

The Intelitech Group Welcomes Joe Beekman

The Intelitech Group is pleased to announce that Joe Beekman has joined our team. Joe comes to us from our partner, Columbia Ultimate, where he spent over 4 years working within the Telephony Division. Joe learned the various products quickly through Support and on-site implementations, and was promoted to Telephony Project Manager. He spent three years traveling the country, successfully consulting with and training over 100 Columbia Ultimate clients.

We are excited about the knowledge and experience Joe



offers our operation, both technically and operationally. His project management skills will help streamline our processes and improve our implementation process.

"Joe's industry knowledge and on-site implementation experience will greatly enhance our ability to serve our clients," said R. Fred Houston, President of The Intelitech Group. "Joe's supervision of the implementation process will ensure that our clients understand how to use Acumen!™ to its fullest capacity, resulting in greater profitability."

When Joe finds the time, you can find him golfing, jogging, or spending time with his wife and two young boys. 🏌️⚽️

2006 Calendar

Collection Technology Summit
Las Vegas, NV
January 25 - 27, 2006

Debt Buyers Association
Conference
Las Vegas, NV
February 7 - 9, 2006

National Credit & Collections
Risk Conference
Las Vegas, NV
March 15 - 17, 2006

ACA March for Success
Together
Orlando, FL
April 5 - 7, 2006

Credit & Collections News
Conference
Palm Desert, CA
April 5 - 8, 2006

CRS Users' Conference
Fairfax, VA
May 17 - 19, 2006

NARCA Spring Conference
Miami Beach, FL
May 18 - 20, 2006

NACM Credit Conference
Nashville, TN
May 21 - 24, 2006

CU Users Group Conference
Las Vegas, NV
May 22 - 24, 2006

ACA International Annual
Convention
San Diego, CA
July 9 - 12, 2006

CAC Annual Convention
Cabo San Lucas, Mexico
September 25 - 28, 2006

Columbia Ultimate Art of Success
Conference
Portland, OR
September 25 - 27, 2006

Credit Card Collections
Conference
Las Vegas, NV
October 11 - 13, 2006

Roydan/Bloodhound User
Conference
Green Bay, WI
October 23 - 25, 2006

Ontario Systems Educational
Conference
Indianapolis, IN
November 5 - 8, 2006



Contents

President's Message

Welcome New Clients

Alignment: The Key to
Business Success

Document IT!

The Drizzle of Data

The Intelitech Group
Welcomes Joe Beekman

Client Profile: EPN

Calendar

The Intelitech Review includes information that educates our clients and prospective clients with cutting-edge information for the debt-recovery marketplace

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President's Message Ethics & Honesty in Business

Happy New Year! During the holiday season, I hope you had time to regroup and reflect on the coming year.

As an avid reader, I am continually looking for good books about business. One that I thoroughly enjoyed, and one that you may find valuable in your own business is *Winners Never Cheat: Everyday Values We Learned as Children (But May Have Forgotten)* by Jon M. Huntsman. This book centers on the idea that you can be honest in business and still remain competitive, and those that are ethical in their business dealings will ultimately finish first.

Collections is an honorable profession: we are taking money from those who owe it, and giving it back to those who it belongs to. The credit and collections industry sadly has a reputation for dishonesty. Although this reputation may not be well deserved, we still have room for improvement in our relationships with both debtors and clients. As we strive to keep ourselves honorable, here are some words of wisdom from *Winners Never Cheat* that may be helpful:



§ "No one is raised in a moral vacuum. Every mentally balanced human being basically recognizes right from wrong...

"There is no such thing as a moral agnostic... Each of us possesses a moral GPS, a compass or conscience... This compass came with the package and it continues to differentiate between proper and improper courses until the day we expire."¹

§ "We are not always required by law to do what is right and proper. Decency and generosity, for instance, carry no legal mandate. Pure ethics are optional.

"Laws define courses to which we *must* legally adhere or avoid.

