

## Advantages

Groupecho Canada is a recognized leader in managing client accounts and outsourcing. Its experts take on the management of a service either remotely or in-house, in whole or in part, with an uncommon degree of efficiency and enthusiasm. By entrusting the management of its credit cards to Groupecho Canada, Groupe BMR realized a number of benefits:

- BMR's representatives no longer need to do day-to-day management of BMR credit cards, which greatly reduces their workload. Moreover, the communication between the two parties is excellent.
- When the project reached its second year, BMR's client portfolio was already financially solid.
- Groupe BMR does not have to hire new resources.
- Groupecho Canada performs regular account monitoring. The management of the outsourcing of BMR's cards is therefore in good hands.
- As experts in their field, Groupecho Canada is able to reduce and maintain the average recovery time on BMR's accounts, as well as reducing the number of bad debts.
- Outsourcing their client accounts to Groupecho Canada allows BMR to reduce both their direct and indirect costs.

## Summary

Outsourcing the development and management of the BMR credit card to Groupecho Canada was a source of absolute satisfaction any way you look at it. Groupecho Canada and Groupe BMR welcome both their new collaboration and the results that have come from it. In addition to saving the time involved in managing a team, Groupe BMR realizes cost savings in managing their customer portfolio. "We particularly appreciate Groupecho's very client-oriented approach. Not only have we never felt like we might be disturbing them, they also are always happy to talk to us or to come see us. It goes to show you that sometimes if one individual within an organization can make all the difference, imagine when a whole team is that way!" Mr. Rocheleau concluded.



To learn how Groupecho Canada can help your company, call 514-335-3246 or 1-800-363-2809.

Don't hesitate to visit our website at [www.groupecho.com](http://www.groupecho.com)

You can also follow our tips and advice on our blog at [www.groupecho.com/en/blog.htm](http://www.groupecho.com/en/blog.htm)

**GROUPECHO** **ECO**  
CANADA

Case Study

Groupecho Canada helps BMR  
implement a new credit card system

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**BMR**

# Who is Groupe BMR?

Groupe BMR is a grouping of brands, the second largest one in Quebec in the area of sales and distribution of construction materials and hardware products. At present, this Quebec-based group counts nearly 200 member merchants operating an equal number of home improvement centres in the provinces of Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Ontario.

Over 200 people work at BMR's administrative centre and warehouses, and they also benefit from the expertise of over 4,500 full-time employees at their members' home improvement centres. More than just a great entrepreneurial success, Groupe BMR is part of the province's commercial heritage, with a history that spans several decades.

While Expo 67 was in full swing, a group of merchants began discussing pooling their buying power in the area of building materials.

They decided to unite to increase their buying strength, and UNION-SIX was formed. News of the newly formed group spread quickly and, less than a year later, a dozen members had joined its ranks. Forced to find a new name, the associates opted to call themselves Groupe B.M.R., which is an abbreviation for *Bois, Matériaux, and Rénovation*, the French words for wood, building materials, and renovations.

Over the course of the next two decades, the organization did not cease to grow, always toward the same goal: increase their collective buying power and offer their members economies of scale, especially thanks to the implementation of some strategic agreements with similar buying groups in Ontario and western Canada. The 90s witnessed the development of a new store concept, major renovations of their corporate headquarters, and the launching of a distribution network for hardware products.

Today, with 350,000 square feet of hardware storage, 100,000 square feet of interior storage for building materials, and another 1.5 million square feet in lumber yards, and its 70 semi trailers hauled by 16 BMR-branded trucks, Groupe BMR certainly reflects *the power... of renovation.*

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## Before the intervention of Groupecho

For 10 years, Groupe BMR already offered the clients of its member merchants a credit card in its name for the purchase of goods from the member merchants' stores. But the relationship with the issuer of these cards was not always looking good and BMR would in turn need to change card issuers during this period.

Groupe BMR's particular situation, which was quite a major problem from the very start, was the fact that it had to repeatedly renegotiate with the card issuing company on the financing terms granted to clients and the processing fees placed on the merchants. Finding common ground always required a lot of work and the relationship between BMR and their supplier at that time would invariably lead to dissatisfaction, and eventually to a request to terminate the contract by one party or the other.

On the one hand, BMR was often confronted with indifference and frustration by employees of the card issuing company

that grew less and less comfortable with managing the portfolio of customers. On the other hand, BMR also dealt with the ensuing complaints about poor service from their customers and discontentment from their merchants. Caught between two fires, BMR experienced difficulty keeping a minimum of control and monitoring, especially regarding customer service.

As a result, in July 2010, Groupe BMR found itself backed against a wall: their card issuer of the time announced the intention not to renew the contract with only six months remaining. BMR was immediately forced to begin looking for a new vendor.

