



cm

collector mentor™

HOW DEBT COLLECTORS
ARE USING
SOCIAL MEDIA

BY MICHELLE DUNN

**FAILURE:
THE BEST
TEACHER**

**SETTING
S.M.A.R.T.
GOALS
IN 2010**

**AVOID THREE
COMMON
CAREER
MISTAKES**

UNLOCKING SECRETS of SUCCESS

January / February 2010
www.collectormentor.com

EDUCATION, MOTIVATION, AND INSPIRATION FOR THE CREDIT & COLLECTIONS INDUSTRY FRONTLINE

contents

collector mentor™

January / February 2010



Reach new levels
of success by
unlocking five
secrets used by
top collection
professionals.

9

COLUMNS

PAGE

editor'snote

last year's failure; this year's success

2

innerview

Harry Strausser III of Remit Corp.

3

mailbox

2010 goal setting: is this the year?

4

newsflash

headlines, sidelines, and offlines

5

bookshelf

Manhunt: The Book

5

toughcall

handling the profane customer

6

gettingpaid

social media and collections

7

businesscents

don't slip: three common career mistakes

8

industryfocus

10 common questions about the SCRA

11

lookingahead

networking and learning opportunities

12

extracredit

can you reach the money tree?

13

skiptips

selecting a batch vendor

14

creditors'corner

reaching the decision maker

15

thepledge

have you taken the Collector's Pledge?

16

"Success is that old ABC—ability, breaks, and courage." ~ Charles Luckman

legal disclaimer

The information herein is provided for informational and educational purposes only, and should not be construed as legal or tax advice. The Publisher cannot guarantee that such information is complete, accurate, or timely. Laws of a particular state or laws that may be applicable to a particular situation may have an impact on the applicability, completeness, or accuracy of such information. Federal and state laws are complex and are subject to change. Changes in such laws and regulations may have a material impact on applicable advice. Skills World, LLC makes no warranties with regard to such information or results obtained by its use. Skills World, LLC disclaims any liability arising out of your use of, or any position taken in reliance on, such information. This publication should not be used as a substitute for competent legal or tax advice from an attorney or accountant licensed in your state. Readers are encouraged to consult their management prior to implementing any new collection practices.

copyright notice

No part of this publication may be reproduced, photocopied, or electronically redistributed without the express written authorization of the Publisher, or as otherwise provided in the subscription agreement. To obtain reproduction rights, contact collector mentor™, P.O. Box 44, Adel, Iowa, 50003. Company and product names are trademarks, or registered trademarks, of their respective companies.

Copyright 2010 © Skills World, LLC. All rights reserved. Printed in the U.S.A.

editor'snote

last year's failure; this year's success

What do you, me, Michael Jordan, and Thomas Edison all have in common? We've all failed at one time or another in our lives. It is widely known that Edison failed thousands of times in his rigorous attempt to invent the light bulb, and while Jordan is remembered for his immense success on the court, we sometimes forget that he missed the game-winning shot on more than 25 occasions. Failure is a natural part of life.

Studies show that as many as 90 percent of individuals fail to achieve their New Year's resolutions. Perhaps this year you're one of those people. I am. Maybe you didn't lose all the weight you wanted to, or maybe you failed to get that promotion you were hoping for. If you're like me, that marathon eluded you once again. Whatever the goal, we must not overlook the valuable lessons that failure provides, and with a new year unfolding, there is no better time to re-focus our lens and use last year's failure to achieve success in 2010.

IDENTIFY WHAT "DID" HAPPEN

By reflecting on what DID happen, you can find motivation and inspiration, thereby renewing your optimism as you look to the future. Although you might not have fully achieved your resolution, there were likely times when you made significant strides in the right direction. Don't let your mind trick you into thinking you wasted your time. For instance, I didn't run a marathon, but I did return to running after taking 11 years off, participated in more than 25 races (including a half-marathon!), logged over 1,500 miles, completed two races with my 10-year-old son by my side, and had the opportunity to meet gold medal Olympian Shawn Johnson. None of this would have been achieved had I not set the goal of completing a marathon. Just because you didn't achieve your resolution doesn't mean you failed!

ASSESS WHAT WENT WRONG

I wasn't able to complete the marathon for a very simple reason: I got injured. However, by analyzing my training regimen I was able to determine exactly how this happened and I can use the information to train smarter in 2010. What about you? Did you have the correct support system in place? Did you reward yourself appropriately for achieving milestones along the way? Did you set a S.M.A.R.T. goal? (See Page 4.) If you neglect



to analyze what went wrong, chances are you'll repeat similar mistakes again in the future.

DON'T ATTEND THE PITY PARTY

Failure is the best teacher you'll ever meet, and while spending time thinking about the "would've, could've, and should've" can be helpful in examining the lessons, we must not allow ourselves to wallow because marinating in the past can rob you of ambition and destroy your morale. You need to be a good student and learn from this failure. If you are really disappointed, allow yourself a chance to let your emotions out and resist the urge to bottle them up. Sometimes a good temper tantrum can reduce a lot of stress, but refuse to throw yourself a pity party! Spend only the amount of time needed to identify the lessons; anything more will be counter-productive. ^{cm}



Gary Jensen, PCS, HCS
Editor
gjensen@skillsworld.org

Gary Jensen is the chief learning officer for Skills World where he serves as a trainer, consultant, and life/business coach. He is a former Certified Instructor for ACA International and holds Professional Collection Specialist and Healthcare Collection Specialist designations. He has worked for more than a decade in first- and third-party collection environments, in management, and "in the trenches."

In 2010 his goal is to complete 30 races, including two marathons.



"My great concern is not whether you have failed, but whether you are content with your failure." ~ Abraham Lincoln

innerview

inside the mind of Harry Strausser III

Some people come to the industry by pure chance; others because they grow up with parents in the business and decide to stay. Harry Strausser III., is of the latter group. In fact, he started in the credit and collection industry at the tender age of 12, stuffing and licking envelopes for his parents' agency, Action Management. Today, Harry travels around the globe, sharing his knowledge and expertise, and in the process has garnered a reputation as one of the foremost experts in the credit and collection industry.



Harry Strausser III

Position
President

Company
Remit Corporation and
Interact Training and Development
Bloomsburg, Pennsylvania

Collection Philosophy
"Follow up, follow up, follow up. Be persistent and treat consumers with respect to achieve maximum results."

- Notable Achievements**
- ACA Certified Instructor
 - Master Credit Executive (MCE)
 - International Fellowship of Certified Collection Executives (IFCCE)
 - ACA Scholar and Fellow Degrees
 - ACA Certified Instructor of the Year
 - Author of *Collection Advisor's* "Training Advisor" column

cm: You're known as a second-generation collector. What does that mean, and how has that contributed to your success in the industry?

HS: A second-generation collector is one that typically has grown up in a family-owned collection firm. I am currently in my late 40s and my parents started the family company, Action Management, Inc., when I was 12. I believe that maturing in a credit and collection family business provides you with tremendous insight into the evolution of our industry professionally, legally, and technologically. It provides you with a very firm foundation for growth and opens opportunities for sharing knowledge with new entrants to the market through consulting and training.

cm: Any thoughts on what's in store for the industry in 2010?

