

The Intelitech Group Launches Acumen! 2006

We are pleased to announce the launch of Acumen! 2006, the latest version of our scoring and analytics suite, designed to enhance the performance of Columbia Ultimate's The Collector System®.

After extensive consultation with Columbia Ultimate technical personnel, this new release will enhance existing functionality, correct some limitations, and provide many new features that existing Acumen! clients have requested.

This new release features a stronger product more tightly coupled with The Collector System® software. With Columbia Ultimate's announcement that Acumen! will be offered as a standard feature of The Collector System®, you can be assured of greater functionality and stability, with continued development in conjunction with ongoing releases of The Collector System®.

The newest version of Acumen! features powerful enhancements to Acumen!'s Contactability module, including:

- Better handling of packeted accounts, including how the next

date/time are calculated.

- Improved processing of dialer result codes through the Columbia Ultimate Dialer Management Software (DMS), which will reduce day end processing time.
- Option for true random assignment of next call period for individual and packeted accounts.
- Enhanced automatic note lines to better specify how Best Time to Call is impacting the account.
- Resolved issues relating to next work date/time and packet members on different desks or in multiple packet categories.

We are appreciative of those who have taken the time to suggest changes and/or improvements to the Contactability feature of Acumen!. We truly value the insight our clients provide. Also, a special thanks to those at Consumer Debt Services in Akron, Ohio and Armada in Wenatchee, Washington for providing assistance as beta sites for our new 2006 release.

If you are a current Acumen! client, we will be in contact with you over the next

few weeks to coordinate your Acumen! upgrade. If you have any questions, please feel free to contact us at any time. We truly appreciate your business, and we hope that we can meet and exceed your expectations as we strive to provide you with exceptional client service and cutting-edge technology to improve your business.

Acumen! is a suite of products and services designed to provide Columbia Ultimate software users with the information they need to make sound business decisions. Acumen! uses analytics to profile accounts, forecast payment probabilities, track costs, and produce specialized reports and graphs to improve an organization's bottom line.

The Contactability module of Acumen! integrates with the Account Flow Manager feature of Columbia Ultimate's The Collector System®. It ensures that each account, based on client diligence requirements, "recovery score," and account balance, is distributed appropriately, and that it is worked over the full course of the company's business days and hours of operation.

Upcoming Events

Debt Connection Symposium & Expo
The Hyatt Regency Century Plaza Hotel
Los Angeles, California
September 6-8, 2006

IAT's 20th Anniversary User Conference
The Chateaux at Silver Lake
Park City, Utah
September 10-13, 2006
WE ARE EXHIBITING!

Columbia Ultimate's Art of Success Conference
Portland Marriott Downtown Waterfront Hotel
Portland, Oregon
September 25-27, 2006
WE ARE EXHIBITING AND PRESENTING!

CAC's 89th Annual Convention & Exposition
Sheraton Hacienda del Mar
Los Cabos, Mexico
September 25-28, 2006
WE ARE EXHIBITING AND PRESENTING!

NARCA 2006 Fall Collection Conference
The Westin Kierland Resort and Spa
Scottsdale, Arizona
October 19-21, 2006

Collection Advisor Tech '06
Bellagio Hotel
Las Vegas, Nevada
December 6-8, 2006



Contents

President's Message

Industry Benchmarks

Client Profile: Afni, Inc.

Behavioral Profiling

Battling Mediocrity

Welcome Ike Lio

Welcome Jason Houston

Acumen! 2006 Launched

The Intelitech Review is your resource for cutting-edge information on the credit & collections industry, including data mining, scoring, reporting, & collector training.

The Intelitech Group
12009 NE 99th Street, Suite 1480
Vancouver, WA 98682
360-260-9780
360-260-9781
www.intelitechgroup.com



President's Message: The Learning Organization

R. Fred Houston

"Upon the subject of education... I can only say that I view it as the most important subject which we as a people may be engaged in."

-Abraham Lincoln

In the collections industry, as well as in business in general, training and education play a vital role in our success. Because of the dynamic nature of business, the economy, and our clients' demands, our ability to learn and re-learn directly translates to our bottom line. In today's marketplace, the organizations that create a learning environment for their employees are those that that will succeed in the long term.

- **What is a learning organization?**

In the renowned book *The Fifth Discipline*, Peter Senge defines the learning organization as an organization that is continually expanding its capacity to create its future. Senge proposes that learning fuels our capacity to create: "Real learning gets to the heart of what it means to be human.