## The Search for Solutions

BMR gave Daniel Rocheleau, their Vice President of Finance, the responsibility of finding a solution where BMR would have authority over the overall management of the credit card portfolio. First, he examined the prospect of buying the portfolio of its clients from the last company that issued their credit cards. Next, he looked into using

a more generic credit card issuer among the major players of the industry. But neither of these two approaches would permit BMR to get the control it wanted over its own program. That's when the idea came to him to develop and manage BMR's credit program in-house.

Mr. Rocheleau began researching the creation of a private label credit card. For a legal perspective, he contacted a group of lawyers in Montreal specializing in banking and financial services law. In light of the information he received, he understood that BMR would need to deploy an entire team of internal specialists to accomplish the goal, so he immediately rejected that option.

Now back to square one, Mr. Rocheleau turned to two major stakeholders in the business of credit reporting. The first, a main player in the credit industry, with a reputation for high quality service, neglected to follow-up with Groupe BMR after their initial meetings. The second organization he contacted, Groupecho Canada, immediately demonstrated their motivation and interest in the project. Mr. Rocheleau understood from Groupecho Canada's positive attitude and the importance it seemed to place on the timetable proposed by BMR that he had finally found the right

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partner, one which could work as an integral part of the BMR team.

Two months of meetings and negotiations were enough for Groupe BMR to finalize their choice of Groupecho Canada. "The directors of Groupecho we met with were very open and easy to get along with from the start," Daniel Rocheleau explained. "What's more, Groupecho, with help from TransUnion, proved to be very flexible when it came time to develop a decision tree for determining whether to extend credit to customers."

Eric Gortler, manager of client solutions and risk management from Groupecho Canada, assured Groupe BMR would get the new solution fully implemented.

## Groupecho's proposed solutions

After conducting a detailed project analysis, Groupecho Canada proposed a structure to BMR where they would outsource to Groupecho the management of their client accounts, including turnkey services relating to extending credit. With the outsourcing of the BMR credit card and the credit approval process, including even the cashing of the cheques, Groupecho Canada would demonstrate a steady hand on the reins of control during every aspect of the project, including:

- Creation of a credit card membership application form;
- Creation of a credit policy;
- Lending and monitoring of credit (review of consumer and commercial credit, approval of credit);
- Management of client accounts (accounting, complaint management, management of individual credit limits);

- Management of client service for the clients and merchants (technical support, in case of a problem with a card);
- Debt recovery;
- Risk management, if the client goes into default (bankruptcy, account in receivership, voluntary deposit, etc.).

Thanks to being granted direct access to BMR's computer database, Groupecho Canada can, among other things, ensure a dynamic and effective administration of the credit card system, especially in matters of fraud. This IT management, performed by Groupecho Canada on BMR's behalf with complete transparency, and the solid customer service allow a new customer to get instant approval on an application for credit (and only thirty minutes for commercial approval). In both cases, it is possible to make a purchase on the spot on the newly established BMR account.

## Launching the BMR credit card

With help from Groupecho Canada, the launch of a BMR credit card was accomplished in less than three months, which is a record! In fact, Groupecho Canada received this mandate around the middle of October of 2010, and, by the end of January 2011, the first transactions with the new BMR credit cards were taking place. The project would never have seen such quick results but for the rigorous process Groupecho Canada brought to managing the project.

To accomplish this remarkable feat, several steps needed to be accomplished:

- Research to make sure that Groupe BMR is entitled to offer private credit cards (a step carried out by BMR);
- Legal research into the development of credit application forms and credit policies that are in accordance with the *Consumer Protection Act*;

- The development of a decision tree with Groupecho Canada and TransUnion (a step carried out jointly);
- Software programming for Groupe BMR's computer team to use to determine whether applicants should be approved for a BMR credit card, as judiciously suggested by Groupecho Canada (a step carried out jointly);
- The launch of a BMR card for individuals;
- Establishment of a testing period in some stores: an account-opening test without actual transactions;
- Migration to the final version of the software;
- Deployment of the project in all of Groupe BMR's stores;
- The launch of a credit card for businesses.

Several factors allowed Groupecho Canada to stand out in this project. In particular, its flexibility and capacity to adapt and scale its services to a diverse range of client needs. Groupe BMR management is not averse to commenting when it's time to express their level of satisfaction. "Not only did Groupecho Canada's people rapidly adapt themselves to our particular business sector, but also equally well to the structure we already had in place. Furthermore, their customer service representatives are able to respond to all our customers, regardless of the language or their location," Daniel Rocheleau explained.

Groupe BMR understood how Groupecho Canada is "pro-client" and that it offers exceptional customer service, especially noting how it responded to all letters received from customers, even those sent by mail.