

5 Reasons Why ARM Leaders Prioritize Compliance Audit and Control Processes to Boost Digital Transformation

A recent report from MIT Sloan Management Review indicates a strong correlation between companies actively engaged in digital transformation and their ability to succeed in the new economy. But only 48% of the report's survey respondents agreed that their organizations are ready to compete in the digital economy. Creditors and third-party collections agencies have much to gain by advancing and even accelerating their digital transformation strategies, especially during times of uncertainty when many organizations curtail technology investments pending clearer visibility to the future business climate. Leading firms can capitalize on industry hesitancy caused by inevitable market shifts to extend their competitive edge.

Audit and control processes are vital debt collection and account receivables management activities that, when modernized, offer immediate, measurable, and long-lasting value to stakeholders and the business. Leading ARM organizations are, therefore, elevating the transformation of outdated compliance audit and control workflows to the top of the digital transformation priority list. Here are 5 top reasons why.

1. Saves time.

The most significant expense for most businesses is labor, so reducing the time required to perform routine processes maximizes staff capacity and boosts profits. Organizations that rely on spreadsheets, printed forms, and manual data management perpetuate waste and inefficiency. Digitizing audit and QA processes will not only reduce manual touchpoints and improve business efficiency but ensure that the sequence of activities, acknowledgments, and actions is codified, consistent, and compliant.

2. Reduces risk.

Risk is a persistent, multi-faceted reality of business and life. Pandemic risk was on the radar of very few in early 2020, but its impact remains a top concern today and will so well into the future. More than anything, reducing risk is dependent on agility – the ability to rapidly shift strategy, operations, and resources when necessary. Systems dependent on outdated technology and manual processes are slow, rigid, and fragile, limiting the organization's ability to adjust when risk manifests due to human error, natural disaster, cyber-attack, or other circumstances. Digitizing business processes reduces or mitigates the impact of nearly every form of business risk.

3. Thrills regulators.

Digitized systems thrill regulators for the same reasons they excite you. Advanced design techniques and modern, cloud-based software provide on-demand access to the information regulatory auditors require to assess risk, governance, and internal controls. They also provide reports, data visualizations, granular drill-down, advanced analytics, data export, and third-party system integrations that make regulators jobs easier and demonstrates that your organization takes them and compliance seriously.

4. Boosts employee engagement.

Working with obsolete technology is frustrating, hurts morale, and ultimately productivity. This is as true for frontline personnel as for their administrative, support, and senior management counterparts. The shift to virtual compounds the challenge exponentially as spreadsheet and paper-based systems are inadequate for the distribution, acknowledgment, rebuttals, and other forms of disclosure and collaboration inherent to audit and control workflows. Audit and control workflows migrated to cloud-based platforms by itself improves the employee work experience, but also includes role-based dashboards, performance and trend reporting, agent coaching, gamification, and many other features that foster engagement and productivity.

5. Improves business results.

Outdated technology is expensive to build and maintain and is a drain on IT resources. Modern platforms designed for anywhere-access to critical compliance audit and control systems empower business stakeholders with cutting-edge tools to deliver on productivity, CX, efficiency, and adherence targets, scale credit and collections operations, boost revenue growth, and strengthen the bottom line.

The Covid-19 pandemic has made 2020 an exceptional year for most businesses and, in many cases, a positive one. Leading debt collection and account receivables management organizations have capitalized on this disruptive period to expedite crucial digital transformation initiatives and gain a competitive edge.

Assess each business unit and functional area within your organization to identify and fix the weak or neglected systems, processes, and workflows that impair morale, compliance, effectiveness, and profits. Given the bright outlook for the ARM industry, doing so will position your organization to effectively serve employees, customers, regulators, and business owners as the effects of the pandemic continue to develop and long after it's ended.

About the Author

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