

Legacy Software

White Paper

How Outdated Technology Holds Industries Hostage



CONTACT KG HAWES

(866) 687-9006 | contact@kghawes.com

KG Hawes
Partners in Technology

Abstract

Despite the fact that technology has made considerable advances over the last two decades, many industries continue to operate on outdated platforms. Businesses relying on legacy software experience greater costs in terms of maintenance expenses, production and the ability to remain competitive. This White Paper will identify the key areas that create big problems for accounts receivable management companies and will illustrate how the technology they are holding onto is holding them back.

Table of Contents

Abstract:.....	1
Part One: Tech Support.....	3
Third-Party Support	3
In-House Support	3
Part Two: Performance Precipitates Performance	4
Part Three: Cyber Attacks & Compliance.....	5
Part Four: The Competitive Market	6
Automated Tasks	6
Real-Time Reporting	6
Omni-Channel Engagement	6
Conclusion: A Legacy is something you leave behind.....	7
Afterword.....	7

Part One: Maintaining vs. Replacing Legacy Systems



The cost of using a legacy system outweighs the cost of replacement, much faster than businesses realize.

There are several technical issues that arise from using an outdated application, even if the application is functioning for a business' present purposes.

The term "legacy," as it applies to technology, refers to anything which is no longer supported or cannot be upgraded or improved on. Because application technology evolves at such a tremendous pace, most frameworks that a legacy system was built on are outdated, complicating any efforts to innovate or improve functionality. Legacy systems also limit a software's ability to integrate with other critical solutions, creating continued reliance on other legacy systems. This directly impacts a business' relationship with in-house and third-party support.

Third-Party Support

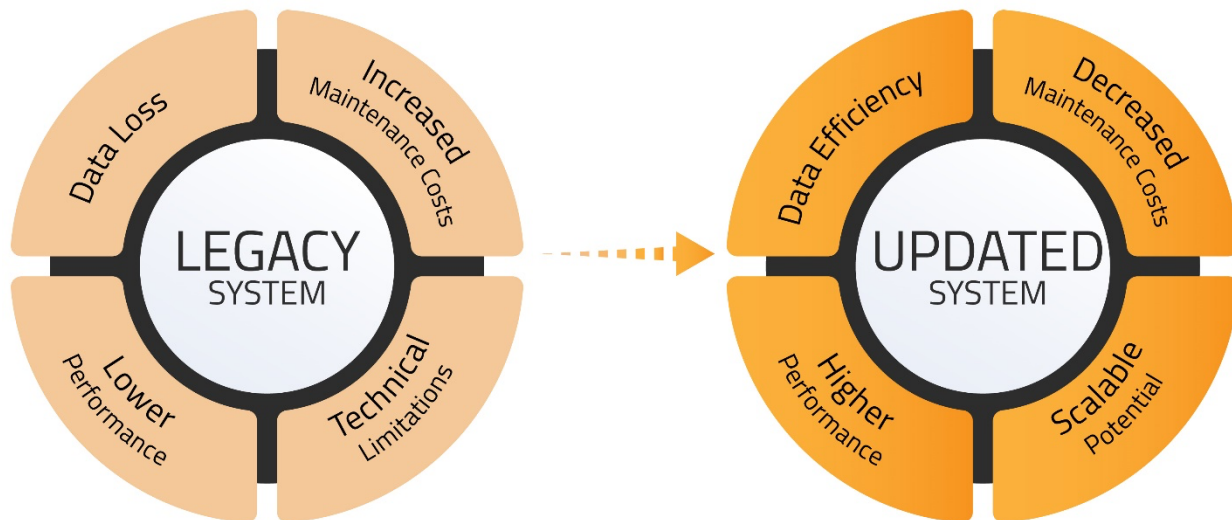
A common problem with legacy software, is the lack of vendor support and compatibility. Often businesses find themselves in a situation where their original vendor has either closed-up shop or moved on to newer projects. This offers the business little to no assistance from the vendor in the event of operational deficiencies, which results on heavy reliance of their IT department. Ironically, most businesses that employ a fully functional IT department generally don't take chances on legacy systems.

Outdated systems, if kept too long, make it difficult to integrate with modern technology which will complicate and limit relationships with new vendors. This means, the business may become stuck and unable to seek out new vendor relationships that could offer better or more affordable services.

In-House Support

With little to no vendor support, businesses have no choice but to turn to their in-house IT departments. Legacy systems are notoriously difficult to maintain, making them a drain on IT resources. Outdated systems no longer get the attention to innovation of newer software. When new-release cycles have long since ceased, they require elaborate patches, adaptations and work arounds in order to continue to function properly. This creates a *snake-eating-its-tail* scenario – The more work an IT department has to add to the system, the more complicated it becomes, making it more difficult to modify. Many businesses think they are saving money by maintaining the old systems and fail to consider the IT budget required to preserve them.

Part Two: Performance Precipitates Performance



Technical performance issues common to legacy systems translate directly to the agents' ability to effectively do their jobs. Slow processing speeds make it difficult to find and retrieve consumer information, update accounts and take payments, which impacts the overall call volume each agent is capable of handling.

Additionally, older systems aren't as integrated as newer versions. Agents are therefore often required to utilize several different applications in order to complete a single task.

The usability of the software can have unforeseen consequences in terms of the kind of talent a business is capable of attracting and retaining. An agent's job is more complicated than effectively operating software; it requires people skills, a bit of finesse and thick skin. If your system is too difficult to use, it can become a distraction from connecting with the consumer, begin to impact recovery rates, and eventually erode employee satisfaction. Agents accustomed to modern technology may have difficulty grasping an older user interface. This is especially concerning for collections, which has a higher turnover rate and a younger employee demographic than other industries.

