

How BMO Harris Bank Partnered with SpringFour to Improve Repayment Rates, Customer Experience, and Employee Satisfaction

A Case Study

April 2020

**160,000 referrals and growing:
SpringFour partnership with BMO
results in bold customer gain.**



Disclaimer: Views of BMO and its employees expressed in this Case Study are opinions and not endorsements of SpringFour or a guarantee of similar results.

RESULTS AT A GLANCE



Deployed in under 45 days.



160,000 financial health referrals were delivered to BMO Harris customers over 17 months.



Over a 6-month period, BMO realized an estimated credit loss benefit of \$630 per customer who received SpringFour referrals versus the total BMO portfolio. Annualized net credit loss reduction from use of SpringFour is projected at \$700K+.



90% of BMO Harris agents report that SpringFour helps them to provide better customer experiences and helps them to increase customer retention and/or collaboration.



73% of BMO Harris agents say customers feel better about BMO Harris after receiving SpringFour referrals.



Over 86% of BMO Harris agents report that the use of SpringFour makes them feel better about the work they are doing.

THE POWER OF BANK + FINTECH COLLABORATION

Financial institutions are continually looking for solutions that help them provide the best and most valuable experience for their customers. This is clearly important to BMO Harris Bank, whose adopted phrase 'We're here to help'™ speaks volumes. In the collections environment, solutions can be limited and tend to focus on operational tactics while rarely having any added benefit to repayment rates, customer experience, and employee satisfaction.

Through BMO's partnership with SpringFour, each of these benefits were realized culminating in positive outcomes in multiple areas for BMO Harris Bank.

A strong partnership between BMO and SpringFour was the key to driving significant outcomes.



1871

Fintech Partnership Program

The partnership began as a result of SpringFour's selection and participation in the first BMO Harris/1871 Innovation Program in the summer of 2017.

That program set the stage for a successful partnership because of direct involvement from top executive leaders from multiple areas of the bank and a shared vision of leveraging SpringFour's technology platform, bringing financial health resources to BMO Harris customers and creating a new way of doing business.

"SpringFour was a top three finalist in our 2017 BMO Harris Innovation Program due to their unique value proposition, a genuine focus on financial wellness, and ease of deployment."



Ben Schack,
Head of US Digital Partnerships
BMO Financial Group



SIMPLE AND LOW RISK DEPLOYMENT

SpringFour worked with senior leaders in BMO's Risk and Compliance departments to secure approval for a pilot that would allow BMO Harris to test SpringFour within a small portion of its overall loan portfolio. A key component to success was the ability to engage with senior members on both teams so that they had a solid understanding of SpringFour's technology, track record, and data.

Without requiring access to sensitive customer data, SpringFour represents a much different type of partnership when compared to other fintech providers. In addition, SpringFour does not require direct integration. This makes deployment expedient and presents an extremely low-risk proposition for the bank partner.

Once approval was finalized from BMO Harris Bank's Risk and Compliance teams, deployment required less than 45 days. This efficient time-to-deploy becomes a differentiator for SpringFour when partnering with financial institutions.

In August of 2018, BMO Harris officially launched SpringFour as a pilot, utilizing S4pro as a tool for their call center agents, and S4direct on the BMO Harris Bank website to ensure BMO customers could access financial health resources 24/7.

"Through our partnership with SpringFour we are able to offer our customers services that connect them to local assistance and financial health resources without compromising their personal information – this provides us with a sense of security. Additionally, our customers are utilizing SpringFour cloud-based applications that are easy to deploy, are user friendly; and have resource information that's verified for data integrity."



Damian Fluder
Business Unit Compliance Officer

MAKING THE BUSINESS CASE

Initially launching as a smaller pilot in 2018, BMO quickly saw that graduating from a pilot to a full deployment offered the best opportunity to drive significant results and impact for the bank. By November of that same year, BMO results were so promising that the pilot was extended, and as of March 2020, SpringFour is offered across the majority of BMO's U.S. consumer loan portfolios and used by all Collections Call Center agents.

Results are in, and over 160,000 financial health referrals were delivered to BMO Harris customers over 17 months.

SpringFour referrals have resulted in significant financial impacts to the bank and have created positive outcomes for bank customers and even BMO employees as they report improved job satisfaction and ability to create positive outcomes for their customers.

"We are excited to take a step forward in enhancing the level of financial support we offer our customers by leveraging SpringFour's resources. We are committed to aiding customers in their journey to achieve and sustain financial stability."



Ernie Johansson

Group Head

North American Personal and Business Banking at BMO

FINANCIAL IMPACT ON THE BOTTOM LINE

BMO Harris has seen impressive financial results. In order to prove the business case of offering SpringFour solutions, BMO Harris conducted outcome measurement tracking for those customers who received SpringFour referrals against the total BMO Harris portfolio. **Their analysis concluded that loan performance improved for customers who received SpringFour referrals.**

Over a 6-month period, BMO realized an estimated credit loss benefit of \$630 per customer who received SpringFour referrals versus the total BMO portfolio. Annualized net credit loss reduction from use of SpringFour is projected at \$700K+.

These financial results are illustrated through the numerous customer impact stories that have been collected, including: A BMO Harris customer was contacted regarding his late car payment, he let the agent know that he had previously received SpringFour employment services referrals that resulted in him getting a new job. He was extremely appreciative of the help that BMO Harris provided, and vowed to take as much of his first paycheck as possible to make payment on his car loan.

