



Economists agree that a recession is on the horizon: debt levels, asset prices, and wage pressure are all inflated.

Ready for the Next Recession?

Smart lenders are preparing now to work with their customers when a recession arrives. Here are a few steps you can take to strengthen your team and your results:

- Would your technology support a spike in delinquent accounts or recoveries?*** Have you invested in a strategy engine to ensure you are efficiently targeting your inventory? Are you prepared to fully deploy digital collections tools? During the last recession, there was more inventory than there were people to hire. If your plan is to rely on dialers and letters in the next recession, you'll struggle. Assess your technology gaps now – so you can use all channels while remaining compliant.
- Have you vetted and tested enough agencies to be ready if inventory suddenly spikes?*** Get out in front of demand by running agencies through your Compliance, Procurement, and Vendor Management areas now.
- Have you secured consent to communicate with delinquent customers through their preferred channels?*** The need to gather consent to use e-mail, SMS, and social media is not going away and our next wave of delinquent consumers will demand this type of communication. Regulations dictate the need for consent. Don't push off solving this problem today!
- If your losses were to double, what would you be willing to offer?*** Line up your payment-program offers now. Make sure you're ready to roll out a full arsenal of payment programs to the floor and on the web.
- Are your account-scrubbing processes tight?*** Are you set up to filter bankruptcy filings and other public record filings near real-time or next day? Do you take advantage of demographic-update services that can alert you to changes in customer-contact information? When times are good and people are paying, you may not worry as much about processes like updating contact information.
- Is YOUR strong team at risk if competitors need staff?*** Conduct "stay" interviews with employees in addition to "exit" interviews where you ask departing team members why they're leaving. Ask the ones who have stayed loyal to your organization why (e.g., pay scale, upward mobility, work environment).

Katabat Restore enables you to synchronize your debt-collection strategy and process across multiple touchpoints. Restore provides a comprehensive solution across all stages of collection management, digital collections, debt placement, hardship, and post charge-off recovery accounting on a single integrated platform. Visit www.katabat.com/restore to learn more about our newest offerings, including Engage (machine learning-powered communications) and Recovery Accounting.