

TODAY'S COLLECTOR IN A SPECIALIZED MARKETPLACE

by
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Owners and Managers, have you ever noticed yourself thinking, "Why can't these employees do what I would do in this situation?" "When will they ever learn?" The answer is—when you teach them! In these days of electronic commerce, whom do your friends and family go to for advice when they get into a financial jam? **You**, the ultimate credit professional. The best of you can straighten out and educate a creditor rights attorney on the fine points of consumer law. I have personally witnessed a number of attorneys thanking a collection manager for his time at the end of one of these conversations. Wouldn't it be nice if your least sophisticated bill collector had that same skill?

The *San Diego UNION-TRIBUNE* recently ran a front-page article comparing the U.S. soldier of the 1970's to the U.S. soldier of 2002. In this post-9/11 climate, it was a significant and dramatic comparison mostly focused on changes in tools and education. How have three decades changed the collection agent? Just as soldiers in 1970 were different from soldiers in 2002, our personnel and their tools have changed as well. In order to win their collections campaigns, today's professionals, like today's military, must be highly specialized in their training.

The Collections Industry Equivalent of The Big Bang Theory

In 1978, the FDCPA was passed into law and the rules of the game changed dramatically. The collection dinosaurs died off and the strong owners/managers adapted and thrived by being proactive and legislatively pre-emptive. That is why 24 years later the best companies are thriving, while the companies that suffer are complaining about tougher conditions biting into their profits, even though outstanding consumer debt is growing at exponential rates.

The changes over the last 25 years in consumer lending, reporting, and collections have been prolific. Significant events have included consolidation of lenders, implementation of truth in lending laws, FRCA, debt buying, licensing, and, most recently, GLB and HIPAA.

Most high profile lenders with recovery operations have done a better job of adaptation than the typical agency. Much of the adaptation has been in technology, but lately the focus has shifted to human resources and people-training. So, what can we learn from these organizations to increase our companies' effectiveness?

According to the *2001 Kaulkin Report*, there is a labor shortage. Competition for bill collectors is tough. Doug Wilwerding, president of Omnium Worldwide, says, "Our biggest challenge is training and retaining talented people. Agencies will have to be very creative and innovative to avoid high turnover and lost productivity."

And, Tim Beffa of OSI added, "Our biggest opportunity is doing a better job of recruiting, training, and retaining our employees. That is where we are focusing a significant amount of our efforts."

Collector Traits and Skill Sets

In the February, 1997 issue of *Collector's Ink*, Ron Grossblatt wrote that some traits are necessary for a credit agent's success. Ideally, they would have the ability to listen, research, assess, be tenacious, intuitive, and demanding, and they must possess a thick skin. Combine that with the ACA's opinion that the first personality trait that a collector should possess is a healthy sense of skepticism, and it begins to sound like the basic makeup of a manager. Even people in possession of these qualities will flounder without a strong, skills-based training program.

This list identifies skills that today's collection agents should have a working knowledge of within their first ninety days of employment:

- Internet capable computer operation
- Budget planning
- Private investigation/skip tracing skills
- Consumer rights specialization (FDCPA, FRCA, state licensing laws)
- Credit report analysis

The following list of skills would apply to advanced collection specialists and could be product specific. Proficiency in some or all skills would put a candidate at the top of their craft (providing that they continue to hit their quota!).

- Product specialization – student loans, mortgages, credit cards, consumer notes, etc.
- Bankruptcy Specialization
- Re-finance specialization
- Time management – workload organization
- Counselor selling / Negotiation
- Paralegal / Contract specialist skills
- Psychoanalysis skills (at this level you are probably seeing your own).

Training As A Recruitment Tool

What do highly motivated, dedicated people want? What can we offer them? In the sixties, an employee would plan to sign on for a 30-year stretch and then retire. Today the new work covenant is, "Bring a skill to my company and I will pay you a competitive wage. Remain flexible, because business changes so quickly, and remain valuable to your employer. By working with our company, you will become more valuable in the workplace when we (inevitably) part ways, whether it be in one year or thirty."

The challenge lies in making the individual more valuable through training and mentoring so that their life goals are met. Our line producers should know that they are on a career-building path. In a good economy (or more importantly, in a bad one), the person who brings in the revenue is in highest demand. The skilled human resources component is the key to our business success.

Train the "least sophisticated collector" in your organization to know what you know and do what you do. Teaching these recruits to fish will make you money, keep you protected, and build your company by word of mouth. Learning these skills in themselves is not a revolutionary idea. Putting them into an organized delivery system and accelerating the learning curve at your office might be.

After all, who wants to be remembered as a dinosaur?

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