The organizations that create a learning environment for their employees are those that that will succeed in the long term.



Through learning we re-create ourselves. Through learning we re-perceive the world and our relationship to it. Through learning we extend our capacity to create, to be part of the generative process of life. There is within each of us a deep hunger for this type of learning."

In this Knowledge Worker age, people are the only long-term competitive advantage we have. An investment in our people will pay the best dividends.

- **How is a learning organization created?**

In order to create a learning organization, leaders must have the desire, the passion, and the resource to truly make learning a part of the organizational culture. Edu-

cation must be a part of everything you do, whether it be hard skills training to increase capacity, or soft skills training to improve relationships and communication.

A corporate training program is an important part of the learning organization. Make clear what your objectives are regarding each training session, and market the positive influence of learning to your employees. Group training will encourage teamwork and cooperation.

Individual learning and study time will encourage creativity, and promote personal job satisfaction. Establishment of a company library will provide employees with the resources they need to personally succeed.

Remember that employees must not only be taught, but they must be taught how to implement the principles and practices they learn. Trainers and coaches are a vital part of the learning organization.

Setting Collections Industry Benchmarks:

Your Input Needed

Dan L. Steinman, Guest Contributor



During my recent visit to The Intelitech Group offices, I entered into a lengthy discussion with Don Snow about the advantages of using Acumen! as a tool to score and prioritize accounts as to their potential probability of payment. That conversation intrigued me greatly, as a major goal of mine while working in the collections industry has been to identify a method to systematically identify those accounts assigned for collections most likely to be paid.

I have felt for a long time that if I had the ability to identify and direct my collection efforts and resources to accounts with a high probability of payment, while controlling my collection cost per account, I could maximize my agency performance and profits.

As intriguing as Acumen! may be as a collection tool, it is not the focus of this article. My goal is to discuss issues that are much more basic, yet very germane to our industry.

I would like to focus on a question that Don asked during our conversation about Acumen! and scoring. While we were discussing methods that we could use to benchmark the increased performance that agencies realize after installing Acumen!, Don asked what benchmarks I considered to be important in measuring the impact of this powerful tool on an agency's performance.

I suggested that we establish a baseline by capturing the historical data related to liquidation and costs for the accounts that Acumen! would

provide, scoring for six months prior to the installation and a six month period following the installation. This comparison would yield actual benchmarking of the increased performance and actual savings associated with the installation of Acumen!.

We could then compare the agency's historical unit yield to an anticipated unit yield based upon the increased performance realized after installing Acumen!. The increase in unit yield would be an excellent indicator of increased performance while using Acumen!. But I ran into some difficulty when Don asked me how I determined the liquidation rate.

We agreed that the 12 Month History Report or Stair Step Report would be a great tool for measuring the increased liquidation rate. Don pointed out that the problem was that agencies varied greatly in the degree to which they removed their canceled accounts from their gross assignment numbers. In his experience, some agencies were very aggressive in removing or canceling accounts from their assignment numbers, while other agencies were very conservative. These variances in the net assignments could vary the liquidation performance greatly when attempting to benchmark the impact of Acumen! on collection agency performance.

I told Don that from my agency experience, when attempting to determine agency profitability or performance such as liquidation rate, unit yield and unit costs, I preferred to cancel very few accounts from my gross assignments so that my internal numbers would be as

Page 2

I would greatly appreciate your input on the following:

- **Account unit yield**
 - Do you use this?
 - Gross or net?
 - Formula?
- **Average cost per account**
 - Gross or net?
 - Average cost per letter?
 - Average cost per phone call?
- **Liquidation rate**
 - How do you use it?
 - Gross or net — assignments (less cancellations)
 - If net, what type of cancellations do you remove?
- **Rate of recovery**
 - How do you use it?
 - Formula?

Please contact The Intelitech Group at 360.260.9780 or consult@intelitechgroup.com.

accurate as possible. If in fact I loaded the accounts into my system and began sending notices or had collector involvement, I began incurring costs, and those costs should be captured. I also preferred to record my unit yield and unit cost numbers as net numbers in an effort to relate them to actual income or costs.

