



# Collections Teams Need to Get Ready for GDPR

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## Biography

Howard Frear has been at the forefront of major trends in the software industry for close to 18 years. He joined EASY Software ([www.easysoftware.co.uk](http://www.easysoftware.co.uk)) in 2001 and during that time he has been instrumental in developing and overseeing a highly successful strategic partnership with SAP, a relationship that today accounts for more than 50% of EASY UK's software sales. Howard is also credited with many of EASY's largest customer wins including Serco Group, Cable & Wireless and Barclays Capital.

Howard is a very successful and experienced sales and marketing professional and is the driving force behind EASY Software UK's go-to-market and business development strategy. Day-to-day Howard is charged with managing the direct sales force, directing key marketing activities and overseeing strategic partner liaison.

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## Abstract

*In this article, the author discusses how the cross-Europe data legislation, General Data Protection Regulation (GDPR) will impact the collections process – and how modern business software could help collections teams address this big compliance change.*

## Introduction

If you want to trade with Europe, you need to comply with the EU trading bloc's laws – as even the most dyed-in-the-wool Brexiteer is finding out. Nowhere is this truer than in the way companies deal with customer data. Collections teams and the debt collection industry hold a great deal of information about customers, including highly sensitive credit histories – and as a result, they need to address the EU's General Data Protection Regulation, GDPR, as a priority.

The bad news: we all have until May 2018 to get GDPR-ready. This deadline is still news to the vast majority of collections teams and debt collections agencies, which have simply not engaged with the legislation and its impacts. Nearly a quarter of small UK businesses haven't started preparing for it, while one in ten enterprises with 500 or more employees are in the same position, being the findings of just one of the many polls tracking the up-take of the change<sup>1</sup>.

This is one of a steady stream of warnings suggesting how far behind many UK firms have fallen. That's unfortunate as GDPR is actually a very sensible uplift to the data standard, and one that is long overdue. In any event, GDPR is a real challenge Britain has to deal with in 2018.



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*Analysis*

## **GDPR strategy**

The consequences of falling foul of GDPR are severe. If any company is guilty of a data breach it will face a fine of up to €20 million or 4% of annual global turnover, whichever is greater. Given that is above the current maximum local UK data breach penalty under the Data Protection Act 1998 of £500,000, it's a very different business environment firms need to prepare for – one with a much greater risk profile.

Ignoring GDPR is not a rational strategy. Instead, let us consider what *practical* steps debt collection professionals can take. One caveat, be realistic: any vendor message that pretends it is a cure-all for GDPR is false. This is a complex area, and will take work.

The only thing you can do is to go into your work environment and properly document and project manage your data governance activity. To do that, you need to look for help in the shape of a technology that will provide a sound framework for the internal 'consulting process' you need to perform to get GDPR-ready.

Credit management processes can be complex, and the larger the company the more touchpoints there are to manage. The process roughly you will need to undertake is in the form of an internal consultancy project. That means you are going to gather structured information (send questionnaires/collect data) with all relevant data stakeholders like sales and finance teams, as well as the collections team itself, inside your firm and find out where they are with existing data compliance.

You then need to document that process – and in detail – producing a highly granular snapshot of what's what. You can then triage, setting up a traffic light system on what's green (compliant), amber (a few questions to settle) and red (address this or we are at risk on GDPR go-live date).

## **Tools are only part of the solution**

The key to making all this work is to grasp that ultimately, GDPR is about relationships with your customers and your obligations. That means contracts come to the fore for you: what clauses could cause you problems with a regulator? Is everything in good order when it comes to processing and exchanging each other's (and the customer's) credit data? What do you need to do to sharpen up best practice here – a process that will help you spot gaps and ways to improve, highlighting credit risks assessments, improving the collection of debts and better managing customer relations.

The good news is this valuable and necessary exercise may be less painful than you might think – but you still need to undergo it to ensure you are ready for when the auditors come by and ask for proof of process and GDPR leadership.

Without a doubt, to cope with GDPR you need project management software to both start the GDPR process and to offer the authorities as evidence that you are taking the necessary steps.



But tools are only a part of the solution. You should also use that GDPR deadline to spur yourself to making data professionalism in your company a real brand asset, as it will also deliver one, or both, of the two ways any business raises profit, by increasing efficiency or helping drive down cost.

#### Reference

<sup>1</sup> <http://www.itpro.co.uk/data-protection/26365/general-data-protection-regulation-gdpr-23-of-uk-smbs-havent-started-preparing>

More information on GDPR preparation can be found at <https://www.easysoftware.co.uk/solutions/otris-privacy-for-gdpr/>