



Collections 101

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Agenda

The Four Key Pieces of the Collection Process

- Professional Collector: Attitude & Goals
- The Debtor: Causes of Delinquency

Guides for a Successful Collection Call

- Steps of a Call: Overcoming Stumbling Blocks
- Probing & Appeals

The Art of Negotiating

- Techniques & Strategies

The Art of Skip Tracing

- Finding the Net Generation

When in doubt...

The policies and procedures of your organization shall prevail.

The Successful Professional Collector...

- Is informed by the industry
- Uses a variety of techniques
- Knows their products and services
- Sets and works towards goals

So Where Do I Find All This Confidence?

- A positive mental attitude built on a foundation of knowledge
- You can manage your attitude and you can learn the things you need to know



Goal Setting

- Be realistic
- Put goals in writing
- Describe what you'll be doing when you reach your goal
- Keep goals consistent with your own institution's policies/plans



Goal Setting

- Create goals that are interesting & challenging
- Develop a plan
- Work your plan
- Review your goals periodically



Goal Setting

Primary goal *ALWAYS* is

PIF

Payment In Full on the first contact

Goal Setting

Payment in Full



- *Always ask* for Payment in Full as first payment demand
- If PIF can not be achieved that day, set up Monthly Payment Arrangements towards achieving PIF by a *set date*
- *Determine* largest down payment possible

Increase Your Knowledge of the Debt

- Know your accounts
- Know your policies
- Know your preferences



Knowledge of the Debtor

Causes of Delinquency

- Circumstantial
- Intellectual
- Emotional
- Intent to deceive



Knowledge of the Debtor

Guiding Principles for Successful Collections

- The debtor will pay *only* if his motive for paying is stronger than his resistance to paying
- Never underestimate the potential of every debtor to satisfy their obligation



Stumbling Blocks

Debtor Reactions to Requests for Payments

- Who pays on the first demand
- Who can't pay on first demand, but is willing to make arrangements
- With a grievance or dispute
- Who stalls
- Who refuses to pay but can be motivated to do so
- Who will never pay




Steps for a Successful Collection Call

Pre-Call Checklist

- ✓ Check past payment record
- ✓ Look at debtor's responses to past efforts
- ✓ Know whom you're calling
- ✓ Know amount of debt
- ✓ Determine bottom line, your desired outcome
- ✓ Plan message, anticipate possible responses



Steps for a Successful Collection Call

- 
1. Identify the debtor
 2. Identify yourself
 3. Ask for resolution
 4. Psychological pause
 5. Determine the problem
 6. Find the solution
 7. Close the sale
 8. Update your files



Negotiations

Negotiation

Techniques

- Be prepared
- Be sure you're both discussing the same subject
- Check facts for accuracy
- Look for areas of disagreement to solve



Probing and Appeals

Probing Questions to Ask

- Are you married? Spouse's name?
- What do you do for a living?
- What is your mortgage payment?
Car Payment?
- How much do you pay in credit cards each month?
- What is your monthly income?
- How much is in your 401k?



Negotiation

Strategies

- Maintain leadership position
- Control conversation
- Discover debtor's needs
- Demonstrate genuine interest
- Stay on track
- Create a transaction
- Watch vocabulary
- Use psychological pause





Negotiation

Debtor Responses

- Why PIF?
- Why not accept what they offer?
- Is it OK to miss a payment?
- What if they start crying?
- What if they start yelling?
- What if they don't say anything?



Negotiation

Close the Deal

- Be sure debtor knows what to expect
- Refer to the calendar
- State terms of the agreement
- Have debtor repeat terms, address, etc.
- Follow-up with a phone call to the debtor if the payment is late





Skip Tracing with Social Media

What is Social Media?

- **Social Media** – Internet based applications that allow for the creation and exchange of **user-generated content**
- People use these applications to create and share content and communicate



Social Media Explained (Donut Edition)

 **twitter**

- I'm eating a donut

 **facebook**

- I like donuts

 **You Tube & Snapchat**

- Here is a video of me eating a donut

 **Instagram**

- Here is a vintage photo of my donut

 **Pinterest**

- Here is a pretty donut recipe

 **Linked in**

- My skills include eating donuts

 **Spotify**

- Now listening to "Donuts"

What is Social Media?

