

WHAT COLLECTION AGENCIES DON'T WANT YOU TO KNOW

*The Insider Info You Need to Select
the Agency That's Right for You.*

TABLE OF CONTENTS

1	<i>A Message From The CEO</i>
2	<i>Introduction</i>
3	Culture Counts! Questions To Keep In Mind
5	Agency Secrets
8	What You Need To Know About An Agency
11	Worst Practices
12	Practices You Can—And Should—Count On
14	Warning Signs
16	Fees & RFPs
19	Reports: Just The Facts
22	Best Practices

MESSAGE FROM OUR CEO



CHAD SILVERSTEIN
CEO, Choice Recovery

For the past nineteen years, I have worked in the accounts receivable collections industry, developing and refining a business model that ensures world-class customer service for clients, a respectful and understanding approach to those in debt, and a quality work environment that offers opportunity for personal and professional growth.

Lofty goals yes, but attainable. Unfortunately, it's become an obsession within the industry to obtain results, at all costs. As a consequence, consumer complaints about debt collectors are at an all-time high. The focus on short-term results has driven agencies to push collectors to be more aggressive, often using tactics that are heartless.

What I have discovered over the years is that, while you do hold people accountable for paying their debts, you also treat them with compassion and respect. In this way, I believe you can collect more outstanding debt than by using harsh, intimidating tactics.

This guide was developed to show you how to improve your accounts receivables without destroying the relationships you have built with your customers. Our goal is to empower you with the information you need to choose a collection agency that will give you the results you expect and deserve. I hope you find it useful.

INTRODUCTION

What collection agencies do is hard work. Companies hire agencies to do what they can't—collect past due account balances from people who don't or can't pay their bills. Since the percentage of accounts receivable can have a huge impact on your business, it's important to select the best partner that will recover and bring those dollars back to your bottom line.

But how do you do that? Choosing a collection agency is not an easy process and, regardless of what many think, every collection agency is different. Requesting information, or even a formal RFP, will more than likely not give you the answers you need to make the best decision. You have to dig further, and explore each agency's work ethic, approach to collection, performance record, and reporting protocols.

And that's only the beginning. It's critical to also take a close look at a company's internal culture. It may seem like a lot, but it's not if you know the right questions to ask and have the information needed to hold your agency accountable.

At Choice Recovery, maintaining a positive, inclusive, productive internal culture is our main objective. We believe and have proven that an incredible working environment led by strong leaders results in higher returns for our clients.

It can lead to huge losses, with your money ultimately being written off as "uncollectible." So how do you sift through all the options and find an agency that is credible, reputable, and reliable?

Read on to learn about the questions you should ask and the information you should consider in order to evaluate and select the agency that is right for you.

"The collection agency you select becomes an extension of your business."

CULTURE COUNTS!

Questions To Keep In Mind

The collection industry has a bad reputation and agencies are not typically perceived as nurturing. That does not mean that there aren't some first-rate companies out there doing a good job of collecting, and providing a supportive environment for their collectors. There are many, however, that aren't, and a poor internal culture may contribute to a lack of service and performance.

Here are a few things to look for in determining if an agency has a strong culture:

CULTURE TO AVOID	IDEAL CULTURE
Accounts are dumped into one large pool. Collectors work against each other in a cutthroat call center and fight with each other to make commission. Smaller accounts are ignored.	Accounts are assigned to experienced collectors who build positive relationships with consumers and eliminate the risk of hijacked or unworked accounts.
Lack of consistency in who collects on and maintains a given account leads not only to distrust among the collection team, but also with the debtor who gets called from people trying to collect the same debt.	Collection Specialists know what accounts are theirs, so the risk of hijacked or unworked accounts is eliminated. This builds trust & ensures continuity of communication.
The collection team works in a cubicle call center pit environment that feels like a sweat shop. Rows and rows of people are swapped in and out, with no privacy.	Cubicles are a thing of the past. Private offices or shared workspaces offer some privacy and fewer distractions.
Managers, recruited from the outside, keep employees in the dark and create a culture of fear. Despite their lack of collection experience, they also tell collectors how to do their jobs.	Leadership in the organization has been organic and developed over time, so they understand the business from the inside out, and can relate to every new person.
A revolving door of dissatisfied employees don't know what to expect from day to day. Lack of clear expectations for new hires leads to a cycle of never-ending fear of losing the job.	New hires are aware of expectations before they start. Everyone on the team understands the company vision and moves in the same direction—growing personally, as the company grows professionally.