HS: I believe we will see a slow, but steady improvement in recoveries through 2010. We must continue to trim the fat in our enterprises and focus on profitable relationships managed by efficient, goal-oriented staff members.

cm: How do you think collectors can make the most of the upcoming tax season?

HS: Tax season has traditionally been a peak time of the year for professional debt collectors. It is that time of year when a financial windfall comes the way of many consumers. With the difficult economic climate, it is a time to offer settlements and incentives to consumers to allow them to negate their accounts from your system at a bargain amount. Most creditors have been open to settlements over the past 18 months. Tax time is a prime time to offer these opportunities.

cm: What has been the biggest change for the industry over the past five years?

HS: The biggest change for our industry has been the need to overhaul approaches, processes, and philosophies to align ourselves with the increasing regulations and legislation. We have been dealing with many moving targets on all fronts that have made the management of our collection enterprises more and more of a challenge.

cm: What advice can you offer to someone who is new to the industry?

HS: We must continually have the mindset that we are an honorable and vital professional within the U.S. economy. It is an industry with growth and offers much success to those who apply themselves and embrace the opportunities available. Our industry virtually offers lifetime job security to the talented collection professional.

cm: What do you believe separates the top collectors from the rest of the pack?

HS: Top collectors have a high-level of self-motivation. They have the ability to continually look at the positive, work hard, and keep their focus on the goal. Every moment of every day and month, they clearly know their direction and never waiver.

cm: Final thoughts?

HS: To be successful in collections, and in life in general, we have to embrace change. We work in a constantly moving industry that requires us to adjust and revamp our processes and approaches with each passing year. It has been said that, "Change is inevitable, but growth is optional." We must grow to be successful. ^{cm}

Harry Strausser III is president of **Remit Corporation** and **Interact Training and Development** based in Bloomsburg, Pennsylvania. He can be reached at harry@remitcorp.com.

"OUR INDUSTRY VIRTUALLY OFFERS LIFETIME JOB SECURITY TO THE TALENTED COLLECTION PROFESSIONAL."

mailbox

2010 goal setting: is this the year?

Q What are some strategies that I can use to help me hit my goals this year?

THERE IS AN abundance of hints, tips, and techniques available for setting and achieving personal and professional goals. One of the most popular strategies for breaking through the barriers and attaining goals, however, lies in setting S.M.A.R.T. goals. That is, goals that are *Specific, Measurable, Attainable, Relevant, and Time-Bound*.

◆ SPECIFIC

Increase your chances of reaching your goal by recording the who, what, where, when, and why. In other words, be very specific about your goal. The more detailed you can be, the more clearly you'll be able to articulate your goal. Well-defined goals will allow you to focus your time and energy in a most appropriate manner.

◆ MEASURABLE

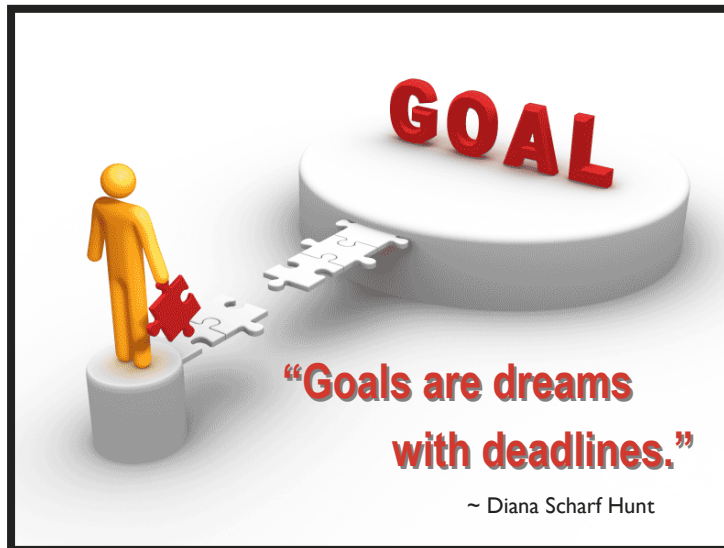
The old management proverb, "You can't manage what you can't measure," is very true with goals. If your progress can't be measured, how do you know you're on track? This is why setting specific goals is so important. If your goal is specific, you'll have a much better chance of being able to measure it. To help gauge your progress, set weekly, monthly, and quarterly milestones.

◆ ATTAINABLE

Your goals need to be achievable. Setting unrealistic goals will only frustrate and irritate you. If your milestones are out of sync, you can become un-motivated early on, and run the risk of abandoning your goal altogether. You must consider

everything that is involved in reaching your goal. Do you have the available time, money, resources, and energy? Do you have access to the support and people that you need to help you? It's okay to dream (really) big, but be sure to plan accordingly.

day, and so on and so forth until three weeks have passed and you get bummed out because you realize that you are not progressing as you had hoped. Goals without deadlines are a breeding ground for procrastination. Put a timeframe on your goal. This will also be helpful in breaking the goal down to establish milestones.



MANY PEOPLE USE the S.M.A.R.T. method for laying the foundation, but also add in a few extra touches to increase the odds of success.

For example, you may want to:

- Share your goals with others. Having an accountability partner can increase the chance you'll stick with it and stay on task.
- Reward yourself. When you achieve a milestone, be sure to celebrate.
- Put the goals in writing and post the list where you can see it each and every day. ^{cm}

◆ RELEVANT

What is your purpose and motivation for achieving the goal? Is it *your* goal or someone else's? Does it gel with your long-term plans? The goals you set need to be relevant to *your* long-term life and career aspirations. If you set out to achieve a goal merely because your manager or spouse is demanding it, chances are you won't be as committed to the goal and there is will be an increased risk of damaging the relationship.

◆ TIME-BOUND

Without a clear-cut deadline, it will become easy to put stuff off until tomorrow. And then the next day, and the next

SUBSCRIBER BONUS

Want a free copy of a worksheet for this exercise?

Send an email to editor@collectormentor.com and request a copy of the *The S.M.A.R.T. Goal Accelerator™* today!

Offer expires 02/28/2010

Dealing with a difficult situation? Office politics getting the best of you? Co-workers destroying team morale?

We want to hear from you! mailbox@collectormentor.com

"To the world you may be just one person, but to one person you may be the world." ~ Brandi Snyder

newsflash

headlines, sidelines, and offlines

FTC SEEKS INFO FROM DEBT BUYERS

The Federal Trade Commission (FTC) has asked nine of the nation's largest debt buyers to share information about practices involved with buying and collecting debt. The FTC hopes to use the information to learn more details about how the industry operates. According to the article, Thomas Kane, an attorney with the FTC, states, "(The information) will improve our ability to make policy decisions, as well as influence our enforcement practices." The nine companies have until February 25 to comply with the FTC's request.

Source: *InsideARM.com* | 01/06/2010

<http://www.insidearm.com>

NEW BOOK FOR CONSUMERS: STICK IT TO SUE HAPPY DEBT COLLECTORS

Author Allen Harkleroad shares his personal experiences in his second consumer book, *Stick It To Sue Happy Debt Collectors*. The ultimate goal of the book, according to Harkleroad is to, "Show (consumers) how to overwhelm the opposing attorney, and to show them that the burden of proving the debt is going to be an arduous, long, tiring, and expensive journey."