- **LinkedIn** is dedicated to professional networking in business, education, non-profit organizations and is one of the fastest growing social media business platforms in the world.
- **Twitter** is a micro-blogging site where messages are visible to the general public and has become the social media platform of choice by the media, government and academics.
- **Facebook** is dedicated to personal networking and is largely used to connect with friends and family.

Why Use Social Media?

- The Audience is There....

facebook

2.32 billion active users

twitter

321 million total users

Linked in

500 million monthly active users

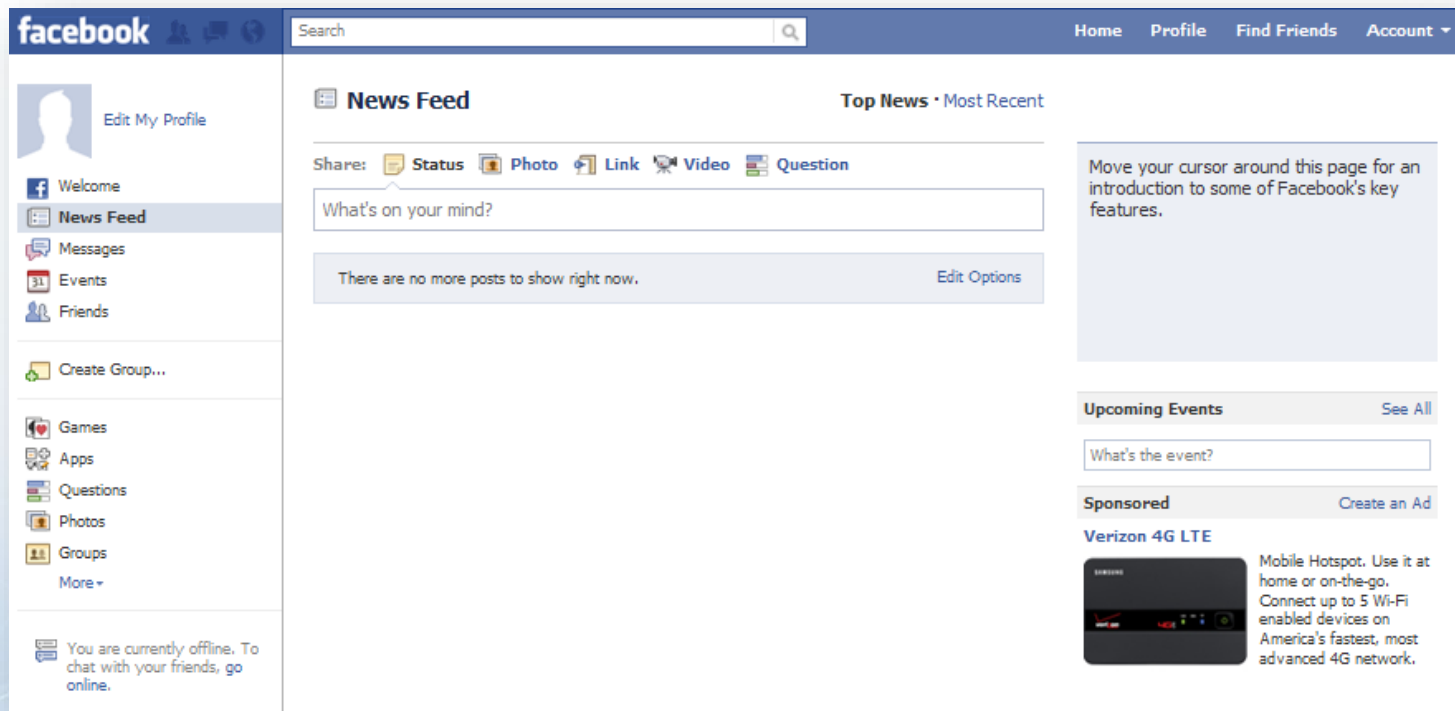
How Might You Use It?