CULTURE TO AVOID	IDEAL CULTURE
<p>Insecurity about incentives may increase, as they appear to change behind closed doors. Collectors have no reason to 'go the extra mile' above and beyond for clients if there is no reward.</p>	<p>Incentives are clear and everyone understands how they make commission. Additional income is real with no ceiling based on individual performance.</p>
<p>Mandatory hours that include late nights and weekends is one of the biggest complaints from collectors who want more flexibility. Requiring specific work schedules often leads to employee turnover.</p>	<p>Work schedules are open and flexible, especially for employees with children. Collectors will work harder for you if they can find a balance between their work and home lives.</p>
<p>A boss who only cares about the bottom line and has no clue how to build a strong team/culture does not foster confidence among employees.</p>	<p>An open door policy ensures that employees feel comfortable walking into a boss's office with ideas. It also inspires trust and confidence in the leadership.</p>

Ask these questions, as well:

Does the firm have a strong leadership team?

An agency with a leadership team organically developed within the company works best.

Does the company invest in the personal and professional development of its employees?

Engaged, growth-oriented employees are high-performing collectors. To find out whether an agency values its employees, just ask how much of their budget is allocated toward teambuilding.

Is the agency a huge nationwide/global company or a small mom-and-pop shop?

Big agencies are filled with bureaucracy and politics that hinder performance. A corporate structure with levels of management can't compete with a strong private company where all the employees know and trust each other. On the other hand, mom-and-pop shops don't have enough structure or the experience to compete. The mid-sized, private agency that allows flexibility, autonomy, and transparency, and an accountability chart that keeps everyone connected, is the one you want.

Your bottom line is most important, and a robust culture with happy employees can help it grow. Find an agency that has a strong focus on its culture and you'll find a healthy team who performs at a much higher level than any of its competitors.

“Many agencies claim they have a strong culture.”