Source: *DesignerToday.com* | 12/31/2009

<http://www.designertoday.com>

CAN TOO MUCH DATA STUNT YOUR GROWTH?

Jeffrey M. Stibel, author of *Wired for Thought: How the Brain Is Shaping the Future of the Internet*, shares his thoughts on how too much data can shatter wisdom. As your career develops, you will be forced to acquire more knowledge in order to reach the next level; however, spend a moment reviewing Jeffrey's blog post to gain perspective on how you can "fall victim to analysis paralysis."

Source: Harvard Business Review Blog *The Conversation* | 12/11/2009

http://blogs.harvardbusiness.org/cs/2009/12/why_wise_leaders_dont_know.html

50 TIPS FOR FOSTERING INNOVATION

Leading companies and top performers know that innovation is a must for obtaining and sustaining competitive advantage. Spend a few minutes reading *The Heart of Innovation* blog post "50 Ways to Foster a Culture of Innovation," and it is likely that you'll come away with a few ideas for becoming more innovative in your professional and personal life.

Source: *IdeaChampions.com* | 12/09/2009

http://www.ideachampions.com/weblogs/archives/2009/12/50_ways_to_fost_1.shtml

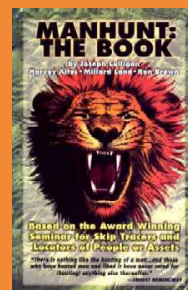


Send Us Your News!

Have some interesting news to share with the industry? New product set for release? Community service project completed? We want to help you share your story!

Email: editor@collectormentor.com

bookshelf



Manhunt: The Book

by Joseph Culligan, Harvey Altes, Millard Land, and Ron Brown

Published by T F A

Sometimes to collect a debt, you first have to find the customer, and having a good resource at your side can make all the difference in just how easy, or hard, that task can be.

Based on the award-winning Manhunt Seminars, this book provides tips, hints, and resources all packaged into one simple, easy-to-use guide designed to make your hunt more efficient and more successful.

Learn from four of the nation's leading private investigators as they show you how to:

- Access the sites of the Internet that will give you the sources used by the most successful skiptracers.
- Access probate records to get hard-to-find yet public information about your subject.
- Access motor vehicle history files to find missing persons.
- Access divorce files to see where a skip will be at a certain date and time every week.
- Access cemetery records to find your subject today.
- Access Worker's Compensation records to see where a skip has his check sent.
- Access copies of speeding tickets to find that elusive one.
- Access forgotten-about subpoenas to lead you to a good address for your bounty.
- Access abandoned property records to get info about your skip.

Each chapter starts with an overview of how to use that chapter's specific resource, and then goes on to list the sources in detail. If you want to find your customers, or even locate a long-lost relative, add this book to your library. ^{cm}

To obtain your copy of *Manhunt: The Book*, please visit www.pimall.com, or contact Ron Brown at rbrown@e-csigroup.com.

toughcall

handling the profane customer

When most people think of the late comedian George Carlin, his “seven words” routine (which got him arrested in 1972 at Milwaukee’s Summerfest for violating obscenity laws) is likely the first thing that comes to mind.

As a collector, you undoubtedly deal with customers who would put George’s routine to shame. Whether it is your run-of-the-mill swear words, more radical racial slurs, or inappropriate sexual innuendo, these calls can prove tough even for the most experienced collectors. To be successful, you must learn to handle this tough call effectively in order to maintain control of the situation, and ultimately get the account paid in full.



👤 **OBSCENE LANGUAGE 101**

Timothy Jay, in his 2009 *Perspectives on Psychological Science* article, stated that two-thirds of all swearing is a desire to express anger or frustration. So, 66 percent of the time the customer will be swearing either due to a lack of control or unmet expectations as those two factors are the driving force behind frustration and anger. Be sure to keep that in mind.

👤 **DIRECT vs. INDIRECT**

Therefore, as a collector, try not to take it personally, and instead put it into context. Is the language being directed at you personally? If not, resist the urge to use the customer’s poor choice of words as an excuse to end the call. Many collectors spend valuable time arguing over the language being used instead of just accepting that the customer may be either blowing off steam or may just have a habit of using foul language. Granted, there are different levels of vul-

garity. If the customer uses something that is off the charts, or is personally attacking you, set boundaries and end the call in a professional manner if necessary. You are human, and there are times when these calls can disturb you emotionally and mentally. Better to stay cool, calm, and collected rather than becoming argumentative with the customer. It is a natural tendency to want to fight when being attacked, but you must resist at all costs.

👤 **DON'T REACT**

Don’t giggle. Don’t laugh. And, don’t call attention to the language unless it is directed at you. If you react, you fuel the fire and this is exactly what the customer wants—to get under your skin. Do your best to let the words go in one ear and out the other. This sends the message that you are in control of the call and are not bothered by the language. Choosing

to remain emotionless will give you a powerful advantage.

👤 **USE QUESTIONS WISELY**

Use your questions appropriately to limit the amount of talking this customer does. For example, use closed-ended or fixed-choice questions, and steer clear of open-ended questions that give the customer more of an opportunity to talk.

👤 **APOLOGIZE**

There are times when a simple apology may reduce the customer’s frustration, and thereby get him to calm down. You don’t have to show approval, just acceptance. For example, “Mr. Smith, I’m sorry that you feel that way.”

Remember that you need to be sincere and authentic when extending an apology, otherwise you risk causing the customer to become even more upset and vulgar. ^{cm}

Stumped with a tough call or wild stall? Got a tip to share with fellow credit and collection professionals? How would you handle this tough call? Email your tough calls to: toughcalls@collectormentor.com



getting paid with MICHELLE DUNN



HOW ARE DEBT COLLECTORS USING SOCIAL MEDIA?

When you use a social networking site to *locate* a customer, to then try to collect from them by phone or mail, there normally won't be a problem. The problems arise when a collector contacts a customer through one of these social websites. Since the information, messages, and conversations on these types of websites are not private, and are available for many people to see, this would not be a tool to use in debt collection without violating federal laws, specifically applicable to consumer debt collections. Most of these types of websites are integrated with electronic mail, and one can send email to a specific person, but just how private is that email? How can you be sure you won't violate privacy laws and run into legal problems? To play it safe, collectors shouldn't use the email tools on these websites to contact someone who owes money.

Social networking websites are a venue for people to share personal or business information with other people through a website that is specifically designed to make it easy to share text, pictures, documents, music, videos, and comments. There are thousands of social networking sites on the Internet today, and some focus on a particular industry, interest, subject, or topic.

Collectors can utilize social networking sites to locate or find a customer, such as getting a mailing address or employment information in order to enforce any in-house collections. With a place of employment, a creditor can better evaluate someone's ability to pay, and if you are in the position to attach assets, you would then be able to garnish pay if state laws allow.



Social media tools are used every day by collectors as skiptracing tools more than as a way to collect a debt from someone. Social networking sites such as Twitter, Facebook, or LinkedIn, may help some-

one locate a customer; however, using any one of those websites to announce any type of pending or ongoing collection activity would violate the FDCPA, or other state-specific laws in a multitude of ways. Utilizing social networking sites to gather information and investigate a person's history requires a lot of work, and even when it is successful, it often will give you only a single chance at collecting a payment.

