer experience at: [balto.ai/agent-report](https://balto.ai/agent-report)



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