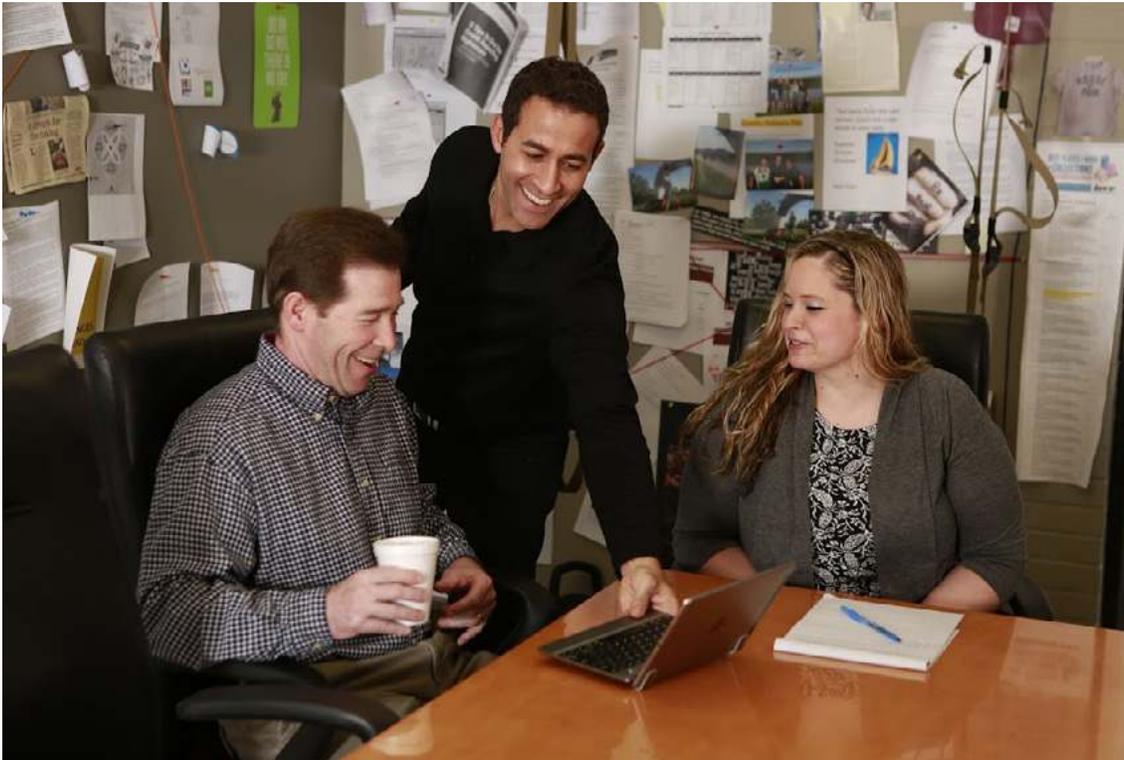
AGENCY SECRETS

When choosing a collection agency, you want one that is focused on what YOU need, not on what IT needs. Unfortunately, that type of agency may be hard to find. Many agencies hide – or at least disguise – what goes on behind the scenes. You want to be aware of these things, as many can affect the service you receive and the results the agency delivers.

Here are practices that, in many cases, are all too common. They are practices agencies don't want you to know, but that can affect your bottom line:

- Accounts are lumped into one large pool, with the biggest clients or dollar balances given the most attention. If you're a small business and turn your accounts over on the same day as a larger one, chances are the collectors will spend their time on the client who will earn them the most money in commissions. Your accounts will get less attention.
- Collectors are treated like robots. They use written scripts on the phones so debtors hear the same spiel over and over. There is no opportunity for a back-and-forth dialogue, and collectors are at a loss if questions that deviate from the script are asked. Why? Because the collectors are trained to collect money, not to try and understand why the bill isn't collected.
- Collectors are told how much work to put into an account before exhausting efforts. For example, if the account is \$1,000, they are told to make five calls and send three letters. If it's only \$100, one call and one letter may suffice. Or they just let it run on one of those automatic computer dialers. This is the worst way to recover past due balances. Today, agencies automate the process using computers and remove humans from the process. Problem is, computers don't collect money; people do.

“Collectors are trained to collect money, not to understand why the bill isn't collected.”



At Choice Recovery, no one is treated like a robot. It's simple, really: being collaborative helps us recover more for you.

- There is very little time spent following up with someone who doesn't pay right away –and it's very likely that if the collector can't collect it on the first try, he may never make another attempt. Collectors have a chain of accounts and they simply cycle through them. Collectible accounts are easily lost.
- Collectors close accounts after making one call. Whether they assume they can't collect it or they simply don't make contact, it's easier for them to simply change the status code and not bother.
- Some agencies only give their collectors a small number of accounts to work. They call the same accounts over and over, harassing the debtor to pay. There's no better way to "burn out" employees than by making them cycle through the same accounts.
- Reports can be skewed, and while numbers look good, they don't include accounts which may be designated as "exhausted" or "inactive." Failure to include accounts that have been abandoned increases the returns on a report.
- Inactive and exhausted accounts will never be worked on again. They simply get buried in the agency's collection queues, even after the same person gets put in collections by another client with new contact information!
- Old accounts are turned into "house" accounts, so that if any money is recovered on a debt placed a long time ago, the commission goes to the company, not the collector. Thus, there is no motivation for collectors to work older accounts.

“Not all agencies are willing to share information.”

Avoid an agency that is not willing to tell you that:

- **They generally only work in one industry.**
This means that they won't share their full client list with you and may even hide that they don't have experience with your type of debt.
- **They focus on large balance, commercial accounts.**
This means that your small consumer accounts won't get any attention.
- **There have been complaints from clients who were unhappy with their services.**
- **They will not share with you clients that don't use their agency any longer.**
These are the clients you NEED to speak with to make an informed decision.

“Every agency has a list of references to be shared.”

Stay away from these clients, as they have been contacted previously and alerted that they may be called as a reference. A better solution is to ask for references near your office, in the same industry, or at a company you DO know, but were perhaps unaware it used this agency.



Choice Recovery associates have their own offices. We find that respect for those who work here translates into respectful calls to your customers.