A large portion of a business' annual budget is spent on employee training. While some of an agent's skills can be developed on the call-center floor, software and operational procedures must be fully grasped before a new agent moves into production. The usability of software applications directly correlates to the length of training time. Furthermore, when a legacy system negates the ability to use current operational technology, new staff must be trained on numerous legacy systems.

Part Three: Cyber Attacks, Fines & Reputational Damage

Legacy systems pose a serious risk to your business.

Cyber Security

Legacy systems pose a danger in terms of data security, because they are less capable of defending data against the newest security threats. Aside from failing to have the necessary patches and updates, which help prevent software from being exploited, many older systems were built with obsolete features like hard-coded passwords and “backdoors.” These were meant to be fail-safes for administrative purposes; however, they were rapidly outgrown as the cyber landscape advanced and cyber criminals learned they could be utilized for malicious intent.

Legacy systems lack the modern encryption and authentication methods available in newer applications. Considering the large volume of personal and payment data that businesses in the collection sector regularly process, the security liability that legacy systems present is a major concern for compliance.

Fines & Reputation

It’s also important to remember that certain businesses (including the healthcare and collections industry to name two) are regulated by the federal government to adhere to the highest standards of privacy when it comes to a patient’s/debtor’s personal & payment information. Should there be a breach caused by security negligence, such as the storing of data on legacy systems, the fines alone could cripple, if not shutter many businesses, not to mention, Irreparably damage a company’s reputation.



GOVERNANCE



REGULATIONS



RULES



REQUIREMENTS



STANDARDS



TRANSPARENCY



LAW



POLICIES

Part Four: The Competitive Market



Aside from the operational problems that legacy systems create, they also contribute to a business' ability to remain competitive. The collection's industry is consistently developing new strategies to better accommodate clients and consumers, increase recovery and reduce overhead costs. Businesses operating with outdated systems cannot remain competitive with those that are using more innovative tools. For example...

Consider how the following three features of a new accounts receivable software could change the way you do business:

Automated Tasks

A BETTER CONSUMER EXPERIENCE, LESS HUMAN ERROR

New accounts receivable software applications can free agency staff from many back-office processes through automation. This simultaneously improves usability and gives employees a better opportunity to engage with clients and consumers resulting in increased production and a faster return on investment. Automation also minimizes the likelihood of human error and ensures procedures follow the appropriate time line.

Real-Time Reporting

MINE DATA FOR EFFECTIVE OPERATIONAL STRATEGIES

Real-time reporting features offer supervisors an accurate picture of agency performance while giving agents the most up-to-date information on consumer accounts. This eliminates potential conflicts and improves departmental collaboration. This new kind of in-depth reporting also provides agencies with a variety of options for analytics, supplying them with the structure needed to mine their data and use it for the development of new operational strategies.

Omni-Channel Engagement

PROVIDES CONSUMERS WITH MODERN CONVENIENCES THEY EXPECT

Outdated platforms not only lack the ability to integrate with third party systems, they also have difficulty integrating with the various new technologies which create the modern conveniences that consumers expect. Providing omni-channel engagement through technology like mobile apps, text, chat channels or online account portals, gives consumers the autonomy they want while taking some of the workload off call centers. Through these channels, consumers can check their balances, make payments and manage their account without ever speaking to an agent. Not only does this cut back on routine inquiry calls, but it better accommodates the growing demographic of millennial debtors, who are both tech savvy and unlikely to answer the phone. For clients, self-service options mean full transparency. They are free to manage and monitor their accounts, view trusts and extract data as it suits their processes without waiting periods or formalized requests.

Conclusion: A Legacy is something you leave behind.

Legacy software impacts your bottom line. Unavoidable technical issues amplify the need for support while limiting the ability to obtain it which creates the ongoing burden of expensive in-house maintenance. Old systems are incapable of functioning on the same level with modern technology. This contributes to an agents' already difficult job and restrains daily recovery potential. All these factors contribute to compounding monetary damage, and the security problems create immediate compliance liabilities.

Furthermore, while your business is being held hostage by outdated technology, your competitors are making strategic advances with theirs, increasing the gap between your business and theirs in an already competitive market. **Agencies in this situation must make a choice:** *either leave their legacy system behind, or risk being left behind.*

Afterword

KG Hawes produces software solutions that are fully customizable to the needs of your unique business. We recognize that ease of use equates to higher productivity, that's why we designed our applications with the user in mind. We strive to make each of our products comprehensive, streamlining the users' needs into a single application so businesses only need one solution.



ARTrail® is the future of accounts receivable software, featuring a simplified one-window design and integrated programs for data exchange, document and compliance management. This plug-and-play software puts all of an agent's needs in one place and allows for complete automation of back-office processes, easing the burden on the user, boosting production times, and facilitating better consumer relations.

ARTrail® also features dedicated consumer and client portals to decrease the amount of time spent addressing recurring requests and easy drag-and-drop workflow customization for supervisors. The all-in-one suite was designed with efficiency in mind, coordinating departmental efforts and streamlining operational processes in order to maximize ROI.

Welcome to the **Next Generation of Accounts Receivable Software**, *built by Collectors for Collectors.* Contact us for a demonstration and consultation today.

CONTACT US

Email: contact@kghawes.com

Phone: (866) 687-9006

Website: www.kghawes.com