LTIMindtree

Case Study

Improving Bad Debt Collections for an Electric Utility

Client

The client is a leading US-based electricity utility organization

Challenges

- "One size fits all" approach to collections process

- Inability to distinguish between "can't pay" and "forgot to pay" customers

- Work orders for disconnection not ranked, and 25% not acted upon due to resource constraint

LTIMindtree Solution

LTIMindtree developed a descriptive and predictive analytics model for:

- Customer payment segmentation: Developed customer segments based on their payment behavior and similarity with customers based on 100+ attributes.

- Late payment prediction: Developed an accurate model to predict customers who are most/least likely to pay their next bill late .

- Provided recommendations for actions against each segment such as outreach prioritization, etc. based on their payment probability as predicted by the model.

Business Benefits

Created a highly accurate model that can be further tuned for optimizing outcomes

Reusability for predicting probability on aspects other than late payment

Model outputs can be leveraged during both blue and black sky days, and in both business processes and ad-hoc reporting

Design of credit processes and simplified decision-making with a few customer segments

Upstream treatment, that can reduce operational costs by helping customers pay before the client incurs cost