WHAT YOU NEED TO KNOW

About An Agency

The reputation and integrity of a collection agency should be a significant factor in deciding which agency to choose. As a business professional, you want your partnerships to be respected and credible, and reflective of the best standards and practices.

“You want your partnerships to be respected and credible.”

When choosing an agency, you must do your due diligence. Online tools such as Google, the consumer review site Yelp, and social media channels such as LinkedIn are easy to use and can help you research and quickly learn about an agency. Read a company profile and see what kind of endorsements the agency has received. Go to the website and look at the press releases and news section. Has it earned special recognition in the industry or as a best workplace?



The Better Business Bureau can be another source; the rating granted by the BBB can speak volumes.

“A company visit is the best way to see first-hand a company’s culture.”



The agency you choose should foster a work environment where teams encourage and support each other.

If that option isn't available, then ask questions:

1. Is the agency open about the type of clients and accounts it handles?

An agency that is a generalist employs collectors skilled in a multitude of industries and business sizes, while one that is a specialist focuses on only one area. Ask; there's no reason for a firm NOT to share its full client list.

2. Is the agency willing to give you contact information of current customers you can call as references?

An agency should be transparent, with a willingness to divulge client names and business types, along with references. Ask for a sampling of clients, rather than accept a pre-made list supplied at the end of the sales pitch. Your customized list might include a client in the same industry and the same size business as you, one that does business in your geographic area, a long-time client of the firm, and one who was with another agency previously.

3. Is the agency candid and willing to say, "Yes, we've lost a few clients, and this is the reason why?"

There can be many valid reasons a company no longer uses a collection agency. The agency to consider is the one willing to share that with you, and give you contact information to check it out yourself.

4. Is the agency a big corporation or a mom-and-pop service working out of someone's house?

Big agencies that employ several levels of management are filled with bureaucracy and politics that can hinder employee performance. Small shops, on the other hand, may lack structure or experience. A mid-sized, private agency that allows flexibility, autonomy, and transparency, and an organizational chart that keeps everyone connected, is ideal.

5. Does the company foster a competitive team environment where employees are encouraged to help and support each other?

Consistency in who collects on and maintains a given account fosters trust among the collection team. Collectors who know what accounts are theirs are not trying to hijack other accounts and steal commissions. Rather, they support their colleagues, and even create a healthy competition, battling to collect the most debts from their assigned accounts. Clearly defined incentives, where collectors understand how they make commission and know that additional income is real, contribute to a secure and healthy work environment.

There are generally two types of agencies when it comes to handling client accounts. One will get money FOR you, while the other will get money FROM you. Choose an agency that is client-focused, rather than one driven by greed and is busy calculating how much money an account will bring in through commission.

Here's what to look for when choosing your agency:

- ✓ Accounts are assigned to a specific collection agent.
- ✓ The company creates opportunities for staff enrichment and advancement.
- ✓ The workplace is inviting and productive.
- ✓ The leadership team is strong, promoted from within.
- ✓ Working hours are flexible.
- ✓ Private offices or shared workspaces for a few offer privacy.

“Choose an agency that is client-focused.”



Smiles show that an agency offers skill-building programs to help them recover more of your debt.

WORST PRACTICES

There are all kinds of reasons you chose the agency you did. Perhaps it was recommended by a colleague at another company who had a positive experience with that agency, or you did your due diligence and chose one you thought would perform for you. In the beginning stages of your engagement, look for the warning sign that your account is not being handled efficiently.

Once an agency has landed your business, you may find that:

- Collectors have a chain of accounts and they simply cycle through them. Very little time is spent following up with the consumer in debt, so if the account is not collected, it may be a long time before it pops up again.
- Collectors make only one call and then close an account.
- Collectors may only have a small number of accounts to work. They end up calling the same accounts over and over, with the same canned message.
- Collectors are treated like robots, with written scripts that everyone follows.
- Collectors are limited on the amount of time they can spend on an account. Accounts with higher balances are given more attention than smaller ones.
- Collectors seem to come and go. The pay is low, the hours are demanding, and there are no incentives in place.
- Written reports are skewed, and while the numbers look good, they don't include accounts which may be deemed as "exhausted" or "inactive."
- Reports are confusing on purpose. They are difficult to understand and that works to the agency's advantage if they have low returns.