As a debt collector, you may not publicize a debt or discuss it with anyone else other than the customer, their spouse and/or their attorney, so using a social network to communicate with a customer would fall into this category.

I suggest you use social networks to locate customers that owe you money but also to verify information you already have, to ensure you have the correct person or customer before making contact. Then, make contact by phone or through the mail, but never through the email or contact feature on a social networking site.

When verifying information or searching for a customer using a social networking website, remember that there is nothing wrong with this practice, but there are laws (FDCPA) that prevent collectors from posting comments or disclosing information to another person online. One of the provisions of the FDCPA is that debt collectors may not reveal a debt to a third party, and posting information about a debt on a social networking website would violate that provision.

The best advice I can give you in regard to contacting customers through social networks: Don't do it! One collection agency did this on MySpace and ended up being sued.

Michelle Dunn

Michelle Dunn is founder and president of Michelle Dunn's Credit and Collections Association. She is an award-winning author who has penned seven books on credit and collections. She has been featured in The Wall Street Journal, Professional Collector, Credit & Collections, Risk, PC World, and on Forbes.com. She has also been a featured guest on National Public Radio and the CBS Early Show.

To find out more about Michelle, her books, and her association, please visit www.michelledunn.com.

businesscents

don't slip: three common career mistakes

MOVING UP IN the world isn't as easy as it used to be. Gone are the days when an employee could get promoted simply by showing up and putting in their time. Nowadays tenure alone won't get employees to the next level. Those with plans of onward and upward growth must learn to mirror the habits of top performers, while also taking a sincere interest in the expectations of their manager.

When your manager sees you, talks to you, and reviews your body of work, does she see a budding professional who can accept added responsibilities? If not, your growth potential will be limited. While there are dozens of "peels" that can cause your career to slip, the three highlighted in this article are at the forefront for many managers.

PEEL #1 | UNRELIABLE ATTENDANCE

Employees who can't get to work when scheduled create the impression that they are not good with time management. "As employees seek positions with increased responsibilities, deadlines and punctuality become increasingly important," said Gary Jensen, chief learning officer of Skills World. "There are times when life happens, and calling in ill may be unavoidable, however, employees can set themselves apart by toughing it out and being the person who can get to work when the snow starts to fall. Business strategy hinges on good attendance, and managers want to know who they can count on."

PEEL #2 | AVOIDING GOALS

Goals move business forward. Sadly, many employees either don't set goals or lack the ability to set effective goals (see page 4). You can help your career grow by setting goals on a regular basis and sharing those goals with your manager.

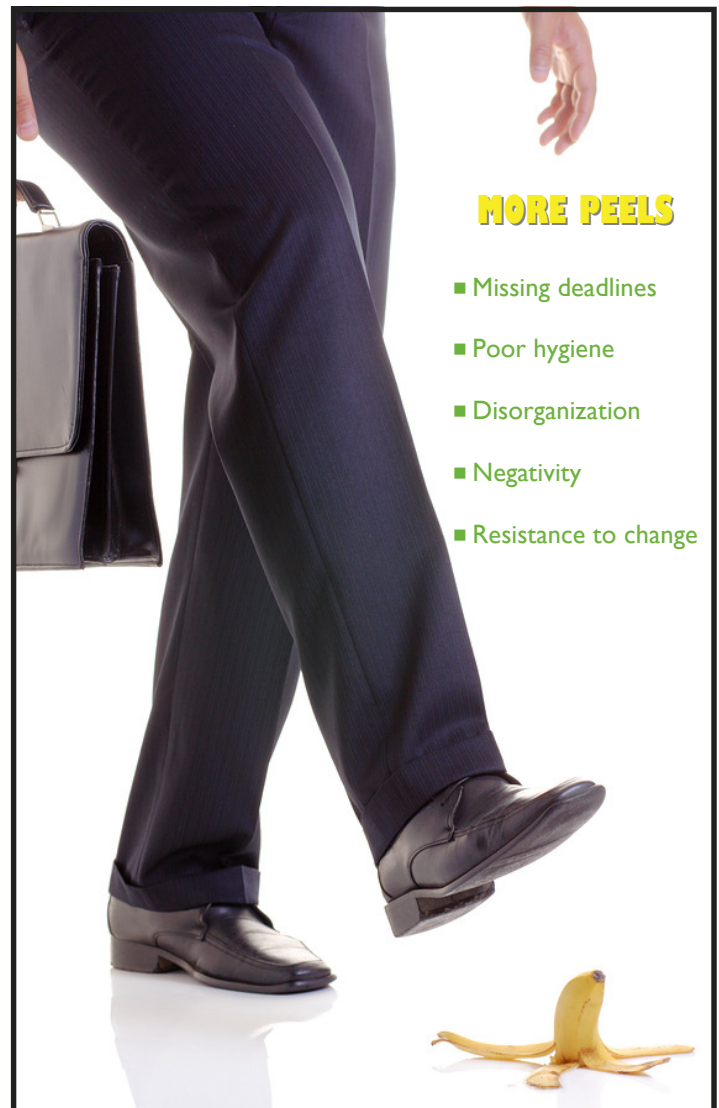
"Companies need goal setters at every level of the business," said Jensen. "Go above and beyond the traditional month-to-month collection goals, and set goals to grow and to develop. By setting goals you send the message that you are committed to continuous improvement and pay attention to results."

PEEL #3 | MIXING PERSONAL AND PROFESSIONAL

According to Jensen, most managers would agree that employees who share too much of their personal life in the workplace present additional challenges for the company. "Surely we've all seen employees who gossip and share stories about their weekend, even going so far as to cruise the aisles

and distract fellow co-workers," Jensen said. "Employees must be careful to represent themselves well while on the clock. I've seen employees text while talking to customers, clog up the email system with personal emails and crude jokes, and use the phone system to place overseas phone calls. These behaviors put managers on alert, and employees should be aware of how their behavior can impact their long-term career aspirations."

By learning to manage these three areas, you'll create a competitive advantage for You, Inc., and, in doing so, prevent a possible career-ending slip and fall. ^{cm}



UNLOCKING SECRETS of SUCCESS

By Gary Jensen



OVER THE PAST decade, I've had the opportunity to speak with hundreds of first- and third-party collectors, and I have yet to meet a collector who doesn't want to achieve higher levels of personal and professional success. The collectors that I've spoken with want to improve their effectiveness on the phone, earn more money, get promoted, and be the best they can possibly be.

I've also been fortunate to have worked with, and learned from, some phenomenal collectors. Collectors who were able to meet goal month after month. Collectors whose desks were littered with achievement awards. Collectors whose managers wish they could be cloned. Collectors who were always at the top of their game.

Clearly, there are characteristics and work habits that separate the best from the rest. In this article I will unlock five such secrets, so that you, too, can begin your ascent to becoming a successful top performer.



SECRET 1
BE PERSISTENT
AND FOLLOW
UP IN A TIMELY
MANNER.

