SOP: The Collections Workstreams

Overview

The Collections Workstreams are composed of 3 different workstreams that serve to flag different accounts for different levels of alert. These 3 workstreams aim to capture the key delinquent accounts across our entire portfolio and help focus the team's attention to these accounts before their outstanding debt gets out of hand.

- The **Weekly Workstream** captures accounts that are delinquent but have a small number of overdue invoices (i.e. 1-2 overdue invoices) and are generally healthy otherwise. These accounts are not in the mini corp pod and parent account pod

- The **Mini Corp Pod Workstream** captures accounts that are starting to display high delinquency ($50k+ overdue AR) that we are actively monitoring and troubleshooting before their AR reaches $100k+ overdue AR. It also includes accounts that have been deescalated from the parent account pod for further monitoring.

- The **Parent Account Workstream** captures accounts that are the most critical parent accounts in our portfolio ($100k+ overdue AR) that are trending towards high delinquency and pose the highest risk

As a BR, the responsibility to ensure these accounts do not head toward greater delinquency falls upon you. This article will outline the goals and processes involved in these three workstreams.

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Weekly Workstream

The Weekly Workstream should be the "yellow flag" that indicates to us an account needs a closer look and may be in the early stages of delinquency. In the longer term it should be gate #1 that prevents accounts from going into further stages of delinquency, which are currently monitored through the Mini Corp pod and Parent Account pod. If we catch accounts early enough, really there should be no accounts that are escalated into those later pods, unless there are extenuating circumstances prompting us to keep a delinquent account enrolled (e.g., active Payment Plan, or high-usage HCF with whom we want to maintain a good relationship).

Goal of this Workstream

Ensure that 100% of accounts demonstrating risky behavior or with discrepancies between current status and recommended actions are audited, so that clear decisions are made and a proper course of action is defined to prevent further delinquency.

We are primarily looking for clues about account riskiness. If an account is demonstrating risky behavior, we should know about it. We are also looking for discrepancies in our reporting and in following SOPs.

Examples:

- An account is flagged because current status is Enrolled but recommended status is Pending. BR informs us that the account has a special handling request and only pays once a month; however, the "One-off Pend/Suspend Handling" box is not checked in Salesforce. This uncovers the error and prompts the BR to check that box in Salesforce + write Billing SOPs.

- An account is listed in Salesforce as being part of the Legal workstream, but they are currently Enrolled and have 2 overdue invoices. This shows that we should update the "Workstream Handling" field in Salesforce. Goals: Ensuring that 100% of accounts demonstrating risky behavior or with discrepancies between current status and

recommended actions are audited, so that clear decisions are made and a proper course of action is defined to prevent further delinquency.

Decision Making Criteria

All accounts will utilize the [EPS Decision Trees](#) to guide the decision making process for each of their accounts. As you know, there will be times where the guidance will not apply in situations where we broker payment plans, specific corporate payment schedules, etc. You are expected to utilize the guidance as a starting point but also express proper judgment as additional information flows in from the customer.

Criteria That Bring an Account into the Weekly Workstream

The revamped reporting is built with five criteria plus a sixth "catch-all criteria" that determines if an account should be in the Workstream that week:

1. **Never paid but has an overdue balance**: This was already being reported in the old version of the Workstream. This is so we keep a closer eye on new accounts that we know little about and who are already behind on payment. It's likely we've learned little about these accounts and built no trust, so it's important to be more watchful early on.

2. **Account's current status ≠ [recommended status](#):** This should indicate to us that a recommended action wasn't taken, and there is some discrepancy between where the account is and where it's expected to be. Answering the question *"why is there a discrepancy?"* is likely to tell us (a) the proper action wasn't taken on an account (missed execution), (b) there's an extenuating circumstance on why we didn't take the recommended action (and it may indicate we are being too lenient), or (c) the recommended status is wrong.

   - it will be mostly (a) and (b) given the recommended statuses are 98%+ accurate. Either way, it's an important discovery worth digging into. One thing to note is that it's important *when* we pull the reporting here – because we only enforce Pending and Suspension on Mondays and Tuesdays, **we will pull reporting on *Tuesday afternoon at ~4pm EST* after TLs/Managers counter-grade the previous week's report.** That way, reporting will be accurate but there is still time left to enforce Pending/Suspension status if needed.

3. **Total balance is ≥$150k but overdue balance is <$50k:** This is to catch high-usage facilities who might have only one overdue invoice, but their usage is very high and we don't want their total balance to continue growing without knowing why.

