

International Bridge, Tunnel and Turnpike Association
Presentation

*Defining and Measuring
Collection Success*

July 25, 2016



Connect. Resolve. Deliver.

Agenda

- **Problem Statement**
 - **Evolution of toll Industry**
 - Welcome to accounts receivables management (ARM)
- **What we can learn from bagel sales & metrics**
- **Typical ARM program**
- **Technology Needed – What and Why**
- **Critical Success Factors**
- **Conclusion**



EVOLUTION OF THE TOLL INDUSTRY



Bagels – Freakonomics (2005)

- **What happens when a statistician sells bagels?**
 - MIT PHD Economics
 - Labeled as “bagel guy”
 - Started business
- **Collection rates range from 95%-65%**
 - Original expectation was 95%
 - Average was 87%
 - Tolerable limits were 80%
 - Less than 80% – not sustainable



Bagels – Freakonomics (2005)

People are most honest when

- Work in smaller offices
- Have a relationship with the provider
- Weather is good
- Closer to holidays (not all)
- 80% are honest, 10-15% can be influenced, last 5% unexpected
- Data identifies successful actions taken
 - Had to change from open baskets
 - Personalized notes improved collection percentage



Account Receivable Management



Using Technology to Deliver “Ultimate Success” In ARM

- **Find ‘em**
 - Are you sending requests using the best information?
- **Contact ‘em**
 - Are you communicating using the best available option?
- **Educate and Motivate ‘em**
 - Are you consistent with your messages/business application?
- **Options are key (payment)**
 - Website – include payment plan option
 - Cash network
- **Data mining capabilities**
 - Track everything!
 - Must have effective tools
 - Non-IT dependent design tools (drag and drop)
 - Some examples include Microsoft Business Intelligence, Tableau, etc.



Critical Success Factors

- **Consistency**
 - Business rules
 - Political influence
- **Cost management**
 - Volume is key
 - Best technology
- **Transparency**
 - Complete access to account activity
 - Call recording
 - Quality monitoring
 - Training Success
- **Time is not your friend**



Conclusion

- **The tolling industry is in the account receivables management business**
 - Must have the tools to be successful
 - Must use the tools to realize success
- **Learn from other industries – no need to re-live the pain**
- **The industry can help standardize the definitions**
 - IBTTA committee opportunity?
- **Let the experts help**
- **Set reasonable expectations, and then push beyond them**
- **Learn from the bagel model – knowledge drives success**
 - Data will inform of customers' behaviors, if you are listening



Thank you for your time
and sharing your thoughts

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