Effective follow-up is key to increasing recoveries. I'm not talking about the type of follow-up that will get you sued for violating the FDCPA, but rather the type of follow-up that shows you keep a close eye on your accounts. If your customer is out to lunch, instead of leaving a message or simply moving on to the next account, for example, ask when the customer will return and follow up at that time. To be successful, you have to be persistent and reach the customer when the customer can be reached. Similarly, if the customer says he will call you back, or have a payment in your office by a certain date/time, but fail to deliver on their promise, how long do you wait to follow up? Top collectors follow up immediately after the deadline has passed. If the customer said the payment would be in the office on Monday, and it isn't, you can expect a top collector to call first thing on Tuesday morning. If you wait several days to follow up on a broken promise you send the customer the message that the deadline was no big deal.

SECRET 2
CREATE A
POLISHED
AND EFFECTIVE
INTRODUCTION.

Top collectors also know that their introduction is the most important part of the call. They use the opening of the call to set the tone, obtain control, and establish themselves as a professional who is ready to help the customer. If you can, record several of your calls and listen to the introduction. Do you sound clear and confident? If not, polish your introduction until it shines. If your introduction is weak and choppy, customers will not trust you to handle their account, and they will often be able to take control of the call. You must sound confident and be in control from the very beginning. Top collectors know that their tone, rate, pitch, and inflection all play a vital role in making that happen. They also know that the customer has to get involved as soon as possible, so they create an introduction that is concise and ends with a question. As you work to strengthen your introduction, remove unnecessary filler words such as "um" and "uh," in addition to any awkward pauses and clumsy phrases. Stay tuned, because in the next issue we'll explore this in detail.

SECRET 3
MASTER
ADVANCED
QUESTIONING
TECHNIQUES.

Using a variety of questions—in an effective manner—is another secret weapon of top collectors. Although most collectors are trained on using the basic open- and closed-ended questions, many do not take the time to explore the many other types of questions available. In addition to the traditional open-ended and closed-ended questions, there are reflective, hypothetical, fixed choice, leading, and linking questions, and each type of question serves a unique purpose in controlling the call and negotiating for payment. You have to know when to use a certain type of question, and when not to. For example, if you are having a difficult time controlling the call with a customer who is overly talkative and refuses to let you speak, you should shy away from using open-ended questions and instead direct the call with a closed-ended or fixed-choice question. Invest time in mastering this secret and you will increase your effectiveness, and thereby your collection results exponentially.

SECRET 4
APPLY A
CONSUMER-
CENTRIC
APPROACH.

Aggressive and abusive collection tactics have no place in our business. Today's customers are very sophisticated and have zero tolerance for being threatened or treated unfairly. To get the best results, top collectors treat customers with respect and use empathy to relate to their situation. Empathizing with customers means putting yourself in their situation, attitude, feelings, and thoughts to gain a clearer perspective. Top collectors know that building rapport with the customer is vital in gaining influence and getting paid. You can't gain influence when you treat customers with disrespect, fail to value them, or are unresponsive to their needs. Treat customers with respect and use your manners. "Please" and "thank you" can go a long way. Lastly, remember to empower the customer with options so that they don't feel powerless. If you try to pull a power play on customers, and put them under your thumb, it is likely that you will have a more difficult time trying to collect payment.

SECRET 5
EFFECTIVELY
PREPARE FOR
EACH CALL.

Top collectors prepare for each call by spending a few seconds reviewing the account details prior to calling. Doing so offers insight into the customer's situation, and also provides you with background knowledge on the account. For example, when was the last payment made? What was the method of payment? How long did the customer have the account before going past due? Is this the first time she is past due or the sixteenth time? What was the result of the previous conversation? Does the customer have alternative options available if a payment can't be made? These are just a few examples of the information that can be gathered so that you can shape your introduction and opening in an efficient and effective manner. If you are on a predictive dialer, however, you must become skilled at identifying the one or two most important pieces of information. Many collectors fail to prepare simply because they assume the call will result in another "no answer." While that can happen, preparing will prove invaluable should the customer answer the phone.

⚡ MENTOR CHALLENGE Spend a moment reflecting on each of the secrets unlocked in this article. Then, take out a piece of paper and list five improvements that you can make in each area. Share the list with your manager and ask for feedback. Once finished, create a strategy to implement your findings.

industry**focus**

10 common questions about the SCRA

ON DECEMBER 19, 2003 President Bush signed into law the *Servicemembers Civil Relief Act (SCRA)* which replaced its predecessor, the *Soldiers and Sailors Civil Relief Act of 1940*. This law provides certain protections to members of the Army, Navy, Air Force, Marine Corps, and Coast Guard while on “active duty.”

The original Act was enacted by Congress so that members of the military could focus on protecting their country, without worrying about life on the home front. For example, it would be impossible for a servicemember to show up to defend themselves in court when they are deployed halfway around the world. Additionally, some service members may experience a drop in income as a result of being called to active duty, which makes it difficult to keep up on payments.

As a collector, you need to be aware of the protections the SCRA provides in the event you come across a consumer who is protected. This article will briefly highlight some of the most frequently asked questions pertaining to the SCRA, and its impact on the credit and collection cycle.

1. What is “active duty”?

“The term “active duty” means full-time duty in the active military service of the United States. Such term includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned. Such term does not include full-time National Guard duty.”

Source: United States Code, Section 101(d)(1) of Title 10

“In the case of a member of the National Guard, includes service under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under (f) of title 32, United States Code, for purposes of responding to a national emergency declared by the President and supported by Federal funds.”

Source: Servicemembers Civil Relief Act, Section 101

2. Are reservists and retirees covered by the Act?

Reservists and retirees are protected by the provisions of the SCRA only when called to active duty.

3. Does boot camp count as active duty?

Yes. Active duty includes “full-time training duty.”

CONTINUED ON PAGE 17



“I think we’ve had a lot of distractions, and I have no doubt in my mind that has affected our performance.” ~ Jim Beattie

looking**ahead**

networking and learning opportunities

● Convention / Conference / Meeting

◆ Webinar / Teleseminar

■ Seminar / Workshop

January 6 - 9, 2010

- **Credit and Compliance Officer Workshop** | *ACA International*
Beaver Creek Lodge, Beaver Creek, Colorado
Phone: (925) 928-8000 ext. 137
Web: www.acainternational.org

January 12, 2010

- ◆ **Developing Your Emotional Intelligence** | *SkillPath*
Teleseminar
Phone: (800) 873-7545
Web: www.skillpath.com

January 13 - 14, 2010

- **Collection Technology Summit 2010** | *Royal Media Group*
Grand Hyatt, San Antonio, Texas
Phone: (212) 564-8972 ext. 104
Web: www.royalmedia.com

January 14, 2010

- ◆ **New Technology and the FDCPA** | *LORMAN*
Teleseminar
Phone: (866) 352-9539
Web: www.lorman.com

January 19, 2010

- ◆ **Active Listening Techniques for Effective Communication** | *SkillPath*
Teleseminar
Phone: (800) 873-7545
Web: www.skillpath.com

January 20, 2010

- ◆ **Avoiding Pitfalls in Validation, Verification, and Disputes** | *ACA International*
Teleseminar
Phone: (952) 928-8000 ext. 137
Web: www.acainternational.org

January 21, 2010

- ◆ **Bankruptcy** | *ACA International*
Webinar
Phone: (952) 928-8000 ext. 137
Web: www.acainternational.org

