Questions to building a retail debt program

- How to achieve cost effectiveness
- What are the key mistakes to avoid
- How to approach the development of a retail debt program?
How did Canada achieve cost savings?

**Streamlined processes and procedures**
- Eliminate exceptions (reduce bond registration types)
  - Over 20 types to only 3

**Shift to Self-Service**
- Reduce reliance on paper forms
  - From 0% at Inception to 75%

**Reduce Internal Manual processing**
- Direct deposit rather than cheque mailings
  - 80% take-up rate

**Reduced advertising efforts**
- Marketing and communications focused on limited audiences and targeted messages
  - 80% budget decrease

**Eliminated commission fees to FIs on redemption transactions**
- Millions saved per year
  - 80% budget decrease
Mistakes to avoid

Outsourced Contract

• Building a contract and cost structure that is not conducive to an increasing or declining program (i.e. Canada’s case)

Cost Effectiveness

• Given the reduced reliance on Retail Debt as a funding tool for the GoC, program delivery cost reduction was a key objective

• Much effort was taken from 2007 to 2017 to make Canada’s Retail Debt Program efficient and sustainable
Mistakes to avoid

The Payroll Savings Program

• The Payroll Savings Program allowed participants to automatically deduct money from their pay to purchase Canada savings Bonds.

• Popular and large program at its peak – over 1 million individuals contributed to the Plan

PROBLEMS

• Expensive to administer

• Legal risks to administer (i.e. Canada RSP in the Payroll Program)

Paper-based products

- Building products, services and procedures around a paper-based approach can lead to increased manual interventions, response times, service costs and exception-based processes.
Approach to developing a retail debt program

1. Establish key internal and external stakeholders
2. Create cost-effective service model
3. Work with stakeholders to manage risk
4. Ensure alignment of operational and communications goals
5. Set strategic goals and tactical objectives
6. Establish successful outcomes