“In the beginning stages of your engagement, look for the warning signs that your account is not being handled efficiently.”

PRACTICES YOU CAN –And Should– Count On

Here are some basic expectations you should have of your agency once you turn over your accounts for collection:

- ✓ The agency tells you, upfront, what to expect, what the collection process is, and the level and frequency of communication with the debtor. You need to know the number of letters and phone calls that will be made, and how often. Test your agency by giving them a list of 10 of your accounts and ask to see how much work they've done and how often calls were made and letters were sent.
- ✓ Collection efforts should begin within 24 hours of receiving your files. You should expect confirmation that your accounts have been received and processed. Review your monthly statement to ensure accounts are being collected in the same month you turned them over. The majority of recoveries occur within the first six months, so if you're not seeing this, your accounts are most likely not being worked in a timely fashion.

“Test your agency by giving them a list of 10 of your accounts and ask to see how much work they’ve done and how often calls were made and letters were sent.”

- ✓ Request and expect experienced collectors to be assigned to your accounts. Not every collector is the same, and asking that a seasoned veteran work your accounts versus a new person fresh out of training will make a big difference in your results.

“Collection efforts should begin within 24 hours of receiving your files.”



Agency partnerships should feel personal and transparent. At Choice Recovery, a person picks up each call so we can answer your questions within a day.

- ✓ The agency should require collectors to spend as much time as necessary following up with the consumer in debt, before determining that an account is not collectable. One phone call is not enough; if collectors have a chain of accounts that they cycle through, it may be a long time before an account comes up again.
- ✓ The agency should determine if your accounts are collectable based on making contact with your customers, not on how many letters were sent, or calls were made. The agency should not put a time limit on how long the collectors can work your accounts.
- ✓ The company and collectors understand that the person in debt is most likely struggling financially, wants to repay the debt – but can't pay in full right now. You benefit by using an agency with a common sense approach to collections. The collectors listen, negotiate, and assist in finding a win-win situation for everyone involved. Few agencies train their collectors with these skills. Ask your agency how they invest in this type of development.
- ✓ Reports should be concise and informative, and include accounts that may be designated as “exhausted” or “inactive.” Not including the accounts they’ve given up on increases the returns reported, but it does not present a clear and accurate picture of their results.

“One phone call is not enough; if collectors have a chain of accounts that they cycle through, it may be a long time before an account comes up again.”

WARNING SIGNS

A significant factor in determining which agency to choose is its reputation and integrity.

As a business professional, you employ high standards and the best practices of your industry, and you'll want your collection agency to do the same.

Some, however, do not. They will tell you only what they think you want to hear. They may look good while giving you their best sales pitch, but when it's time to perform and get results, they fall short. These are some things to look out for when evaluating an agency. If they're true about the agency you are considering, it might be time to drop them from your search list.

- The agency only works in one industry. This means that they won't share their full client list, and will hide the fact that they don't have experience with your type of debt.
- The agency only focuses on large-balance accounts. This means that your smaller consumer accounts won't get as much attention. If you have a lot of small balance accounts under \$200, it's important to find any agency that shares your niche.

“You employ high standards and the best practices of your industry.”



Accounts should get your team's full attention, no matter how small they are.

- There have been complaints from clients who were unhappy with the agency's service. If they won't share with you clients that don't use them anymore – and the reasons why – they likely have something to hide.
 - The agency gives you a list of references they routinely use for all prospective clients. Be aware that these particular references have been chosen because the agency knows they will say positive things. You may not get a true picture of the agency's performance or proficiency.
 - If an agency tells you they use a "pool" approach, they probably use an automated dialer and are dumping accounts into one large list. The biggest clients or dollar balances will likely be given the most attention. This also creates an unhealthy competitive environment for the collectors.
- If you're a small business, your accounts may be ignored, as the collectors will spend their time on the client who earns them the most commission.
- An agency that uses written scripts for speaking with debtors robs collectors of the opportunity for a back-and-forth discussion. They are unable to answer questions or address issues that deviate from the script. This cold, canned dialogue is not the impression you want to leave with your customers.
 - Agencies that give their collectors only a small number of total accounts to work usually have a large employee turnover and many disgruntled collectors. They call the same accounts over and over, harassing the debtor to pay. This is a lose-lose situation for both the collector and the debtor.