January 21, 2010

- **Professional Telephone Collectors Techniques** | *ACA International*
Crown Plaza Houston-Sugar Land Suites, Houston, TX
Phone: (925) 928-8000 ext. 137
Web: www.acainternational.org

January 22, 2010

- **FDCPA: Facts, Fiction, Reality** | *ACA International*
Crown Plaza Houston-Sugar Land Suites, Houston, TX
Phone: (925) 928-8000 ext. 137
Web: www.acainternational.org

January 27, 2010

- ◆ **Health Care Collection Management** | *ACA International*
Webinar
Phone: (952) 928-8000 ext. 137
Web: www.acainternational.org

February 9, 2010

- ◆ **Professional Telephone Collection Techniques** | *ACA International*
Teleseminar
Phone: (952) 928-8000 ext. 137
Web: www.acainternational.org

February 18, 2010

- ◆ **FDCPA: Facts, Fiction, Reality Online** | *ACA International*
Webinar
Phone: (952) 928-8000 ext. 137
Web: www.acainternational.org

February 22, 2010

- ◆ **Measure, Prioritize, and Mitigate Compliance Risk** | *ACA International*
Webinar
Phone: (952) 928-8000 ext. 137
Web: www.acainternational.org

March 3, 2010

- ◆ **Skiptracing: Techniques & Technology** | *ACA International*
Webinar
Phone: (952) 928-8000 ext. 137
Web: www.acainternational.org

March 3, 2010

- ◆ **Staying Positive and Optimistic Even When Bad Things Happen** | *SkillPath*
Teleseminar
Phone: (800) 873-7545
Web: www.skillpath.com

March 9, 2010

- ◆ **How to Deal with Difficult People** | *SkillPath*
Teleseminar
Phone: (800) 873-7545
Web: www.skillpath.com

March 17 - 19, 2010

- **2010 Spring Forum & Expo** | *ACA International*
Double Tree Paradise Valley Resort, Scottsdale, Arizona
Phone: (952) 928-8000 ext. 137
Web: www.acainternational.org

July 11 - 17, 2010

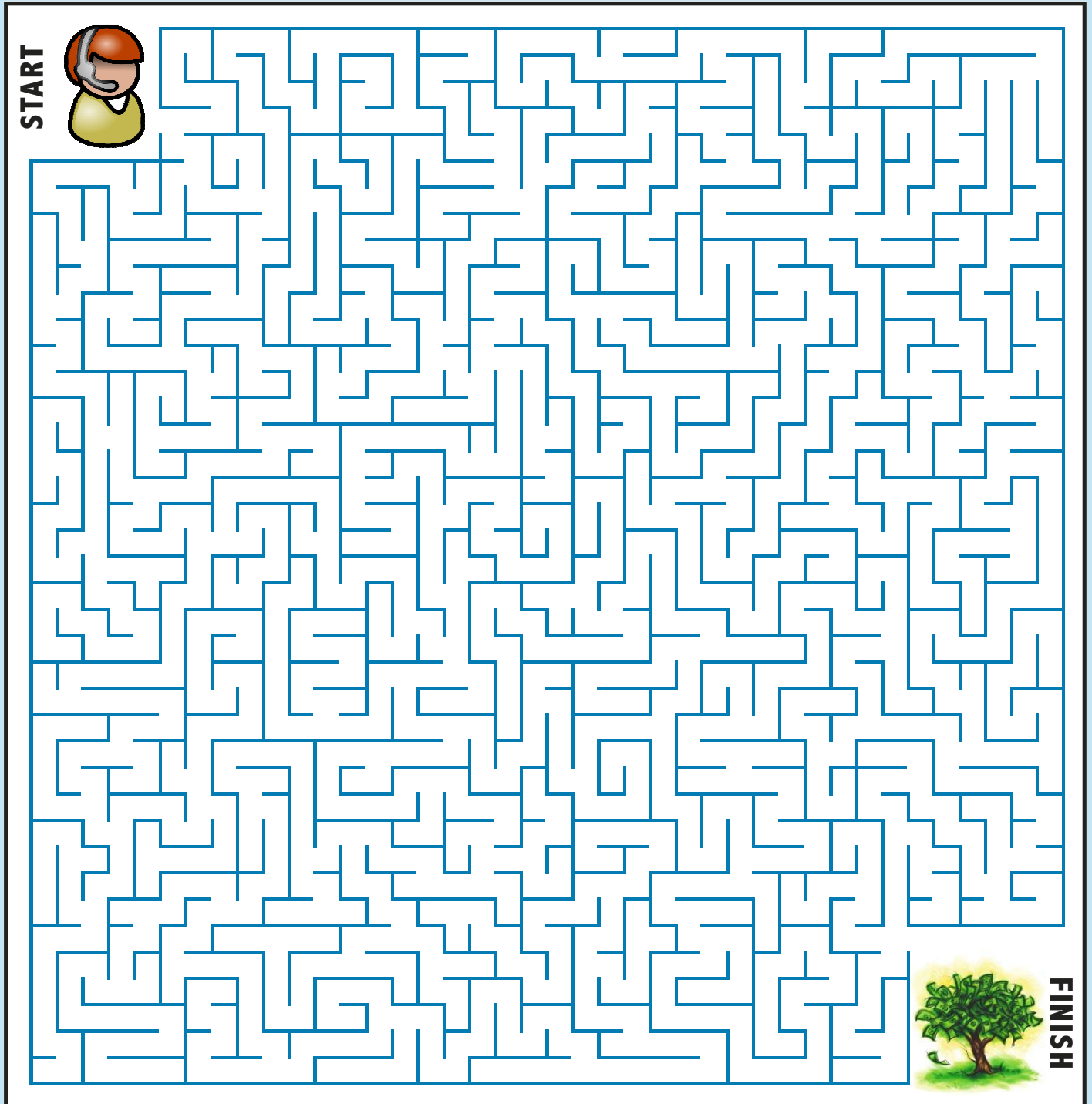
- **ACA Int'l's 71st Annual Convention & Expo** | *ACA International*
Gaylord National on the Potomac, Washington, D.C.
Phone: (925) 928-8000 ext. 137
Web: www.acainternational.org

Email your events to: lookingahead@collectormentor.com

extracredit

can you reach the money tree?

Puzzles are a fun and exciting way to exercise your brain, and mazes are some of the most challenging puzzles available. But can you make it to the money tree without getting lost or hitting a dead end? For added excitement, time yourself against fellow teammates and see who can reach the tree first!



skiptips

selecting a batch vendor

by **Steve Taylor**

President, RZD Investigative Group



THE ability to obtain location information on hundreds—if not thousands—of accounts with the click of a button has become increasingly popular over the past decade. Years ago, if you wanted to find a contact number or address for a consumer, you'd have little choice but to manually locate the information through criss-cross directories, references, neighbors, and the like. But, the advent of batch processing has allowed skiptracers to spend valuable hours locating the tough skip accounts, while allowing the easy finds to be located automatically. Before you select a batch service provider, however, you need to ask yourself a very important question: What information am I looking for?

What information do you need?

Do you desire to locate employment data? Cell phone numbers? Addresses? A combination of information? Some vendors have niche markets and specialize in locating certain types of data. Knowing exactly what you're after will help you make a more informed and intelligent decision.

