

Compass HR Consulting, LLC

Financial Services Business – National Recovery Center

Situation

The Financial Service Business- National Recovery Center of a major global automotive company needed to develop an improved, efficient and effective process of target setting methodology for its deficient debt collector incentive plan.

Opportunity

Monthly target setting for recovery teams took considerable time in both analysis and approval process and generated targets that did not average 100% achievement for the full year consistently across brands. Recovery targets were not changed on a consistent basis and consistent overachievement resulted in inequities among team performance metrics. Different working days in the month resulted in targets that offered consistent stretch objectives. These offered the opportunity to improve employee productivity and morale and unit results.

Actions

A 6-Sigma project Team was formed and employed the DMAIC (Define, Measure, Analyze, Improve, Control) process to determine the best target setting methodology to improve collector productivity, efficiency and effectiveness needed to maximize revenue generation and more accurately recognize and reward the efforts of recovery team members.

Results

The 6-Sigma project improved the target setting process for collectors implemented to adjust targets monthly based on portfolio mix and collection performance lead to improved collector productivity on all portfolios. Collector productivity and unit results increased over 20%.