4. **Account is recommended to be re-enrolled:** This is to catch accounts who are in Pending/Suspension status (or other status keeping them on hold) but should probably be

Enrolled based on their overdue balance. This is to prevent situations where we fail to re-enroll a paying customer when we should've and to understand how it happened.

5. **Account is labeled as "Low Balance" or "One-Off Handling" but is overdue:** We understand some accounts have special handling requests like monthly check runs, or they have a very small overdue balance that shouldn't be considered in our [EPS Decision Treets](#); however, we should still flag accounts that are in this category but displaying early stages of delinquency.

6. **Account is enrolled with ≥2 overdue invoices and <$50k overdue**: This is the Workstream "catch all" function to make sure no facilities slip through the cracks from the three previous functions. In theory, if we are following our Pend/Suspend guidance closely, there should be little-to-no accounts that are still enrolled with two or more overdue invoices that have aged long enough based on their NET terms.

The [Collections Weekly Workstream Report (2024)](#) pulls the list of accounts that are flagged by the above formulas and then removes the ones already handled by the Mini Corp pod and the Parent Account Pod.

Weekly Workflow for BRs, SMEs, and CAMs (Where Applicable)

1. On Tuesday afternoon at ~4pm EST, [Shella Ross Mapendan](#) creates a new tab for the next week's accounts using [Collections Weekly Workstream Report (2024)](#) and titles it "**Week of [DATE] - [DATE]**". She then goes into the Automated Pend/Suspend Report tab and filters for accounts labeled as "Workstream" in column AN. She then copies and pastes the SFIDs into Column A of the tab she just created, and the rest of the info will be pulled in.

2. Reps are expected to monitor these accounts closely throughout the week.

3. On Monday and Tuesday of the following week, Reps will check for any weekend payments / additional communication that flowed in over the weekend for accounts flagged in the weekly Workstream the week before.

4. Reps will fill in three columns by Tuesday ~12pm ET (ET reps) / 12 pm PT (PT reps), which include:

   a. **Answer to question from Column F (main reason and question)** – Depending on the criteria used to pull the account into the weekly Workstream, you'll answer a targeted question to get to the root cause of why the account is in the Workstream. The purpose of the question is to elicit a more targeted answer on why the account is in its current situation vs. only answering what will be done about it. This is about digging for root cause and

effectively summarizing it for others to understand why. (E.g., Current status ≠ recommended status. Why? Should the current status change?)

  b. **Decision for that Tuesday** – This is your decision for what to do with the account on Tuesday at the end of the weekly Workstream.

  c. **Action Plan** – This column is for your notes elaborating on your decision and explaining how/why you will put this plan into action.

5. After reps are done with decisions and notes on Tuesday, TLs then go into the sheet and start counter-grading decisions and taking their own notes.

6. Based on the execution and the written action plan for the account, the TL will grade the account as a "Pass" or "Fail" (only one grade).

7. After all reps finish making decisions on their accounts and taking notes, [Shella Ross Mapendan](#) will add a new Workstream tab for reps to work on for the next week, and she will send this message in [*#collections-team*](#) and pin it to the channel.

Success Metrics

Input metrics

- **% of decisions passed** – A high number here tells us that BRs and managers are aligned, indicating BRs' execution accuracy is high. We should ideally see this number increase and stay high (~100%).

- **% of accounts whose current status ≠ recommended status** – A low number here tells us that BRs are sticking to the [EPS Decision Trees' guidance](#) and that our automated reporting is accurate. We should see this number decrease and stay low (<10%). There will almost certainly always be accounts that deviate from the recommended status due to extenuating circumstances, but this should be relatively uncommon.

Output metrics*

- **Avg # of overdue invoices at time of Pending** – If we see a decrease in this metric week-to-week, it may indicate we are better at catching risky accounts early.

- **Avg overdue balance** – If we see a decrease in this metric week-to-week, it may indicate that we are catching risky accounts earlier and taking action on them.

- **Avg days to pay** – If we see a decrease in this metric week-to-week, it may indicate that action taken through our Workstream is incentivizing accounts to pay earlier, presumably to

avoid Pending status. I think it's likely because we are (1) better at catching risky accounts early and (2) better at adhering to our [EPS Decision Trees](#) (i.e., less lenient).

It's possible these metrics are also driven by other efforts. To focus on the impact the Workstream is having, we should only evaluate these numbers for accounts that have been in the Workstream in the last 30 days.

Mini Corp Pod Workstream

The Mini Corp Pod monitors accounts headed toward high delinquency that need careful attention before their outstanding costs grow any further. This would be gate #2 for accounts that get beyond the Weekly Workstream.