Look beyond "hit rate."

Don't be misled into believing that a high hit rate means results. It doesn't. Any information that you receive needs to be verified. Vendors often maintain and access different databases, and sometimes the information returned may be out of date or incorrect. So don't be wowed by hit rate alone; collection doesn't happen until you're in contact with the customer.

For instance, if Vendor A has a 75 percent hit rate, and Vendor B is at 55 percent, your first reaction might be to think that Vendor A is the prime choice. But, not so quick. Hit rate is only one *part* of the equation. You still need to verify the

data for accuracy. If Vendor A's results are only 55 percent accurate, yet Vendor B's results are 80 percent accurate, Vendor B ultimately has better results. The difference may seem minor, but in collections each contact counts.

Identify the right vendor for you.

Once you know the type of data you're after, the next thing to do is find your vendor. You will likely consider two things: price and accuracy. The latter usually dictates how much you are willing to pay, and some vendors have a "no hit, no charge" plan available.

In an effort to gauge accuracy, you may consider performing a parallel comparison as follows:

1. Identify three to four vendors who specialize in the data that you need. Tell them that you want to test their services. Many will allow you to "test" for free.
2. Pull a query of skip accounts; anywhere between 250-750 accounts should work fine. Send the exact same file to each of the service providers and wait for the results.
3. Once results are returned, make note of the hit rate. Then, work the files and when you locate a customer identify which vendor provided the data.
4. Keep score, and after 30 or 60 days analyze and scrutinize the results.

Once you have performed this test, you will have a much clearer picture as to which vendor's data is most accurate for the type of batch skiptracing you want to perform. For extra credit, perform a "champion/challenger" test annually, as data often changes quicker than companies can keep up with. ^{cm}

Steve Taylor is president of RZD Investigative Group based in Tamarac, Florida. He can be reached by email at staylor@skiptraceconsultants.com.

Skiptrace Training

In-house Seminars ♦ Strategy Assessment ♦ Location Services



For a free consultation,
please call
Steve Taylor at
(954) 722-0473.

RZD Investigative Group, Inc
~ THE FINEST IN SKIPTRACE TRAINING ~



"The doors we open and close each day decide the lives we live." ~ Flora Whittemore

creditors' **corner**

reaching the decision maker



by **Bryan Leib**

VP of Operations, Leib Solutions

WITH ONLY SO many hours in the workday, collectors can't afford to spend valuable time speaking to non-decision makers. It is our job to find out who has the power to write the check, and we must be careful not to let titles such as manager or supervisor deceive us because a title doesn't always translate into decision-making authority.

Here are a couple tips for getting in touch with the decision maker:

START AT THE TOP AND WORK YOUR WAY DOWN.

We've always encouraged the collectors at LEIB to start at the top and work their way down the chain of command. Start with the controller or chief financial officer. As long as you have a professional conversation with the upper management of the company, they will undoubtedly be receptive to your call. They want to know what is and what is not going on in their day-to-day business. If the person at the top isn't the decision maker, he/she can put you in touch with the person who is.

IDENTIFYING THE DECISION MAKER.

When speaking with accounts payable clerks, ask them if they have the authority to make the ultimate decision. If they do not, ask them who does and then ask to be transferred to that person. Naturally, you are going to get push-back from the individual you are

speaking with because you want to go over their head, and that's okay. You have a job to do and it's not going to get done speaking to a non-decision maker. This is a tough skill to master and it is one that requires finesse. Treat the "gatekeeper" with disrespect and you will not get through; however, if you treat this person with respect, and work to build a positive relationship with him, he can become an ally in helping you get paid.

If you try your best but the gatekeeper will not put you through to the decision maker, use the resources at your fingertips—the Internet. Many companies provide a list of management and key personnel on their websites. It's possible that the decision maker's direct number is listed on the website.

THE CFO WON'T TAKE MY CALL - WHAT'S NEXT?

Try to obtain their email address. There are three ways to accomplish this.

First, call the company receptionist and ask for it. Be careful not to sound like a spammer.

Second, visit the company's website and check to see if the decision maker's email address is available.

Third, get creative! Don't get discouraged if the human resource manager's email address is listed on the website, but the

chief financial officer's email is not. Look at how the human resources manager's email address is set up and model the chief finan-

"It is our job to find out who has the power to write the check ..."

cial officer's after it. For instance, is it full first and last name combined (bryanleib), first initial and last name (bleib), or is it first initial and last name separated by a period (b.leib)? Be sure to check your company policy before communicating with customers via email.

I'VE GOTTEN THROUGH—NOW WHAT?

Once in contact, you need to motivate the decision maker to pay your invoice. Settlements, discounts, and other incentives are excellent motivators. Consider using a deadline to increase urgency. For example, "If paid within 48 hours, we will offer a 10 percent discount."

Remember, the squeaky wheel gets the grease. Don't hesitate to escalate past-due invoices to senior management if you feel that progress is not being made with your current accounts payable contact. In this economy, every conversation counts. So, be mindful to treat every person you speak to with as much respect as you would if they were the decision maker. ^{cm}

Bryan Leib is vice president of operations for Leib Solutions based in Gibbsboro, New Jersey. He can be reached by email at bleib@leibsolutions.com.



thepledge

THE COLLECTOR'S PLEDGE is an *ACA International Education Foundation* initiative that encourages collection professionals to make a voluntary, personal commitment to treating customers with dignity and respect in every aspect of their work.

For more information, please visit www.acainternational.org.

COLLECTOR'S PLEDGE

I believe that every person has
worth as an individual.

I believe that every person should be
treated with dignity and respect.

I will make it my responsibility to help
consumers find ways to pay their debt.

I will be professional
and ethical.

I will commit to
honoring this pledge.

Used with permission. © 2008 ACA International Education Foundation

"If you can't feed a hundred people, then just feed one." ~ Mother Teresa

CONTINUED FROM PAGE 11

4. How can I verify that a service-member is on active duty?

The Department of Defense has created a website that can be accessed with a Social Security number to verify a service member's status. This should not be used to replace a copy of a servicemember's official orders. Most companies require a written notice from the servicemember, including a complete copy of orders. Collectors should refrain from verbally agreeing to concessions over the phone, and should wait until orders are received, reviewed, and approved.

The website can be found at:

<https://www.dmdc.osd.mil/appj/scra/scraHome.do>

5. Does the SCRA prohibit collection activity?

The SCRA does not prohibit a collector from sending collection notices, placing collection calls, or reporting adverse information on the servicemember's credit report.

6. What actions are prohibited?

Foreclosure, repossession, and eviction proceedings each have special requirements as outlined in the SCRA.

For example, in order for a landlord to carry out an eviction, the following requirements must be met:

- *Property must be occupied by the servicemember or their dependents.*
- *Monthly rent payment must not exceed \$1,200.*
- *The court must find that the military duties have affected the servicemember's ability to make payments. If so, the judge can order a stay or postponement for up to three months.*

Since each situation is unique, it is best to consult an attorney whenever you are presented with one of these three scenarios.