- Borrower Search Parameters
 - Name and State
 - Name, City and State
 - Parenthetical Searches
 - Tilde Searches “~”
 - Employer Name
 - Employer Proximity
- Identification of Current Information
 - Number of Indicators
 - Date of Source Material
 - Depth of Information
 - Actionable Information



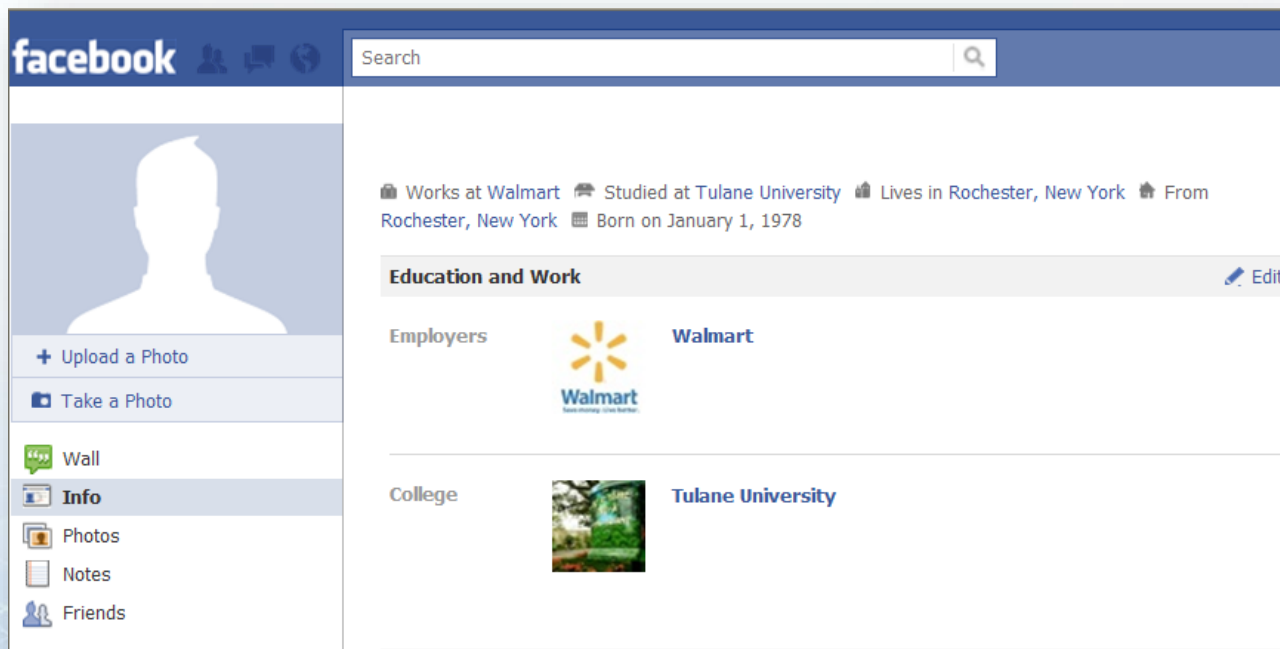
How You Might Use Facebook

- Search Name and Location



How You Might Use Facebook

- Verify Date of Birth
- Gather Employment Information
- Locate Spouse Information



