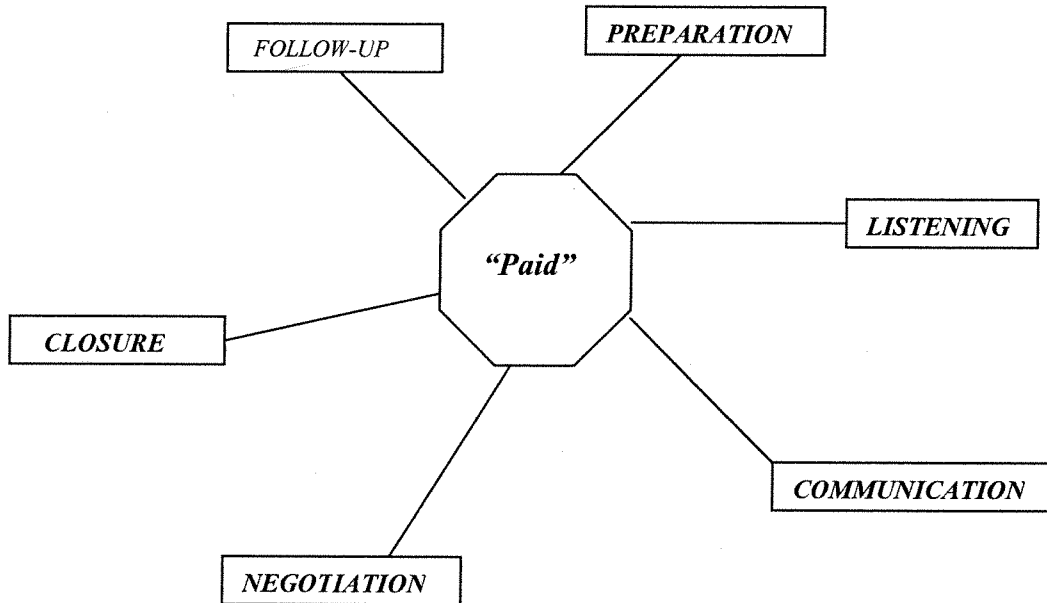


Collection Core Competencies

A SIX-STEP SYSTEM FOR BOOSTING YOUR TELEPHONE POWER,
ATTAINING RESULTS, AND GETTING AN HONEST ANSWER ON
THE FIRST CALL



Knowledge is Power in the collections business. Use all your tools to gain information and the rest of your job is easier.

Preparation

TEN ESSENTIAL STEPS IN PRE-CALL PLANNING

1. Predict Debtor's responses to your questions before you ask them.
2. Contact your "human resources" at your company to gain the latest info.
3. Get inside the customer's head; what motivates them?
4. Become familiar with the customer's business.
5. Know how the customer uses your product or service.
6. Figure out how critical your part is to the Debtor.
7. Determine your payment objectives.
8. Prepare several alternative proposals.
9. Identify sources of financial assistance if your Debtor cries poor.
10. Use your A/R reports to manage and retrieve information as needed.
11. Develop and tap reliable credit-reference sources.

Listening

GET THE DEBTOR ON YOUR SIDE IN THE FIRST SECONDS OF THE PHONE CALL

1. After a brief opening statement, pause and allow the debtor to respond to you; (shut up and listen approach);
2. Mentally focus on the message, not the delivery;
3. Inform the debtor you are taking notes;
4. Be sincerely interested in the debtor's motives, character, ability to pay or borrow;
5. Involve the debtor in creating options
6. Find the "common ground"

Communication

YOU CAN BE TOUGH WITHOUT MAKING THE CUSTOMER ANGRY

Be Clear, Concise, and Correct

- Ask good questions;
- Control the phone call;
- Use language the customer understands-no jargon or shop-talk;
- Avoid "weasel" words- try, maybe, hopefully, somewhat
- Give specific amounts, dates, invoice numbers;

Use Positives

+Save	+Satisfy
+Give	+Help
+Easy	+Advantage
+Results	+Benefit
+Solution	+Assist
+ Opportunity	+ "...for you."

Negotiation

SIX-STEP TECHNIQUE TO TURN OBJECTION INTO PAYMENT WITHOUT CONFRONTATION

- ❑ Have a written plan of action to keep you on track;
- ❑ Make payment a common goal in which each party benefits from the payment. Make Debtor your ally so that both parties walk away with something, but
- ❑ Do not give up anything without getting something in return;
- ❑ Be open to alternative plans; communicate sensitivity to Debtor's proven needs, but make your needs #1, not the Debtor's needs;
- ❑ Anticipate the debtor's reactions;
- ❑ Confidently present an action plan;

Tips for Success

- Be prepared
- Remember the "Win-Win" principle
- Stay calm
- Listen first- talk later
- Influence-do not argue

Closure and Follow-Up

- "Wrap up" the deal. You are "selling something", a deal.
- Verify Debtor understands the deal and commits to the deal asking him or her to paraphrase the plan with specific amounts, dates, methods of payment
- Confirm agreement by getting the debtor to say "yes"
- Ask for fax of check, overnight delivery, check number, etc.

FOLLOW-UP IS THE INSURANCE POLICY TO BE SURE DEBTOR KEEPS HIS/HER PROMISE

- Always follow up verbal agreements with a commitment letter, e-mail or fax;
- Diary a follow-up call for the day following the deadline;
- Always follow through with any ultimatum promptly on the expiration of the deadline.