On the other hand, if I were presenting my liquidation rates to a particular client, it was in my agency's best interest to cancel all accounts that were not a collectable at the time of assignment and remove them from gross assignments. Accounts that the client requested be closed and returned due to assign-

Continued on Page 3

The Intelitech Group Welcomes Ike Liao

The Intelitech Group is pleased to announce that Ike Liao has joined us as a Senior Developer. Ike previously worked for a financial servicing company in Portland, Oregon, where he was responsible for managing a data center, as well as designing and customizing a leasing application for internal and remote users. While there, he completed several projects, including customer information screens (CIS), collection tracking, inventory tracking, and invoicing systems.

Given the depth of his experience, Ike will be a great asset to Intelitech as we develop new technology



for the collections marketplace and continue to service our current clients.

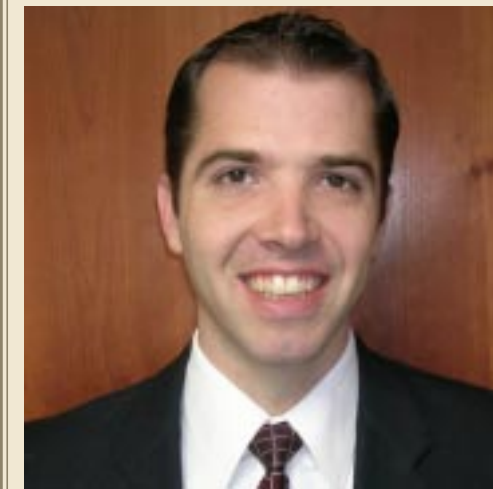
Ike earned a Bachelor of Science degree in Electrical Engineering from the University of British Columbia. He has developed many secured interfaces and data exchanges to facilitate online transactions for businesses including credit bureaus, lock box, ACH, and data warehouse.

In his spare time, Ike enjoys building miniature airplanes and models, as well as growing his own vegetables. Ike and his wife, Sandra, live in Camas, Washington, and have three children: Joanna, Jonathan, and Jeffrey. We are excited to welcome Ike to the Intelitech team! 🍀

The Intelitech Group Welcomes Jason Houston

We are pleased to announce that Jason Houston has joined the Intelitech Group as a Client Relations Executive. In this position, Jason will ensure that our clients are fully utilizing the benefits that Intelitech's tools offer.

Using specialized metrics, Jason will track each client's progress and provide detailed reports to each client. Jason will also take on responsibilities in the training and consulting arm of Intelitech, assisting with on-site implementation of CollectorTalk!, Intelitech's collector training tool.



Jason earned a Bachelor of Arts Degree in Business Marketing from Brigham Young University—Idaho. He

comes to Intelitech from Wells Fargo Financial, where he worked as a Credit Manager. His responsibilities consisted of selling mortgages, car loans, and personal loans. The experience he gained at Wells Fargo has increased his knowledge of credit and collections, and he is excited to explore the consulting side of the industry.

In his spare time, Jason likes to spend time with his wife, Marissa, and his son, Nathan. He also enjoys playing sports, singing, playing the guitar, and reading. We are excited to have Jason as part of the Intelitech team! 🍀

President's Message Continued...

Continued from Page 1

- **How will this help my bottom line?**

Employees who are educated are empowered to make tough decisions, take on additional responsibility, and

communicate effectively. They will be able to better serve clients and will have increased knowledge of business and the industry.

Most importantly, employees who are educated will have new ideas and solu-

Page 7

tions that will increase the value of your offering to clients.

Remember, your people are your greatest asset. Invest in them, and you will achieve success! 🍀

Welcome New Clients!

The Affiliated Group
Rochester, Minnesota

Creditors Service Bureau
Brownsville, Texas

State Collection Service
Madison, Wisconsin

Driver Solutions
Indianapolis, Indiana

Revenue Recovery Corporation
Knoxville, Tennessee

Afni, Inc.
Bloomington, Illinois

Alegent Health
Omaha, Nebraska

National Service Bureau
Shoreline, Washington

Surety Recovery
Towson, Maryland

Omnium
Omaha, Nebraska

Consumer Debt Services
Cleveland, Ohio

Nearshore Receivable Management
Warrenville, Illinois

Client Spotlight: Afni, Inc.



Located in Bloomington, Illinois, Afni, Inc. specializes in collections for the communications and insurance industries. They also provide outsourced accounts receivable and customer care functions for the communications industry.



Afni was founded as a collection agency in 1936. Like many agencies of the day, it served local creditors. Afni began its growth and development in 1995, when Bruce Griffin and Ron Greene purchased the company. They expanded the traditional collection agency services to include customer interaction services across the entire customer lifecycle.

