insideARM
Think Differently

Transcript of conversation between Stephanie Eidelman, CEO of The iA Institute
and Scott Ferris, CEO and Founder, and Rob Nadler, Vice President of Sales, Attunely
Published May 15, 2020

Stephanie Eidelman
Hi, I'm Stephanie Eidelman, CEO of insideARM and the iA Institute. I hope you're all safe and healthy. One of the things I spend a lot of my time on is managing our Innovation Council. Even before the pandemic, organizations in the Innovation Council understood that their ability to survive would depend on collaboration, thinking differently, and being at the forefront of communications, analytics, payments, and compliance technology. Last fall, we started an article series called Thinking Differently, to feature thought leadership by our staff and by members of the council. We've now expanded this series into a video format, as I interview various members of the council to share with you how they're thinking differently about their businesses today and about the future of the industry. I hope you'll listen in.

[Brief video animation introducing "Think Differently"]

I'm here today with Scott Ferris, Founder and CEO, and Rob Nadler, Vice President of Sales of Attunely, and they are members of the iA Innovation Council. Guys, thanks so much for taking the time today. I'm really looking forward to our conversation.

Rob Nadler
I appreciate the opportunity.

Stephanie Eidelman
Great. So why don't we get started with the business. For anybody who's not familiar with Attunely, you guys are a fairly new company on the scene. When were you founded, why, and what's your philosophy?

Scott Ferris
Why don't I take that? So we were founded in 2018, although we did not introduce the company until February 5th of 2019. So the whole time from the incorporation of the company to the time that we launched, we were spending a lot of time with collection agencies, debt buyers, in terms of really internalizing their pain points and the problems that our engineers were looking to solve. What we've built is a very sophisticated, highly scalable machine learning platform that, in essence, is designed to snap to the existing system of record of collection agencies and debt buyers and not have them make a wholesale change to how they run their operations. We're just ingesting deidentified data from their system of record and from the accounts. We overlay it with macroeconomic models, and we built custom machine learning models to be trained in tune to the specific business KPIs of our customers.

And then we just generate dynamic scores to help them really use their resources more efficiently, find ways to recover more revenue, and really be more profitable and more efficient.

And we just spent the whole first year, over a year, just building the platform and perfecting the models before we actually introduced the company. So we're really excited to be working with the industry. We take a very collaborative approach. We partner with the incumbent technology vendors and cooperate with even folks who are adjacent to us in this space, because we feel this industry is ripe for redefining the experience of what a collection agency is about and the type of service that they can provide for their clients, and obviously, improving results.

Stephanie Eidelman
Yeah. It's a terrific encapsulation of why we started the Innovation Council, too, to allow that collaboration to happen, and what a great opportunity for you to get to start from scratch and really hear from people first what was needed. So kudos to you guys.

What are you hearing from clients in these last six weeks?

Scott Ferris
I'll let Rob take that.

Rob Nadler
Yeah, sure. So I think what we're hearing is it really varies based on location, based on the specific clients, which businesses, asset class, business lines they're in. What I've been most amazed about is just the velocity of the impact of the pandemic and how quickly it's impacted all of the agencies and debt buyers and creditors that we work with. And I would say what's been most surprising—maybe not surprising, but what's been most enlightening is just how they persevered through this situation and have made some very quick changes in order to either capitalize on the situation or at least turn to some semblance of the new normal.

Stephanie Eidelman
Yeah. I've heard a lot of similar stories as well. So the theme of our series is thinking differently, and you segue nicely into that. I think if we were to ask people four or five weeks ago how they're thinking differently because of this pandemic, it would have been about shifting work from the office to home. That would have been a big theme.

Now much of that has happened, if it's going to happen, at least in the near term. And so, what do you see as next in the area of thinking differently?

Rob Nadler
What's been really nice is the type of relationship we have with our clients, and we try to be really consultative in how we help them think through problems. And that's really the basis of our suite of models has been solving problems for our clients. And they've come to us over the last six weeks and really asked for our assistance of how can we leverage the data that we have and they have in order to make smarter decisions?

And so what I would say is that, to your point, the world has changed very quickly from even six weeks ago to today. And one of the aspects that we find is really important is making not only smart decisions, but quick and agile decisions. And so, one of the features and aspects of our platform is just how dynamic our models are in terms of being able to offer updated

recommendations in real-time or at least on a daily basis to our clients, which enables them to make decisions as the world evolves, and it's quickly changing, to be able to make decisions, to adjust and pivot very quickly based on not just anecdotal information, but real hard data that suggests we should be doing this today versus yesterday.

Stephanie Eidelman
Have you seen that operating philosophy prove results?

