



Case Study

Credichapín

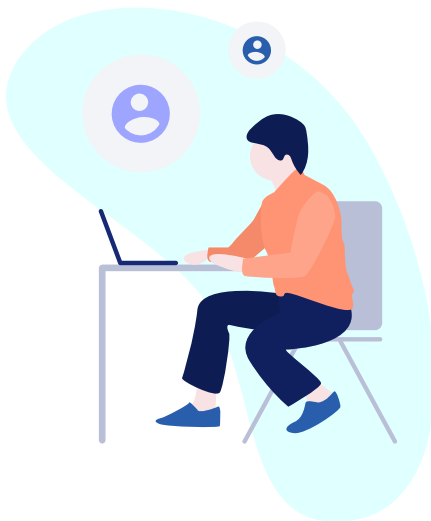
Creating a collections strategy in
times of Covid-19

Credichapín

CONTEXT

Credichapin is a guatemalan company with over 10 years of experience in the micro-finance industry. It has over 80 agencies and 800 employees across the country,

The company was created with the mission to foster the development of SMEs and entrepreneurs in Guatemala through affordable products and services such as micro-loans and micro-insurance.



THE CHALLENGE

After operating in the market for more than 10 years and positioning themselves as a key player in the Guatemalan micro-finance industry, Credichapin's portfolio was affected by the arrival of Covid-19 in Guatemala.

Like most of the country's financial institutions, Credichapin was forced to take various measures in order to maintain its sales and avoid an increase in payment defaults.

Government restrictive measures and social distancing caused economic constraints affecting the informal economy. For this reason, and despite various management efforts to reduce the level of defaults, delinquencies payments increased.

Credichapin was looking for a solution that could improve their collection operations:



**REDUCE
DEFAULT RATES**



**ORGANIZE COLLECTION
LABOR FORCE**



**PRIORITIZE
THE COLLECTION LIST**

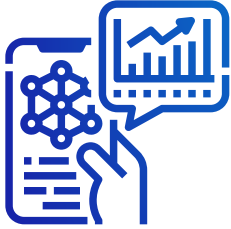


**ADD ALTERNATIVE
PAYMENT CHANNELS**

BOWPI

SOLUTION

Using the components of the LaaS platform, Bowpi developed a collection strategy with 3 components to improve collection and reduce the probability of defaults.



Smart collections

Algorithm to prioritize customer collections based on their risk profile



Collections App

Application to prioritize work list, register payment promises and location



Payment channels

Add two additional payment channels for fee collection



Results

Credichapín implemented 3 Bowpi modules to their collection strategy and to this day has seen the following results:

**IMPROVED
CONTACTABILITY RATE**

**GREATER
PAYMENT PROMISES**

**INCREASE IN
INSTALMENT PAYMENTS**

**LOWERED
COLLECTION TIME**