Between 1997 and 1999, Afni, Inc. opened centers in Tucson, Arizona, Peoria, Illinois, and a second facility in Bloomington, Illinois, where their corporate headquarters reside. In 2000 and 2001, growth continued and centers were opened in Bowling Green, Kentucky, Opelika, Alabama, Tucson, Arizona, and yet another facility in Bloomington. In 2002, Afni opened a call center in St. Charles, Missouri, and later this year will open a center in San

Antonio, Texas, bringing the total number of employees to 4,500.

Afni houses the Performance Development Group, headed by Debra Ciskey, an ACA International Certified Instructor. Under Debra's supervision, the group provides employees with the knowledge and skills they need to succeed.

Afni started its relationship with The Intelitech Group in 2006 by implementing CollectorTalk! into their organization. CollectorTalk! is a training tool that uses the unique

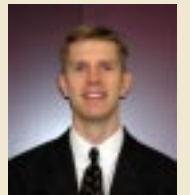
technology of behavioral profiling, call simulations, and neuro-linguistic programming to help each collector become a top performer.

Debra is excited about the positive impact CollectorTalk! has had on Afni's new hire training program: "We are incorporating CollectorTalk! into the new hire training process in our Bloomington office, which houses our collection operations. Our trainees have enthusiastically embraced it and like the opportunity it gives them to hear themselves in a "safe" environment—one in which a customer is not impacted. It has given them confidence and sense of eagerness to take that first real call."

To find out how CollectorTalk! can help your organization, contact us at 360.260.9780 or consult@intelitechgroup.com.

Fighting the Battle of Mediocrity: Harnessing the Power of Reports

Bryan Houston, Reporting Specialist



Mediocre: a word that has negative connotations, and yet, applies to almost everything that we do. In a society that rewards those who excel, remembers those who fail, and forgets everything in the middle, we are constantly battling to be noticed and rewarded.

In the collections world, many agencies deal with this reality on a daily basis. Clients' expectations, government regulations, and internal processes sap resources and increase the pace at which agencies must perform.

Mediocrity is not an option in this world of increasing costs and decreasing margins. In order to escape this dreaded mediocrity, agencies will often incorporate something new, with the hope that a drastic change will bring about victory in this ever-

present war. Is there not a better way? Of course there is!

What if, instead of a hope in some new idea, process, or technology, you were



able to eliminate the possibility of failure by understanding exactly what needed to be modified? What could be done to drastically improve your chances of applying the appropriate fix? What I am referring to is the need for agency reporting. With the amount of data an agency collects and the im-

provements in data mining software and technology, there is now the ability to identify the area in an agency where mediocrity is setting in. No longer it is necessary to resort to hoping that the next 'greatest thing' will solve all of your problems. With appropriate reporting in place, agencies can have a very precise idea of which areas need improvement.

This empowers agencies to make educated decisions when it comes to upgrading or changing components of their businesses. This applies to internal workings such as collectors and processes, as well as external forces such as clients and the industry in general. This information ultimately gives agencies the power they need to win the battle of mediocrity. ❗

Industry Benchmarks Continued...

Continued from Page 2

ment error, or medical accounts that had contractual write offs where the assigned balance was reduced, would also be removed from these performance batch tracking numbers. My thought process was that if the account balance that was assigned was not truly owed then my performance numbers or liquidation rate should not be adversely affected.

My discussion with Don made me think that perhaps the terms that I commonly used were not used in the same manner within the collection industry. In my efforts to validate the

manner in which I used these terms, I attempted to find published material within our industry to use as a reference. I was extremely surprised to find very little about establishing standard terminology when dealing with common terms in our industry. The best resource I found was "The Best of the Agency Examiner" by Resource Management Services, Inc. If anyone has another resource, please e-mail us your input.

In cooperation with The Intelitech Group, I am attempting to compile an industry bibliography and reference lists to provide to the members of our in-

dustry. We would also like to extend this to industry trade magazines and websites.

