

Firstsource: Agentic AI Collections Ecosystem Powered by Kairos

AI-native debt collections platform with 70%+ of interactions AI-automated and 100% outcome-based commercial terms, delivering 25–30% cost-to-collect reductions including a transformation of Aptia from 270 to 70 FTEs.

Award standing: **2nd Place**

Firstsource secured 2nd Place in the 2026 HFS SaS Awards, selected from more than 250 submissions across the awards program. The recognition centers on Firstsource's submission, "Agentic AI Collections Ecosystem Powered by Kairos", in the category of Best 'Services Eating Software'.



The challenge behind the Firstsource entry

Collections is not just a transactional process. It requires empathy to preserve long-term customer value, strict adherence to evolving regulatory frameworks across jurisdictions, and the ability to drive productivity and recovery outcomes in highly sensitive, high-stakes interactions. The global debt collections industry sits at a point of structural complexity where getting the balance between process and empathy right is not just difficult, but mission-critical.

What they built

Firstsource transformed collections operations by architecting and commercially deploying an integrated, agentic AI collections ecosystem powered by its Kairos operating system — encoding 25 years of domain expertise into executable, self-learning workflows.

Three pillars drive the transformation:

- 1. Unified System of Record** — Fragmented point solutions (servicing platforms, workflow engines, agency management, payment orchestration, compliance monitoring) consolidated into one operating platform, cutting implementation from quarters to weeks and replacing 8+ disconnected systems with a single source of truth.
- 2. AI-Native Orchestration** — An LLM- and predictive-analytics-driven engine, anchored by the Virtual Collector framework, automates 70%+ of interactions: behavioral segmentation, personalized multichannel engagement, autonomous negotiation (payment plans, settlements, hardship), real-time compliance guardrails, and continuous learning from outcomes.
- 3. Operating Model Redesign** — Delivery shifted from agent-centric to platform-centric, turning collectors into outcome orchestrators. This underpins outcome-based commercial models, elastic scaling without headcount growth, and unified governance across legal, first-party, and third-party operations.

Critically, the platform's intelligence — playbooks, guardrails, decision logic — is portable across LLMs and tech stacks, so clients own the intelligence rather than being locked in. In short: this is services eating software, with human judgment layered atop automated intelligence rather than tools bolted onto manual work.

Results

- The transformation of debt collections from a labor-intensive service into an AI-native, platform-driven operating model has delivered measurable, compounding impact across financial performance and operational efficiency.
- 25–30% reduction in cost-to-collect through AI-driven digital servicing, self-service adoption, and intelligent routing; 45–50% structural cost-savings through operating model redesign and automation-led workforce.
- Automated 70%+ of customer interactions using agentic AI and Virtual Collector capabilities while maintaining high-quality and compliant engagement standards; Reduced implementation timelines by 60%+ through pre-built.
- Maintained complaint ratios in bottom quartile of industry benchmarks across highly regulated markets; Reduced compliance violations through in-line guardrail enforcement and real-time monitoring; Improved audit.
- Shifted collections perception from adversarial to supportive through empathetic, transparent, omnichannel engagement.
- Increased digital adoption rates to 60%+ via self-service plans, digital settlements, and SMS-first interactions.

Bottom line

Firstsource's entry backs up its claims with robust production evidence and outcomes delivered rather than a roadmap. The transformation of debt collections from a labor-intensive service into an AI-native, platform-driven operating model has delivered measurable, compounding impact across financial performance and operational efficiency. That's the kind of evidence this category was built to reward.

Learn more about Firstsource at www.firstsource.com.

Appendix: About the Category and the Awards

Best Services Eating Software

This category tracks what HFS Research calls services codified as software: traditional, people-led services (in areas such as finance, IT operations, and back-office processing) broken down into repeatable workflows, bots, and AI agents, then repackaged as modular, platform-enabled, subscription-style offerings. Entrants are judged on how far they have moved from billing for effort toward delivering software-defined, observable outcomes.

Every submission in this category was evaluated by HFS analysts and board members against five shared criteria:

- AI-driven delivery – is the solution genuinely autonomous, or is AI still assisting humans doing the work?
- Agentic adaptability – does the platform learn and orchestrate across workflows, or does it execute fixed rules?
- Outcome orientation – are commercial terms tied to results? Is there a quantified business case?
- Scalable architecture – is the IP reusable across clients and industries, or bespoke to one engagement?
- Proven enterprise success – verifiable, production-scale evidence with named or named-tier clients.

The HFS Services-as-Software Awards recognize the enterprises and technology providers leading the shift from labor-based delivery to AI-native, software-defined operations. Finalists in each category were selected by the HFS analyst team following a structured review of submissions against the criteria above. Winners were then determined by the HFS board of external advisors, who scored and ranked the finalists to reach a final result.

About HFS Research

HFS Research is the leading global analyst firm focused on business operations, digital transformation, and enterprise modernization.

For over a decade, HFS has shaped market language – from OneOffice to Services-as-Software – helping enterprises and providers understand where operating models are headed.

We work with global enterprises, IT and business services providers, software and cloud vendors, investors, and innovators.

The Services-as-Software Awards extend that leadership by recognizing organizations delivering measurable transformation in the market.