“Reports should be concise and informative.”



Your agency's team should have the freedom to change calling scripts, based on their customers' needs.

FEES AND RFPs

Like any other business, collection agencies want to grow and increase their profits—and they need clients like you to make it happen. Every sales rep wants your business—after all, they have quotas to meet and commission to earn—but most are focused on their own performances and driven to get your commitment. They have little to do with what happens once you become a client, and have NOTHING to do once your accounts are sent to the collection team. Their job is to tell you what you want to hear.

They don't want you to know that:

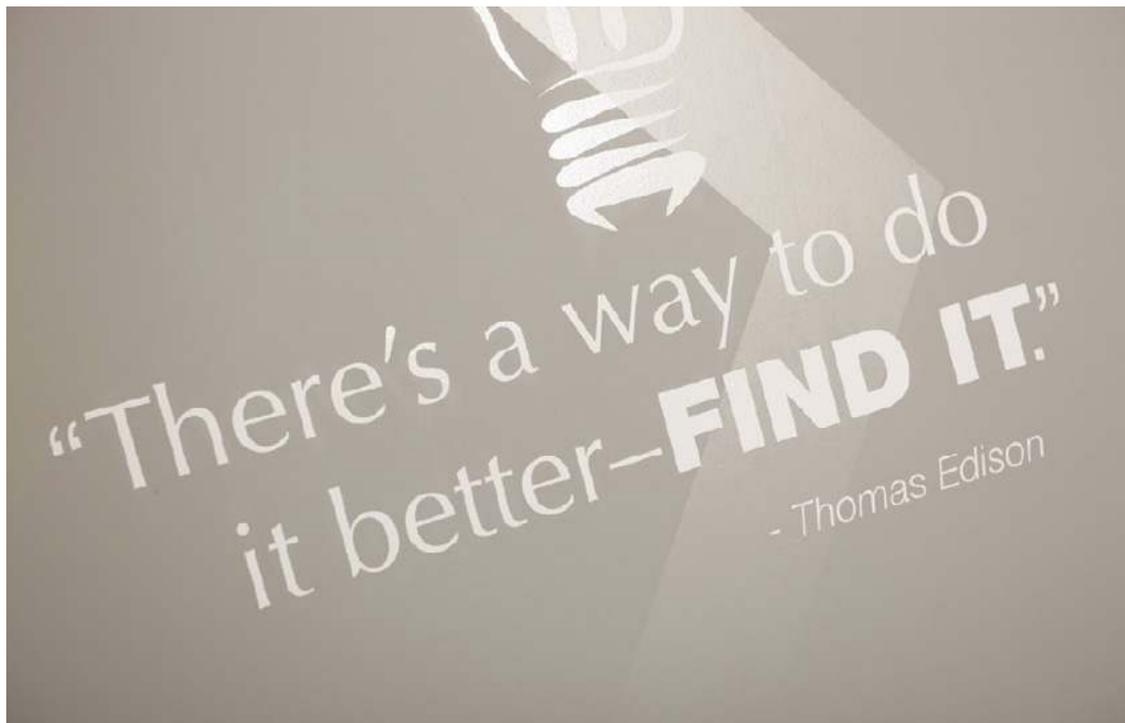
- Upfront fees you pay are theirs to keep, even when they don't collect on your accounts. If you've already signed a contract, you're stuck with paying them, regardless of how they perform.
- If the low-ball fee (percentage they charge) seems too good to be true, it usually is. The lower the fee, the lower the return. It doesn't matter how much they charge. All that matters is how much they collect.

The agency also has to compensate for the amount of work they put into the accounts because they won't be paid as much upon collection.

- Low fees are not an incentive for collectors to do their best. In fact, if fees are low, they may cause collectors to give up on the account quicker.



“ Like any other business, collection agencies want to grow and increase their profits.”



What you NEED to know about fees is that you should:

Only use an agency that does not charge up front.

This only encourages the agency to do less work since they have already been paid.

Stay away from sliding scales.

The sliding scale only incentivizes the agency to ignore the smaller part of the scale.

Avoid signing a contract.