After discovering the lack of a standard glossary or terminology for the collections industry, a survey was sent out to 30 leaders within our industry requesting their responses to how they used the terms listed on page 2 in their offices. In this limited survey, we found that key members of our industry had different methods of using these common terms. We would appreciate your input as well, so that we can make these definitions as applicable as possible. Thank you. ❗

The Platinum Rule: The Key to Effective Communication

Jason Houston, Client Relations Executive

*The Platinum Rule:
"Treat others as they
wish to be treated."*



The Platinum Rule

If applied verbatim, practice of the Golden Rule, "Do unto others as you would have them do unto you," can backfire and cause conflict. Treating people the way *you* would like to be treated means that you deal with others only from your own perspective, and by doing this, you assume that we're all pretty much alike.

Dr. Tony Alessandra, an expert in behavioral profiling, has formulated a phrase known as the Platinum Rule: "Do unto others as they would have you do unto them," or simply, "Treat others as they wish to be treated." By practicing the Platinum Rule, you can learn to handle people the way those people want to be handled, to speak to them in the way they are comfortable listening, and to lead people in ways that are comfortable for them to follow.² Just think how valuable these abilities could be in dealing with clients, co-workers, debtors, and vendors.

In order to practice the Platinum Rule, you must be able to "read" a person. You can do this by observing his or her behavior, being aware of his or her tone of voice, and actively listening to what the person is saying. By practicing the Platinum Rule, you are able to create chemistry with many different types of people. You can become a communication expert, someone who really understands the differences between each of the behavioral styles, and can use this skill to a mutual advantage.

The Four Behavioral Styles

Effective application of the Platinum Rule requires knowledge of the four behavioral styles. These styles are determined by classifying levels of two dimensions: directness and openness. Directness is defined as the amount of involvement a person uses to influence people and situations (direct or indirect). Openness describes the willingness with which a person shares his/her thoughts, feelings, and motives with others (open or guarded). Once you are able to determine how direct and open a person is, you will be able to determine his or her behavioral style. Using the matrix to the right, you can identify the four behavioral styles: The

Director, The Socializer, The Thinker, and The Relater.

Direct or Indirect?

First, you must discern whether a person is direct or indirect. Ask yourself these questions about the person you are interacting with:

- Does this person make direct statements such as "I'm positive..." or "I'm sure..."? (direct)
- Does this person make indirect statements such as "Perhaps..." or "Maybe..."? (indirect)
- Does this person take control of the conversation, and is this person anxious for you to get to the point? (direct)
- Does this person allow you to direct the conversation, and does he/she wait for you to get to the point? (indirect)
- Does this person seem very confident and sure of himself/herself? (direct)
- Does this person seem unsure of himself/herself? (indirect)

Direct Behaviors

Direct people tend to be formal, conventional and traditional. They often appear somewhat weighed down, and may come across as serious and no-nonsense. They are likely to take charge and want to be in control. They are typically well organized, and want to make the most efficient use of their time. When asked for their opinion, they will typically answer quickly, often without asking any clarifying questions.

Here are some typical traits of direct individuals:

- Takes risks
- Makes swift decisions
- Confronting, expressive
- Impatient
- Talks and tells
- Outgoing
- Offers opinions freely

Indirect Behaviors

Indirect people are usually more casual, conventional, and nontraditional. They often seem lighter: more fun loving, playful, and even irreverent. They are easygoing and seemingly compliant. These individuals often seem less hurried, unhurried, and occasionally, oblivious to

time. They may also appear (and in fact may be) much less organized than direct people. They are more likely to delay offering an opinion instantly, and will usually ask questions to try to find out more information. They often answer questions with questions.

Here are some typical traits of indirect individuals:

- Avoids risk
- Slow to decide
- Less assertive
- Easygoing, patient
- Listens and asks
- Reserved
- Keeps opinions private

Open or Guarded?

After you have determined the person is direct or indirect, you can then use your skills to discover how open they are. This will provide the last clue to help you determine the person's behavioral style. Ask these questions to determine if a person is open or guarded:

- Is this person outgoing? (open)
- Does this person control his/her reactions? (guarded)
- Does this person easily express emotion? (open)
- Does this person conceal his/her feelings? (guarded)
- Is this person sensitive about how others feel? (open)
- Does this person seem to disregard the feelings of others? (guarded)

Open Behaviors

There are some key behaviors that will help you to identify an open person. One of their most obvious characteristics is that they are self-disclosing, meaning that they are eager to show and share thoughts and feelings. They also make most of their decisions based on feelings. Open people are easy to get to know because they are so willing to share personal information. During conversation, these people will often stray from the subject. They are relaxed and "go with the flow," and they are flexible about how their time is used by others.