Decision Making Criteria

All accounts will utilize the [automated pend / suspend flow](#) in addition to the [EPS Decision Trees](#) to guide the decision making process for each of their accounts. Note that this guidance will not apply in situations where we broker payment plans or adhere to specific corporate payment schedules (needs manager approval).

Meeting Cadence

TL and BRs will meet once a week, and it is expected that all BRs and AMs do the pre-work beforehand.

Meeting Expectations / Workflow

Shella Ross Mapendan will actively remove accounts after every Mini Corp Pod meeting that display at least 3 weeks of low overdue balance (<$15k overdue WoW) and actively add accounts from the weekly workstream that exceed the $50k threshold (both standalone + corp facilities) at the start of each meeting.

Billing Reps Expectations

The BR will be responsible for completing notes in the respective workstreams on the following:

1. **(If applicable) Pending / Suspension Endorsement:** See this [confluence page](#) for how to submit a pending / suspension request.
2. **Plan Forward:** Properly noting if the account should be kept enrolled or if we should threaten Pending / Suspension for the following week. If the account is already pending (no FBS) / Suspension, the BR properly notes what the action plan is regarding the account. Action plans should be detailed and clearly note who you are reaching out to and when. Example:

- "Will be reaching out to C-suite contacts daily the upcoming week to get a payment plan in place. If there is no response from corporate, will loop in the team lead to send out an escalation email on my behalf."

3. **Plan Execution:** The BR is then responsible for executing on the follow-up action plan that they noted above with no reminders or chasing done from the team leads

If the account is not making any progress towards payment (i.e., key contacts are unresponsive / continuously string us along), currently in Pending (no FBS) / Suspension, and you don't want to escalate the account to legal due to churn concerns, then you must come up with a strategy plan on how you plan on collecting payment along with key deadlines. **It will not be acceptable** to have the same plan week over week when we have evidence that progress is not being made.

Manager Expectations

Team Lead Expectations

The TL will counter-grade all account decisions and also grade to make sure the prior week's follow-up actions were properly actioned by the BR. Team leads to also advise and provide guidance on the decisions being made for each account with the BR. Team leads should select and focus in on the top 10 accounts that are most delinquent from the accounts that they oversee and continuously follow up throughout the week in the *#collections-team* or *#mini-corp-pod* channel to make sure that the action plan is carried out for that account.

Team leads will also be labeling each account as high urgency, medium urgency, low urgency. Definitions for the following categories are below:

1. **High Urgency**: account is on track to get escalated to legal, key contacts are no longer communicating with us / providing solid payment updates, corporate is noting that they are planning on churning out, most of their accounts are pended / suspended

2. **Medium Urgency**: account is continuing to pay but still has a high level of overdue balance and is slow to pay, corporate contacts are communicating with us but they're hard to reach / slow to respond

3. **Low Urgency**: account is in fairly good shape, corporate contacts are responsive and good payers, they have a high overdue balance just due to high usage and overdue balance is usually just 1 week's worth of delinquency

Success Metrics

Inputs

Billing Rep Success Metrics

The key inputs to this motion will be the following:

1. Ensure that 100% of decision making is aligned with the guidance and / or displays proper judgment **(Plan Forward)**
2. Ensure 100% proper follow-up on the account from the prior week was properly executed **(Plan Execution)**

Outputs

Billing Rep Success Metrics

1. Number of accounts they move out of the mini corp pod tracker on a weekly basis
2. Number of accounts that don't exceed $100k overdue / get escalated to the parent account pod

If accounts are moved out of the mini corp pod due to good standing, BRs will be eligible to receive a bonus - see this page for more detail.

Parent Account Workstream

The Parent Account Workstream poses the parent accounts at highest risk and are the "red flags" to monitor. These accounts are trending toward high delinquency ($100k+ overdue AR).

Goal of this Workstream

The goal of this workstream is to closely monitor and move quickly (Pending / Suspension / legal escalation) on the most critical (i.e., highest overdue) accounts in our portfolio.

Decision Making Criteria

All accounts will utilize the [automated pend / suspend](#) flow in addition to the [EPS Decision Trees](#) to guide the decision making process for each of their accounts. Note that this guidance will not apply in situations where we broker payment plans or adhere to specific corporate payment schedules (needs manager approval).

Meeting Cadence

Actors in this workstream will meet once a week (Tuesdays) and it is expected that all BRs and AMs do the pre-work beforehand, outlined below.

