

Selling Debt More Wisely



One of the country's largest credit card issuers was looking to start selling charged-off debt portfolios in earnest. The issuer had experimented with debt sales in the past, both directly and through brokers. It wanted to maximize the terms of future sales, mitigate the brand risk that can be associated with these sales, maintain control over the sales process, and save on the fees it was paying its brokers.

Kaulkin Ginsberg was hired to conduct a strategic review of the issuer's debt sales operations and to recommend changes that would help the issuer meet these goals. This six-month consulting project began with an assessment of the issuer's existing sales process, from portfolio segmentation and staffing to marketing and sales. We expanded on the issuer's list of approved buyers, recommending reputable buyers that could participate meaningfully in the sale process and excluding buyers that would bring excessive risk to the issuer's brand. We suggested portfolio segmentation strategies designed to meet the interests and capabilities of likely buyers. We worked behind the scenes with our client as potential buyers were engaged, as bids were received, and as contracts were negotiated and closed.

The issuer's proceeds and profits from portfolio sales increased many fold during our engagement. As trusted advisors, we were able to draw on our many years of experience interacting with debt buyers for the benefit of our client. Kaulkin Ginsberg helped this client sell debt more wisely.