If you're not happy or something goes wrong, you may not be able to get all of your accounts back and take them to a second agency.

Make sure there are no HIDDEN fees before you commit.

The only charges should be for collecting on an account. Anything else should be in writing.

Use an agency that works on a flat contingency basis and only gets paid when you get paid on recovered money.

*“It may surprise you to learn that: **fees don't matter!**
As a client, all you really care about is the bottom line;
how much money the agency can recover.”*

It may surprise you to learn that: FEES DON'T MATTER! As a client, all you really care about is the bottom line; how much money the agency can recover. The table below illustrates how this works.

Suppose you have accounts totaling \$200,000 past due over the course of a year. Two agencies are competing head-to-head for your business. Agency A pitches you at a 25% fee; Agency B low-balls an attractive 15% fee.

Most clients love the lower fee because they think they are saving money. They, in fact, may not be. It's realistic to assume that a strong agency—in *this case Agency A*—can outperform an average company by 10% in recoveries.

NETBACK EXAMPLE to compare a 10% difference in Fees.

	Agency A (25% fee)	Agency B (15% fee)
Placements	\$100,000	\$100,000
Agency Fee	25%	15%
Recovery Rate	30%	20%
Dollars Collected	\$30,000	\$20,000
Agency Fee	\$7,500	\$3,000
Dollars YOU Get	\$22,500	\$17,000

In this example, by choosing the lower fee, your company will LOSE \$5,500 by going with the seemingly more attractive offer.

Another important thing to remember when you are in the agency review process is that the Request for Proposal (RFP) response, submitted by agencies during a competitive process, may be nothing more than paid-for hype. Agencies with a big marketing budget can afford to hire a professional copywriter who writes compelling copy, but the RFP does not accurately reflect the agency's capabilities.

It may use all the right words to put the agency in the best possible light, but it may not tell you what's really happening inside the agency. All RFPs tell you is how good agencies are at answering questions on paper. If you've done your homework (see Chapter III), other, more important, factors should weigh in on your final decision.

“Most clients love the lower fee because they think they’re saving money.”

REPORTS: JUST THE FACTS

After an exhaustive search, you turned your accounts over to the collection agency you choose as the best fit for your business. The agency has had a few months to work your accounts, and now it's time to see some numbers.

“It’s not rocket science; you simply want to know how much money has been collected.”

But beware! Reviewing reports can be tricky, and it is best to read them with a critical eye. Let’s consider some performance results and statistics the agency may want to hide:

- Reports can be skewed, and while the numbers look good, they don’t include accounts which may be exhausted or inactive. Failure to include those accounts inflates the agency’s returns.
- Inactive and exhausted accounts will never be worked again. They simply get buried in the agency’s collection queues. It’s worth asking how much of your money the agency recovered from accounts turned over from previous years.
- Reports are purposely confusing. It’s to the agency’s advantage to make them complicated, so they can distract you from low returns. If reports are difficult to understand, that works to the agency’s advantage, especially if it has only low returns to report.
- Be on the alert for old accounts your agency may turn into “house” accounts. If any money is recovered on a debt placed a long time ago, the commission most likely will go to the company, not the collector. Thus, there is no motivation for collectors to work older accounts.
- When new accounts are turned over to collection, the collectors don’t check to see if there are other debts for the same consumer already in collections. Debtor matchup works well when agencies give collectors credit to collect on older accounts. However, that means less money for the company, which is why agencies send them to the “house,” so they don’t have to pay out more commission.

So how do you get the performance results and statistics you want? In today's computerized world, virtually any report can be customized to contain all the information you need to gauge an agency's performance. Be up front with the agency about the information and numbers you need. Expect clarity in the reports and accuracy in the information provided. If you use multiple agencies, request an apples-to-apples comparison and make sure you are comparing the same statistics in the reports they give you.

**Information should include a month-end performance report EVERY MONTH.
It should be easy to read, and contain the following data:**

- The number of new accounts and volume turned over so that you can reconcile them in your system, to be sure you're getting the correct numbers.
- The dollar amount collected that month.
- The percentage of delinquent accounts that were collected that month.
- The cumulative amount collected, including an overall percentage of return.