Meeting Expectations / Workflow

Team Expectations

AM / BR Expectations

The AM / BR will be responsible for filling out the sheet prior to every meeting. If it's a BR led account, the billing sheet will be filled out by the BR. If it's an AM led account, the account

manager will be responsible for filling out the sheet. The AM can work with the BR on division of work but the AM will be the one ultimately held responsible for sheet completion. The AM / BR are expected to propose a potential solution first rather than just presenting the problem. AM / BRs are encouraged to ask Charlie to help push on the account (a senior level manager stepping in helps add a layer of seriousness to the thread).

The expectations regarding "filling out the sheet" are the following:

1. **Plan Forward:** Properly noting if the account should be kept enrolled or if we should threaten pending / suspension for the following week. If the account is already pending (no future booked shifts / FBS) / suspension, the BR / AM properly notes what the action plan is regarding the account. AMs + BRs should be outreaching an account close to daily if the account is becoming increasingly delinquent / urgent. **The action plan should be detailed noting who you are going to be reaching out to, what cadence and at which dates.** Examples are the following (not exhaustive):
   a. *Example 1*: "I will be reaching out to C-suite contacts daily the upcoming week to get a payment plan in place. If there is no response, then will loop in <u>Hannah Kim</u> to send out another email on [x] date."
   b. *Example 2*: "Will be doing one final outreach on wednesday (3/23) to C suite contacts and if they don't respond then will ask for this account to be put on suspension on thursday (3/24)."
2. **Plan Execution:** The BR / AM is then responsible for executing on the follow-up action plan that they noted above.

If the account is not making any progress towards payment (i.e. key contacts are unresponsive / continuously string us along), currently in pending (no FBS) / suspension and you don't want to escalate the account to legal due to churn concerns, then you must come up with a strategy plan on how you plan on collecting payment along with key deadlines. It will *not be acceptable* to have the same plan week over week when we have evidence that progress is not being made.

AMs / BRs will be graded based on the following:

1. **Plan Forward:** Provide a score on the % of accounts that align with my decisions → ensure that all team members are following the guidance criteria and/or the plan forward if the account is already pending (no FBS) / suspension. AMs / BRS will also be graded on the level of persistence (cadence and frequency of calls / emails) that the AM / BR plans on outreaching. Will label this as a "pass / fail" and note my rationale for the score. All AMs / BRs are expected to score 90%+ "pass" every week

2. **Plan Execution:** Provide a score on if the prior week's action plan was properly executed. This will be labeled as a "pass/fail" and note my rationale for the score. All AMs / BRs are expected to score 90%+ "pass" every week.

Leapsome feedback will be provided to those that fail the grading criteria mentioned above and *3 repeated fails will result in removal from the Parent Account pod.*

Manager Expectations

Managers will be responsible for counter-grading all account decisions and also grading to make sure the follow-up actions were properly actioned by the AM / BR. Managers will also help advise and provide guidance on the decisions being made for each account with the AM / BR. Managers will be focused on monitoring + checking for progress throughout the week on the most critical top 5 accounts.

Success Metrics (Inputs)

The key inputs to this motion will be the following:

1. Ensure that 100% decision making is aligned with the guidance and / or displays proper judgment **(Plan Forward)**
2. Ensure 100% follow-up on the account from the prior week was properly executed **(Plan Execution)**

Success Metrics

Outputs

Billing Rep / Account Manager Success Metrics:

1. Number of accounts that are moved out of the parent account pod
2. Number of accounts that move from high / medium urgency to low urgency

If accounts are moved out of the mini corp pod due to good standing, billing reps will be eligible to receive a bonus - see [this page](this%20page) for more detail

Key Progress Tracker - [Parent Account Progress](Parent%20Account%20Progress)

Management will be revising this tracker to clearly mark each week the top critical accounts that I will be focused on. These will be accounts that don't have an active payment arrangement, have a high overdue balance and there is no progress being made as it relates to payment.

I will also be labeling each account as high urgency, medium urgency, low urgency. Definitions for the following categories are below:

1. **Critical**: Top 10 accounts that management will be closely monitoring and following up on close to daily

2. **High Urgency**: account is on track to get escalated to legal, key contacts are no longer communicating with us / providing solid payment updates, corporate is noting that they are planning on churning out, most of their accounts are pended / suspended

3. **Medium Urgency**: account is continuing to pay but still has a high level of overdue balance and is slow to pay, corporate contacts are communicating with us but they're hard to reach / slow to respond

4. **Low Urgency**: account is in fairly good shape, corporate contacts are responsive and good payers, they have a high overdue balance just due to high usage and overdue balance is usually just 1 week's worth of delinquency

If accounts display 4+ weeks of good payment behavior and low overdue balance, management will endorse these accounts to the mini corp pod for further monitoring.