

CASE STUDY

US Debt Resolve

US DEBT RESOLVE IMPROVES PERFORMANCE WITH ISO 9001

Background

US Debt Resolve (USDR) in Dallas, Texas continues to set the pace in the debt resolution industry, earning both an ISO 9001 certification and a National Bank Certification. The scope of the ISO certificate covers USDR's "services for debt settlement, debt resolution, and financial analysis." Although there are about 2,000 debt-settlement firms in America, USDR is one of the few that has earned the ISO 9001 third-party stamp of approval.

"We choose to be a company which constantly strives for continual success," said Scott Johnson, CEO of US Debt Resolve "One of the company's goals is to be an industry leader in client retention care, so all of the policies created during this extensive process were created to keep the client's best interest in mind."

The company helps consumers get out of debt. USDR's average customer is carrying a debt load of \$31,411, with an average of \$5,646 in credit card account balances and an average of 6.1 accounts. On average, it takes USDR clients 34 months to pay their debts using a USDR debt program.

USDR hoped to reduce the amount of time it takes to resolve their clients' debts by tracking key performance indicators – a primary benefit of the ISO 9001 Quality Management System, Johnson said, adding that statistics indicate the firm has significantly enhanced its performance as a direct result of the QMS.

Customer Needs

Two factors impacted the organization's decision to seek ISO 9001 certification. First, USDR recognized a need for a quality management system. "We identified that we needed a system in place to be able to manage our information," Johnson noted.

The change in government regulation and oversight was the second driver. As regulations were changing, ISO 9001 emerged as a framework that state regulators embraced. ISO 9001 would help USDR meet all the new and existing regulations.

The Benefits

USDR is not the largest debt-settlement firm in America, but, Johnson said, as a result of its ISO 9001 efforts, it settles the highest percentage of debt, the highest percentage of accounts, and USDR has the highest graduation rate and lowest cancellation rate within the industry.

"We were performance leaders in our industry, but the standard helped us reach even higher," Johnson said, delineating several benefits.

First, ISO 9001 helped the company evaluate its performance management and management expertise, he said.

In 2009, USDR's data indicated that it was performing 10 to 12 percent higher than its competitors in the industry which Johnson

credits the ISO 9001 QMS. Through implementation, USDR was able to adjust its fee service model from paying fees over 18 months to 36 months, reducing interest payments and other fees and improving debt-owner relationships. With this new structure, US Debt Resolve had 150 percent of its clients' balances settled in the fourth quarter of 2009.

Second, the QMS helped everyone in the organization understand their roles and responsibilities within the company. USDR utilizes a software program that enables employees to access answers to questions online that they may have regarding a project or procedure. Many of the processes and work instructions are available at their fingertips. "The better employees are able to understand their jobs, the better they are able to perform," he said.

"For everyone involved – the company, our employees, the consumers, the creditors, the regulators – ISO 9001 unifies us all around the common goal of being able to provide debt relief in the most efficient way."

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Third, certification to the ISO standard appeals to creditors – a key player in USDR’s field. Creditors respect the third-party audit, and it has opened doors for USDR, allowing the company to better serve its clients. USDR has more than 50 agreements in place with various creditors – a tangible benefit to their clients. The industry has standard accounting practices, but USDR has tried to tailor some of those to meet specific needs. ISO 9001 is at the core of USDR’s debt settlement processes.

Fourth, the company has an attrition rate that outpaces its competition. Every company loses customers, but the goal is to maintain as many as possible, and USDR’s low attrition rate is phenomenal. Some studies show that companies in the debt-settlement industry lose 50 percent of their clients in the first 12 months, while other statistics indicate a 15 to 20 percent attrition rate. USDR is now only losing 9 percent of their clients a year by comparison, which results in retaining at least twice as many customers as many of their competitors.

USDR’s client retention is strong because it is able to put more agreements in place early, allowing their customers to pay down their debts. Johnson explained that clients need to see results early in the process or they become discouraged and drop out of the program. ISO 9001 has enabled USDR to provide clients quicker results, thereby providing them incentives to stick with their debt reduction program.

Fifth, a substantial number of graduates finish their debt programs early since USDR has implemented its new fee structure as part of its QMS.

BSI’s Role

USDR chose BSI as its registrar because BSI has experience in the debt-settlement industry. BSI also offers a full range of services, including internal auditor training. Johnson wanted a tough auditor who would hold USDR accountable and was impressed with BSI’s auditor’s experience with NASA.

Additionally, BSI’s long history as one of the oldest and largest certification bodies was also appealing. Johnson praised the relationship he has with BSI personnel and the communication he receives from the certification body.

The System

ISO 9001 helped USDR change the way it does business by adjusting fee structures and creating unique agreements with creditors. ISO 9001 has helped USDR create innovations in the industry to outpace its competition. The ISO 9001 management system has enabled USDR to provide enhanced services to its clients, helping them to resolve their debts more quickly.

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¹ [These statistics, represent the average data of all USDR clients enrolled from 2007-2009.]

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