Your agency should be giving you these commonly used reports:

- 1. Monthly Status Report:** If you're a smaller client, this report will show you a list of every account in collections and the current status (making payments, refuses to pay, legal, exhausted efforts).
- 2. Collection Summary Report:** A simple report that shows you how much money the agency has collected every month.
- 3. Detailed History Analysis:** This report will show you how much money you turned over to collections each month and how much has been collected in any specific month. It should also include a cumulative overall total for money and percentage collected.

“In today's world, virtually any report can be customized to contain all the information you need to gauge an agency's performance.”



Other statistics you should ask for:

- Average age of your accounts.
- Percentage of return based on balance size. Have the agency show you how successful your collectors are with accounts over \$1,000, and those below \$150.
- How many bad addresses you've sent the agency and how many new addresses it has uncovered; i.e. how much money has been recovered after a debtor has been relocated.
- How many paid-in full-accounts there are, and how many payment plans were secured with credit card information that can be automatically run each month.

These are only guidelines to help you get the most out of your agency's monthly reports. Don't be afraid to ask the agency to customize them, however, based on the information you feel will be most useful. You may even want to ask for the reports to be shorter and leave out that information that is not helpful and/or difficult to understand.

“Don't be afraid to ask your agency to customize.”



BEST PRACTICES

It is important to consider the reputation and integrity of a collection agency when choosing the right one for your business. You want an agency that is reputable and credible, and one that adheres to the highest standards and best practices. You also want to apply certain guidelines to help you in making your decision.

When deciding on which agency to choose:

- Conduct a site visit with any agency you are considering before turning accounts over. Schedule a visit if you're currently using an agency and have never been to its office.
- Ask to meet and talk with collectors, especially those who will be handling your accounts. Get feedback to improve your collection process from the people who are actually working your accounts.
- Choose an agency that doesn't put a time limit on how long the collectors can work your accounts. Find a company that determines if the debt is collectable or not based on making contact, not how many letters were sent.
- Make sure the agency is experienced in your industry. Ask for comparative information on another client whose business is similar to yours in size and scope. Contact and ask their opinion of the service and results they have received.
- Any agency should tell you, up front, what the collection process is, and the level and frequency of communication with the debtor. How many letters and phone calls will be made, and how often?
- Select an agency whose core values align closely with those of your business.
- Pick an agency with a 'common sense' approach to collections. The company and collectors should understand that people in debt are most likely struggling financially, want to repay the debt, but can't pay in full right away. The philosophy of the collectors should be to listen, negotiate, and assist in finding a win-win situation for everyone involved.

“Conduct a site visit with any agency you are considering before turning accounts over.”

“The best agencies are willing to share. They give you information about their clients, industries, and expertise, and are up front about clients they no longer work with and the reasons why.”

Once you choose an agency, you want to make sure the agency handles your accounts efficiently and keeps you informed regarding what it does with them.

- Turn unpaid accounts over to the agency within 3-6 months. However, turn accounts over immediately if you call the consumer and the phone is disconnected, or letters and notices sent by mail are returned as “undeliverable” or “no forwarding address.” The agency should begin collection efforts within 24 hours of receiving your files.
- Find out who the best collectors are and request that they handle your business. Not every collector is the same and demanding that a seasoned veteran work your accounts versus a new person fresh out of training will make a big difference in your results.
- Review your monthly statement to ensure accounts are being collected in the same month you turned them over. The majority of recoveries occur within the first few months, so if you’re not seeing this, your accounts are most likely not being worked in a timely fashion.
- Have one primary contact at the agency – preferably a collections supervisor – as your point person to ask questions of or voice concerns. You want someone that answers the phone when you call. Stay away from a company that is non-responsive and does not get back to you within 24 hours after your call.
- Expect monthly reports that are customized to fit your needs and contain ALL the information you want.
- Schedule an annual review with the agency to discuss performance and feedback.

The best agencies are willing to share. They give you information about their clients, industries, and expertise, and are up front about clients they no longer work with and the reasons why. This transparency is key to making the right choice for your debt recovery needs.



CHOICE RECOVERY

1550 Old Henderson Road
Suite 100-South
Columbus, Ohio 43220

Toll Free: 800-559-9277

Local: 614-358-9900

Fax: 614-358-9915

www.choicerecovery.com