7. How does the SCRA impact leases?

Servicemembers called to active duty can terminate a lease if the lease was signed *prior* to active duty. Month-to-month leases will terminate 30 days after the next rental payment is due. For example, if rent is due on October 1, and notice is provided on October 15, the lease will terminate two months out on December 1. For all other leases, termination will occur on the last day of the month following the month in which notice was given. If rent has been prepaid, the landlord must return the prepaid amount and may not keep the security deposit due to early termination; however, a landlord may keep the security deposit for damages and repairs.

If you are dealing with a lease that was incurred *after* the servicemember was called to active duty, be sure to check state law. Some states have laws which provide protection for members who are required to transfer out of state.

8. Does the SCRA have an impact on interest rates?

Obligations incurred *prior* to the servicemember's call to active duty must be capped at 6 percent. These obligations can include credit cards, automobile loans, mortgages, non-governmental student loans, and personal loans. If the account is jointly held, it isn't necessary that both parties be on active duty so long as one party meets the requirement. After the servicemember's time has been completed, the interest rate can be restored to the original rate.

DID YOU KNOW?



The origins of SCRA can be traced back to the Civil War when Congress passed a moratorium protecting Union Soldiers from civil action.

9. Can a servicemember request retroactive relief?

Servicemembers have up to 180 days after their active duty period has been completed to submit the appropriate paperwork. If this occurs, adjustments should be made to the interest that accrued during the active duty period. If a judgment has been awarded against a servicemember who was unable to attend the proceedings, the servicemember can petition the court to have the judgment vacated.

10. Do creditors have any say?

If there is reason to believe that the servicemember's ability to honor the obligation has not been affected, a creditor can petition the court for relief, but must shoulder the burden of proof. ^{cm}



This article was prepared with the assistance of Editorial Advisory Board member Ronald S. Canter. **Attorney Canter** is the founder of **The Law Offices of Ronald S. Canter, LLC** based in Rockville, Maryland. He is a widely recognized authority on creditors' rights and the regulation of collection practices. He can be reached by email at rcanter@roncanterllc.com.

ADDITIONAL RESOURCES

Servicemembers Civil Relief Act
on About.com

▶ <http://usmilitary.about.com/od/sscra/l/blscramenu.htm>

Servicemembers Civil Relief Act Overview
on Military.com

▶ <http://www.military.com/benefits/legal-matters/scra/overview>

A Judges' Guide to the Servicemembers Civil Relief Act
from the American Bar Association

▶ <http://www.abanet.org/family/military/scrajudgesguidecklist.pdf>

collector mentor™

PUBLISHER
Skills World, LLC

EDITOR
Gary Jensen, *Chief Learning Officer*, Skills World

COPY EDITOR
Cathy Medina

CONTRIBUTORS
Bryan Leib, *Vice President of Operations*, Leib Solutions
Harry Strausser III, *President*, Remit Corporation and Interact Training and Development
Michelle Dunn, *President*, Michelle Dunn's Credit & Collections Association
Steven Taylor, *President*, RZD Investigative Group, Inc.
Ronald S. Canter, *Founder and Attorney*, The Law Offices of Ronald S. Canter, LLC

EDITORIAL ADVISORY BOARD
Carol Freeland, *President*, ACTS+
David R. Glezerman, *Bursar*, Temple University
Debra Schulze, *Vice President Collections*, VyStar Credit Union
Matt Twitty, *Customer Care Manager*, Advantage Travel LC
Matthew Campbell, *Collections Manager*, Remit Corporation
Michelle Dunn, *President*, Michelle Dunn's Credit & Collections Association
Ronald S. Canter, *Founder and Attorney*, The Law Offices of Ronald S. Canter, LLC
William Brockman, *Government Collection Specialist*, GE Healthcare

CONTACT US
P.O. Box 44 | Adel, Iowa, 50003
Phone: (515) 339-5899
Fax: (515) 993-1912

CONTACT THE EDITOR
editor@collectormentor.com

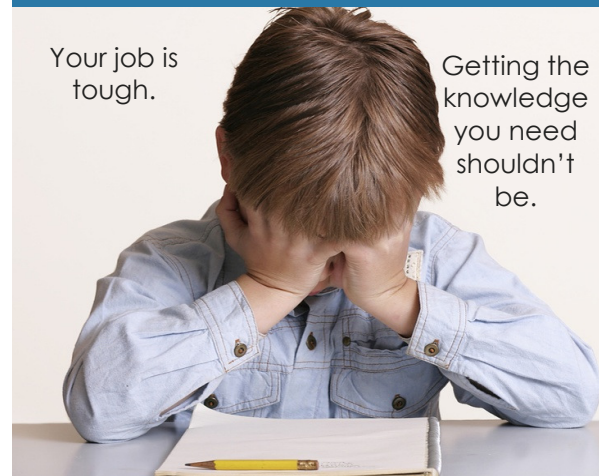
REQUEST A REPRINT
reprints@collectormentor.com

ORDER BACK ISSUES
backissues@collectormentor.com

Subscribe

Your job is tough.

Getting the knowledge you need shouldn't be.



collector mentor™

collector mentor™ is published and distributed bi-monthly, six times per year. Your satisfaction is guaranteed or your money back, no questions asked. Simply cancel at any time and receive a full refund for all undelivered issues.

SUBSCRIPTION OPTIONS

Subscriptions are offered at a company-level and subscribing companies receive the right to internally reproduce, reprint, and redistribute issues at no extra cost. Plus, the cost of your subscription may be tax deductible!

Electronic Subscriptions

- 1-year \$99 per company
- 2-year \$175 per company (SAVE over 10%)

Hardcopy Subscriptions*

- 1-year \$159 per company
- 2-year \$280 per company (SAVE over 10%)

* Includes electronic subscription. Only available in the United States.

HOW TO SUBSCRIBE

You may subscribe online, by fax, or by mail.

For more information please visit our website or call us at (515) 339-5899 for additional assistance.

subscribe online
www.collectormentor.com



Cool Website

Need to sharpen your knowledge of the industry and keep abreast of latest news and views?

Be sure to visit *Collections & Credit Risk* online.

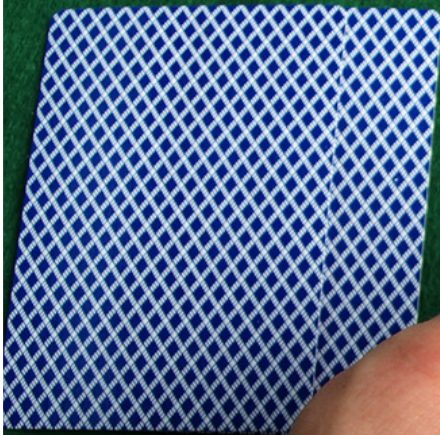
www.collectionscreditrisk.com

In the next issue ...

- Boost productivity with proven time management techniques.
- Learn how to develop an effective introduction.
- Discover rules for awesome teamwork. ... and more!



ARE YOU GAMBLING WITH TRAINING?



Increase your odds with Skills World.

- ▶▶ In-house Training Workshops
- ▶▶ Webinars and Teleseminars
- ▶▶ Training Strategy Analysis
- ▶▶ Perpetual Coaching Programs
- ▶▶ Train-the-Trainer

Professional Training and
Business Services for the
Credit & Collections Industry

published by



Tel. (515) 339-5899

www.skillsworld.org