



Dear Reader,

This issue of PowerCollect eNews - March 06 includes Industry News, Articles and solutions information. The feature article is "Optimizing Receivables".

Profit from all the latest information.

Happy Reading!

From The Profitera Team

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## Five Ways to Improve Collections in 2006

With billions of delinquent dollars still uncollected around the world, collection centers are searching for new, more productive and profitable ways to pursue overdue accounts. In this quest, many companies have re-evaluated long-held beliefs and have actually found that some of these assumptions are restricting- rather than promoting-their success. As a result, they have made significant changes in their collections process; in some cases, doing the opposite of what they had done before. The payoff for these companies has been measurable improvements in collection results.

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## B. Articles

### Optimizing Receivables By Yu-Soon Koh

For every business serious about maintaining optimum cash flow, it is imperative that effective practices be implemented for securing monies owed and curtailing potential debtors. The past several years have seen some troublesome statistics materialize with respect to business debt collections. The statistics are particularly upsetting for small and medium-sized businesses trying to collect on their invoices.

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**Does your Collections & Recovery process leverage any form of " Behavior or Collectability Score" to determine who to target your recovery efforts on?**

Yes -71

No - 28

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### Industry News 1. Hold onto that customer

**By Fiona Chau**

While competing on price has been a long-time strategy for many telcos, the focus has shifted to bundled and personalized services as a customer retention tool. But industry watchers say Asian cellcos need to be more proactive and focus on customer lifetime value to increase their bottom lines and hold onto customers

Retention tips:

- Prioritize high-value users
- Segment user base
- Leverage back-office data
- Avoid competing on price
- Move beyond handset subsidies
- Identify prepaid customers with targeted loyalty programs
- Invest in employee training
- Invest in advanced customer care and billing systems
- Set manageable churn targets
- Regularly evaluate and refine all loyalty initiatives

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### Industry News 2. Indonesia: Islamic banking faces skills shortage

**The AsianBanker**

The new window of opportunity for conventional banks to offer Islamic banking services may pose more of a challenge to local banks before they can truly reap the benefits of such an opening.

In a bid to promote growth of Islamic banking in Indonesia, Bank Indonesia, since January 2006, has allowed conventional branches with syariah banking units to offer syariah's products and services – office channeling. This frees banks from having to set up syariah banking branches. However, issues such as integration with conventional banking and lack of Islamic banking-specific human resource need to be addressed.

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### Industry News 3. Major Credit Bureaus Adopt Uniform Score

The three major consumer credit reporting agencies announced today that they have created a new credit scoring system to simplify the loan process for both lenders and borrowers.

Equifax, Experian and TransUnion said during a conference call this morning that the new "VantageScore" is a direct result of market demand for a "more consistent and objective approach to credit scoring." The agencies in the past each used separate proprietary formulas to create credit scores, meaning a lender dealing with a consumer's application for a credit card or a mortgage might have to reconcile three widely different scores.

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#### Industry News 4. Indian Credit Card Sector Plagued by Random Distribution and Bad Assets

##### Making the Right Collections Calls

The level of bad assets in the credit card sector, currently touching 9%, is primarily due to the focus of the companies in increasing market share through arbitrary distribution of the product, according to the Credit Card Management Consultancy (CCMC). CCMC said that card issuers must re-orient their focus and concentrate on usage which is still very low in the country.

That apart, consumers often have multiple cards which leads to non usage of the product. "The card issuers must now devise ways to encourage customers to make their purchases using their cards. Unfortunately, most companies focus on expanding the overall credit card market, often with unsolicited cards as well," Vijay Mehta, director, CCMC, said.

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#### Industry News 5. JCB and MasterCard Agree to Share Common Contactless Communications Protocol

JCB, the only Asian-based international card brand, and MasterCard International have reached an agreement to share a common contactless communications protocol.

The protocol is the MasterCard PayPass™ ISO/IEC 14443 Implementation Specification, which provides for a global standardized technology for contactless payment services. Visa International made an announcement to support the protocol in March 2005, and JCB's adoption of the specification means that these major international card brands will be basing their contactless payment applications on the same communications protocol.

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#### Industry News 6. Payment loopholes

*By Tony Chan*

One story that was circulated in social circles in Hong Kong involves a wealthy businessman and a famous Chinese restaurant. As a closure to his meal with some partners, the businessman ordered red bean soup, a popular Chinese dessert. The waiter then asked casually whether he would like some dried tangerine peel with it, to which the businessman answered in the positive.

When the businessman later asked for his bill and glanced at the total, he was astounded to find that each bowl of the red bean soup, which typically costs between \$3-4, was listed at over \$30. When he asked the waiter "why", he was told that the dried tangerine peel he had ordered were actually "thousand-year-old" ones - a few thin strips of which led to the drastically inflated price.

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#### Industry News 7. Mobile Operators Failing to Collect 5% of Customer Billings

**3GSM World Congress, Barcelona, 14 February 2006** - Unpaid bills and defaulting customers are costing mobile operators around \$26 billion\* every year with around 5% of total billings being written off annually, a survey of operators around the world has revealed.

This is one of the main findings of research Talgentra has conducted in conjunction with telecom analysts, Analysys, into customer revenue management and debt collection at mobile operators around the world. 'Customer Revenue Management and Debt Collection: a global survey of telecom operators' also showed that operators would benefit from the development and use of country-specific databases of defaulting customers.

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## Industry News 8. Revenue leakage, and how to plug it

**By Fiona Chau**  
**Telecom Asia**

*Carriers across the region have finally started to get serious about revenue assurance and are now taking a close look at their processes to uncover often gaping holes in their bottom lines.*

Arising from the ashes of the telecommunication's crash following the 1990's boom years, revenue assurance is gaining momentum as more and more carriers are making revenue assurance a top priority and taking a closer look at how it can be used to boost profits.

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#### About Profitera Corporation

Profitera Corporation is a leading provider of Revenue Collections and Debt Recovery Management Software Solutions. With Office in USA, Singapore, Malaysia, and partners in 10 countries in Asia, Profitera focuses in providing innovative solutions, leveraging the potent mix of people, technology and expertise to bring about greater Profitability. As a dynamic business technology company, Profitera's aim is to help its Customers focus on their Clients and optimize profits throughout their Revenue & Profitability Lifecycle.

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