Here are some typical traits of open individuals:

- Relaxed, warm
- Likes opinions
- Relationship-oriented
- Readily shares feelings
- Flexible about time
- Feeling-oriented
- Spontaneous

Guarded Behaviors

You will know you are speaking with a self-contained person if he or she is guarded and hides feelings. Therefore, it will take time to get to know this type of person. They will make most of their decisions based on evidence. Their conversations are based on issues and tasks, meaning that they stay on the subject currently being discussed. Self-contained individuals closely control how others use their time.

Here are some typical traits of guarded individuals:

- Formal, proper
- Favors facts
- Task-oriented
- Keeps feelings private
- Disciplined about time
- Thinking-oriented
- Prefers planning

Now you are ready to identify the four behavioral styles: The Director, The Socializer, The Relater, and The Thinker...

In the next newsletter, we will explore the application of The Platinum Rule in various business situations.

Sources:

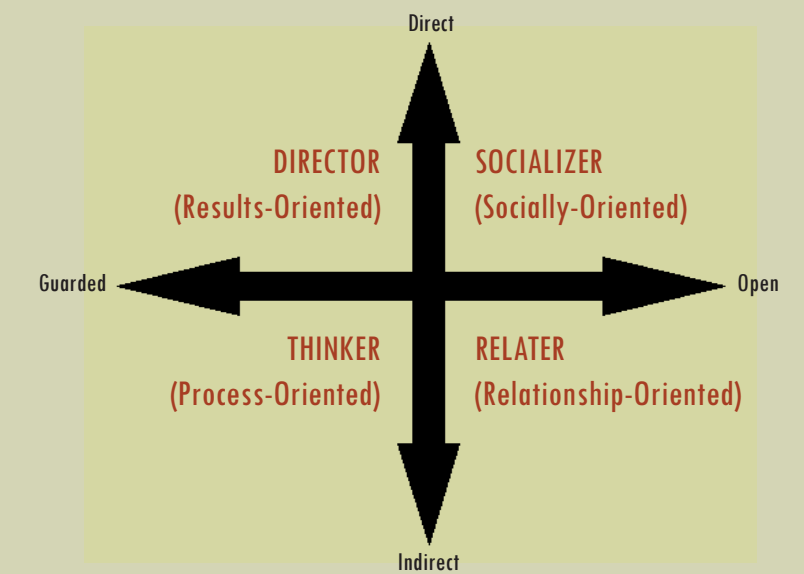
The Platinum Rule: Discover the Four Basic Business Personalities – And How They Can Lead You To Success by Tony Alessandra and Michael J. O'Connor

Alessandra On...The Platinum Rule: Do Unto Others as They'd Like Done Unto Them by Tony Alessandra

The Art of Profiling: Reading People Right the First Time by Dan Korem

The Art of Speedreading People: How to Size Up People and Speak Their Language by Paul Tieger and Barbara Barron-Tieger

The Four Behavioral Styles At-A-Glance



THE DIRECTOR

Directors dive in headfirst as if they, and they alone, have the answer. We all know Directors and admire them...Awesome at their best, insensitive at their worst, they are dominant, driving people we often think of as natural leaders.

- Decisive
- Abrupt
- To the point
- Focused on the bottom line
- Don't like to waste time

THE THINKER

Thinkers would rather be right than quick. They are serious, analytical people with long-range goals. They cherish efficiency, they love logic, they adore accuracy. Thriving on details and discipline, thinkers want clearly defined priorities and a known pace.

- Deliberate
- Want all the facts
- Like logic and organization
- Withdrawn
- Don't like to be rushed

THE SOCIALIZER

Socializers are like entertainers, always in search of a good time and a good audience. Socializers love people and thrive on being where the action is. Long on ideas, short on follow-through, the socializer leads by dealing with others in an upbeat way.

- Overstate facts
- Disorganized
- Persuasive
- Like to tell 'the story'
- Make decisions quickly

THE RELATER

If you are taken hostage by terrorists, pray that your negotiator is a relater. This person will be low-key, calm, and discreet, unlikely to say anything that will anger your captors. They like being a member of an ongoing team that proceeds slowly and methodically.

- Indecisive
- Cooperative
- Good listener
- Sensitive
- Don't like conflict

Source: *The Platinum Rule: Discover the Four Basic Business Personalities and How They Can Lead You to Success*, by Tony Alessandra & Michael J. O'Connor