“Deploying SpringFour’s platform has enabled BMO Harris to provide financial resources to our customers who are then able to find opportunities for financial relief and to subsequently catch up on their payments. This has improved repayment rates and has resulted in declining delinquent balances, ultimately saving the bank hundreds of thousands of dollars within the first year alone.”



Ric Leitheiser
Head of U.S. Collections
BMO Harris Bank



STRENGTHENING THE CUSTOMER EXPERIENCE

“We’re Here to Help”™

BMO employees report that access to SpringFour has helped them to provide a better customer experience and that SpringFour helps them to increase customer retention and collaboration.

Whether it is an outbound or inbound collections call, agents are offering SpringFour financial health resources on the majority of the calls. Doing so has changed the tone and nature of these conversations. Customers leave collections calls feeling like their bank is there to offer real solutions and help.

“It gives our customers a little bit of relief and the feeling BMO really cares.”

- Barbara Fitzpatrick, BMO Harris Call Center Agent

Adding SpringFour to the conversation has not only produced increases in repayment rates, it has customers feeling supported. This has resulted in a better overall customer experience for the borrower. Agents report that conversations have been more collaborative in nature.

“Offering SpringFour has opened up communication between our agents and customers. The application is extremely easy to use which allows my agents to move through their calls.”



Jennifer Mota
Sr. Manager
U.S. Collections Call Center

In a survey of BMO Harris agents, over 90% report that SpringFour helps them to provide better customer experiences and helps them to increase customer retention and/or collaboration.

73% of BMO Harris agents say customers feel better about BMO Harris after receiving SpringFour referrals.



BMO HARRIS AT THE FOREFRONT OF INNOVATION

Thinking through opportunities to present its customers with financial health resources has created many results for the bank that go beyond financial outcomes. Both for the bank and its customers. It is not a frequent occurrence to have a bank customer call back to tell a collections manager about their positive experience and express their thanks for the treatment she received. But BMO Harris is seeing just that with the adoption of SpringFour. In fact, in its review of Net Promoter Score (NPS) calls, BMO is seeing more and more customers reflect this feeling and report positive interactions due to the SpringFour offering.

"Your representative was very helpful. He was very considerate and supportive. Offered other opportunities for us to be able to catch up on this payment and to help us with other kinds of things like utilities, medical bills and such. Thank you."

- BMO Harris Customer, NPS Survey

BMO Harris Bank has heard directly from customers who have benefitted from SpringFour referrals. One recent example cited an agent who was working with a customer who was close to 90 days behind on her loan. The customer was in tears and communicated that she had fallen ill and had not been able to work. The agent provided empathy to the customer and also discussed the SpringFour referral source. As a result, the customer was able to utilize the SpringFour platform to learn about the agencies in her area that could provide potential assistance.

After this noted experience, the BMO Harris Bank customer called back to speak with the agent's manager to advise that she was able to reach out to some of the agencies and now feels that she has a good direction to get back on her feet. **Lastly, and most importantly, this customer commented that *no other financial institution* has ever offered her this type of information and that the agent went above and beyond to help her.**



EMPLOYEE SATISFACTION IMPROVEMENT

Changing the Conversation

An additional significant outcome of the partnership has been the ability of SpringFour to improve overall job satisfaction for those employees that utilize SpringFour in their daily roles at the bank.

In a SpringFour survey, over 86% of BMO Harris agents report that the use of SpringFour makes them feel better about the work they are doing.

Collections can be a difficult job, and turnover is an issue for any collections team. Through the addition of SpringFour, agents feel they have tangible solutions to offer customers and the calls go more smoothly. BMO Harris agents are relieved that there is an opportunity to help customers through providing referrals, and this has opened communication between agents and customers. As Jennifer Mota, Senior Manager for the U.S. Collections Call Center, simply stated, "Providing assistance makes the calls much easier."

My team is having a lot of success with SpringFour. They enjoy the fact that they have something to offer the customer other than 'we apologize' and showing empathy but not having anything we can offer them. Now that we have the SpringFour tool, I'm getting phone calls back from customers just to say how great our agents are that they were able to help them with another source to go to for help."

- Deanna Lundquist, BMO Harris Collections Team Lead

Improved employee satisfaction through the addition of SpringFour has boosted morale and BMO recognizes that this has contributed to the overall success of the partnership.



A POWERFUL PARTNERSHIP

Since the official launch, the SpringFour/BMO Harris partnership has seen widespread positive results. A close relationship between SpringFour and BMO Harris staff, consistent check-ins and strategy sessions, buy-in from executive leaders across the bank, and regular impact measurement all support the success of this partnership.

“SpringFour has changed the way we are engaging with our customers who are kind of in a moment of truth in their financial life, and really changed the nature of that interaction and the way that we are engaging with them for the better.”

- Ben Schack, Head US Digital Partnerships, BMO Financial Group

When banks and fintechs come together impressive results can be garnered. These partnerships can powerfully change multiple factors at a financial institution and produce results that one organization could not do on their own.

“BMO’s collections team represents a unique space – they have an important role that includes daily interactions with our customers and the opportunity to live our Purpose. By their very nature, these conversations can be difficult. With this new partnership, though, we are hearing directly from our customers that this service has changed their lives for the better, more fully allowing us to Boldly Grow the Good in business and life.”



**Frank Petralito,
Senior Vice President,
North American Collections for BMO Harris Bank.**



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