



# Revenue recovery and credit risk prevention

## Consulting case study

April 29, 2024

### Key takeaways

- A large West Coast municipal utility needed help improving revenue management and meter-to-cash functions after issues with a customer information system (CIS) implementation held up billing for 18 months.
- E Source's customized collection strategies recovered **\$44.7 million** in direct revenue.
- Targeted customer segmentation and return mail enhancements also reduced outstanding payments by **25%**.

### The challenge

A large West Coast municipal utility had to hold bills for 18 months because of complications following a CIS implementation. Once these issues were resolved, the utility needed help defining a strategy for customer outreach and payment collection.

### The solution

The utility contacted E Source, who had a team of [utility consultants](#) with expertise in data analysis, revenue management, customer segmentation and payment stimulation.

E Source helped the utility analyze arrears data and segment customers by payment behavior and credit risk before redesigning the credit and collections process, developing outreach and collection strategies customized to each segment.

## Move from being a payment collector to a payment enabler and generate immediate results

Contact our team to learn more about our expertise and how we can help.

This redesigned process mitigated arrears inventories and settled outstanding payments through:

- A defined bill collections process
- Credit risk behavioral modeling and risk segmentation
- Improved address accuracy, reducing return mail
- Increased cash flow from arrears reduction and write-off recovery

E Source also fixed the utility's workflow management inefficiencies by implementing a robust change management strategy that facilitated user adoption through enhanced process maturity, effective communication, and comprehensive training. This strategy ensured sustained results and long-term success.

### The results

E Source's customized strategy led to:

- 25% reduction in arrears
- \$24 million recovery from a return mail campaign that made sure bills reached customers
- \$17 million in collections from large corporations that hadn't paid their bills
- \$2.6 million in recovered payments from small claims court process