How You Might Use LinkedIn

- Search for Student by Name, Education and Location

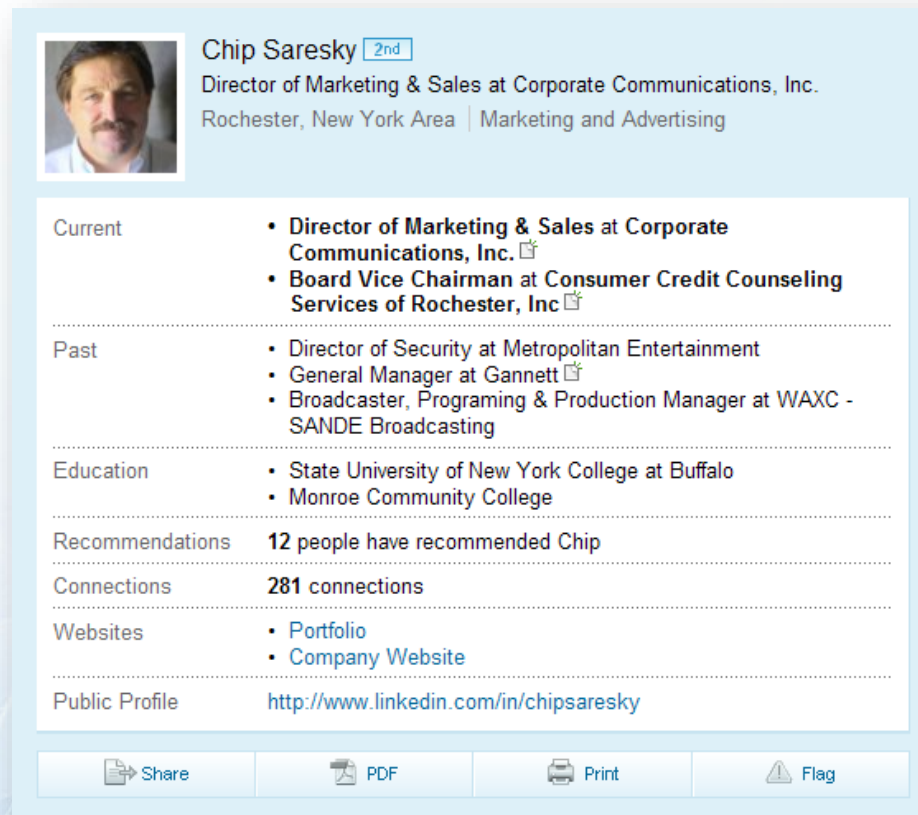
The screenshot shows the LinkedIn search interface. At the top, the user is logged in as Ashley Eick with a Basic account type. The search bar contains 'Joe Smith' and shows 13,309 results. The results are sorted by Relevance and viewed in Basic mode. On the left, there are filters for 'All Companies' and 'All LinkedIn Members'. The main results list includes:

- John Joe Smith** (GROUP): Data & Insights Specialist at iProspect, Greater Chicago Area · Marketing and Advertising. 1 shared group · Similar. Connect button.
- Joe Smith** (GROUP): Owner at BMS Auto Haus, Sydney Area, Australia · Automotive. 1 shared group · Similar. Connect button.
- Joseph Smith** (GROUP): Business Development Manager at agi, Manchester, United Kingdom · Luxury Goods & Jewelry. 1 shared group · Similar. Connect button.
- Joe smith** Out of your network: clerk at ABC, Rochester, New York Area · Capital Markets. Similar. Connect button.

On the right side, there are sections for 'Saved Searches', 'Premium Search' (Find the right people in half the time), and 'Premium Search Tools' (Premium filters, Automatic search alerts, Full profile access). An 'Upgrade' button is also visible.

How You Might Use LinkedIn

- Obtain Detailed Information on Student



The image shows a screenshot of a LinkedIn profile for Chip Saresky. The profile includes a profile picture, a name with a '2nd' connection indicator, and a current position as Director of Marketing & Sales at Corporate Communications, Inc. in Rochester, New York. Below this, there are sections for 'Current' and 'Past' work experience, 'Education' at State University of New York College at Buffalo and Monroe Community College, 'Recommendations' from 12 people, 'Connections' of 281, 'Websites' including a portfolio and company website, and a 'Public Profile' link. At the bottom of the profile card are buttons for 'Share', 'PDF', 'Print', and 'Flag'.

Chip Saresky 2nd
Director of Marketing & Sales at Corporate Communications, Inc.
Rochester, New York Area | Marketing and Advertising

Current

- Director of Marketing & Sales at Corporate Communications, Inc.
- Board Vice Chairman at Consumer Credit Counseling Services of Rochester, Inc.

Past

- Director of Security at Metropolitan Entertainment
- General Manager at Gannett
- Broadcaster, Programing & Production Manager at WAXC - SANDE Broadcasting

Education

- State University of New York College at Buffalo
- Monroe Community College

Recommendations 12 people have recommended Chip

Connections 281 connections

Websites

- Portfolio
- Company Website

Public Profile <http://www.linkedin.com/in/chipsaresky>

Share PDF Print Flag

Best Practices

- **Social Media HR Policy Elements**
 - Access
 - Usage
 - Confidentiality
 - Personal Content
 - Termination Policy
- **Make a Plan**
 - Define Roles
- **Manage Your Time**
 - This can become an obsession
- **Get Your Message Across in as Few Words as Possible**

Questions?

Thank You!