Rob Nadler
We have. Yeah. We have. One of the things that I've been very pleased about is a lot of our clients who even have limited resources right now, given a remote staff or having to kind of make adjustments to their staffing levels is that they're doubling down on the concept of spending more time on the most valuable accounts. And so, how do they maximize and optimize who they call, when they call, how they communicate with the consumers, and what the tone and tenor of that discussion is? And again, using data to really support those decisions.

Scott Ferris
You know, Stephanie, the thing that's really rewarding for me—you and I have had this conversation—I come from a long-standing history in pioneering technologies, and one of the industries that I was a part of was digital advertising. So the advertising agency has to service their clients and has to get a result for their clients, and with the advent of the Internet, it was very challenging. But over time, they learn to adopt technology and to be data driven. And as you know today, decisions are made in milliseconds on what message to get and in front of what consumer to get a desired result. And we're just appliqueing those principles in the collection industry.

But the thing that's really different that we're doing here that we, frankly, didn't do in the digital ad business was we're retrofitting our technology into the workflow and into the collections operations strategies of our customers. And that's really, I think, just a wonderful lesson in pattern recognition from the digital business to the collection industry and the whole credit ecosystem.

Stephanie Eidelman
That's an excellent thought, because as a media company, that rings true to me, because of course, we are involved in digital ads. And something that I've learned over years in my publishing group is about testing. And you've always got to be testing. And something that I've learned from Amy Perkins, who's our president, and who came to our company a couple years ago from being the head of strategy for a couple of major banks is the same thing. Test and control, and in a time like this, you are so much better positioned if you have different strategy levers that you can pull to change your results or to pivot. And if you haven't been testing different things, you don't know what those levers might be, and you don't know how they'll perform.

And so being ready to—it's never too late to start. And so, because you never know when the next crisis will be with us. So starting to—having an infrastructure that allows you to test on a regular basis and evolve that on a, now, a much quicker basis than maybe we have seen before is

Rob Nadler

Yeah. That's a really interesting concept. We look at testing in two ways. So you can look historically, so we'll ingest historical data from our clients. We have a database of over a billion insights that we use to help build our models and the predictability of our models. But we can first run some of the tests that you're alluding to in a back-test environment, so with no disruption to an operation. And so, we can do some of those tests. What if you would have made this many calls? What if you moved half of your business to email versus phone calls? We can do some of that test in a historical perspective. Then we can launch it in a live environment and perform those similar tests. So I think you're spot on. The innovative companies that understand how to analyze, test, and then make decisions based on that data are really the ones that are shining right now.

Scott Ferris

The other principle that I think was important when we started the company was we had a whole crew of people who had built this highly scalable, ad insertion, decisioning-type technology, but we didn't have any experience in the collection world. So it was really, really important to me that we didn't come to the industry and think we knew everything. We needed to come to the industry knowing where we have a core competency and what we bring to the table, but then I wanted to complement the leadership team with folks like Rob and Steve Wilansky, and we have a board member who's got 40 years' experience, because I wanted to infuse the reality of what it is to run a collections operation and really marry the best of technology and machine learning with the best of folks who really understand how to run a collections operation, because for the industry to adopt these technologies, we can't be disruptive. We have to be accretive, and we have to be able to sort of slip stream right into how they run their business.

Stephanie Eidelman

Yeah. That does reflect, certainly I think, maybe the risk tolerance as well of the industry and the ability to just to wholesale make a change in a very regulated environment. Rob, what you talked about with being able to run a test in the background first sounds like that would be attractive to a lot of companies in the industry.

Rob Nadler

Yeah, that's exactly right. So we start all of our engagements that way. So we ingest the data, and then we'll build custom models based on the operational strategy of our partners. And you alluded to earlier on—in the call you alluded to dynamic nature and kind of quick decisions. And that's exactly when we fine tune our models, we are able to fine tune it based on an evolving environment. And what I mean by that is you can tune a machine learning model to make predictions on will someone make a payment in the next 30 days? Who's most likely to pay over six months? Who's most likely to settle in full? What's the optimal payment plan for each consumer? Those types of decisions, you fine tune the model based on what the operator's looking to accomplish, and in changing times like this, you can quickly perform those tests, and then you can implement them live and tune and modify the model as you go.

Stephanie Eidelman
Yeah, and when things are truly changing on a day to day basis, like they are now, that could be essential.

Rob Nadler
That's right.

Stephanie Eidelman
Yeah. All right. Well, gentlemen, I appreciate it. I know folks only want to listen to such a long video, so maybe we can continue this conversation in a new episode. But I appreciate your time today, and thank you for the Thinking Differently insights.

Scott Ferris
Well, thank you, Stephanie, for thinking of us, and stay healthy and sane, and I applaud the work you're doing here to try to raise the level of consciousness around this.

Stephanie Eidelman
Well, thank you. Thank you and back at you.

Scott Ferris
Okay. Stay well.

Stephanie Eidelman
You, too.