Ethics are standards of conduct that we *ought* to follow."²

§ "Character is most determined by integrity and courage. Your reputation is how others perceive you. Character is how you act when no one is watching. These traits, or lack thereof, are the foundation of life's moral decisions. Once dishonesty is introduced, distrust becomes the hallmark of future dealings or associations...

"Businessmen and women do not place their integrity in jeopardy by driving hard bargains, negotiating intensely, or fiercely seeking every legitimate advantage. Tough negotiations, however, must be fair and honest."³

In 2004, the American Management Association surveyed its Council and Executive Members to determine companies' values, and how these values are communicated to employees. Of the 175 executives who responded, 76% said that ethics and integrity is listed as their

Welcome New Clients!

E. Partner Net
Provo, UT

Lexington Medical
West Columbia, SC

Rickenbacker Collections
Gilroy, CA

Fairway Collections
Centrallia, WA

Sterling & King
Casselberry, FL

Merchants & Medical Credit
Flint, MI

Armada Corporation
Wenatchee, WA

Transunion ITC
Cape Town, South Africa

Caine & Weiner
Van Nuys, CA

DCI Credit Services, Inc.
Dickinson, ND

Berks Credit & Collections
Temple, PA

Fairway Collections
Centrallia, WA

JJ MacIntyre
Corona, CA

Asset Management Outsourcing, Inc.
Norcross, GA

Stawiarski & Associates
Englewood, CO

JC Christensen / Array Services
Sauk Rapids, MN

Gulf Coast Collection Bureau
Sarasota, FL

International Computer Systems
Mabelvale, AR

Action Collection Services
Victorville, CA

Midland Credit Management
San Diego, CA

CAC Financial
Oklahoma City, OK

Accounts Receivable Management
Thorofare, NJ

County of San Bernardino
San Bernardino, CA

Sentara Health Systems
Chesapeake, VA

Cascade Collections
Salem, OR

Physicians & Dentist Credit Bureau
Seattle, WA

Creditors Alliance
Bloomington, IL

Drivers Solutions
Indianapolis, IN

Omnium Worldwide
Omaha, NE

Alegent Health
Omaha, NE

President's Message

Continued from page 1

company's core corporate value, and 86% said that their companies write or state their values. However, 36% said that their organization would always do what is legal, but not always what would be perceived as ethical.

Edward Reilly, president and CEO of the American Management Association, recommended the following to make sure that values are understood throughout your organization:

- § Identify core values that are measurable, and critical to the organization's bottom line.
- § Tie these values to performance appraisals, and link them to rewards.
- § Communicate these values through action, from the top down. Make them a part of the corporate culture.⁴

There are many resources available on this subject, including the Code of Ethics and Professional Responsibility of ACA International, which is available on the ACA website.

As we begin a new year, let's each of us examine our personal code of ethics, as well as our company's values, so that we can represent our industry well. Best of luck in 2006!

¹ Jon M. Huntsman, *Winners Never Cheat: Everyday Values We Learned as Children (But May Have Forgotten)*, New Jersey: Wharton School Publishing, 19.

² Huntsman, 24.

³ Huntsman, 33-34.

⁴ <http://www.acainternational.org/> ACA International: The Association of Credit and Collection Professionals (website), 12/28/2005, "Management Trends: Ethics and Integrity Are Listed As Core Values by 76 Percent of Companies," published May 1, 2004.

Client Profile

Located in Orem, Utah, E Partner.Net takes care of thousands of clients in the check, medical, utility, and retail industries nationwide. EPN was founded on the concept of offering flexibility and convenience to clients by utilizing the industry's cutting edge technology. This philosophy has made it possible for EPN to establish itself at the forefront of the industry; its collection recovery is nearly twice that of the national average.

Some previous agency owners founded E Partner Net in August 1997. Previous clients of these owners searched for another collection agency that had the attention to detail they had come

to expect. This is what prompted the start of EPN, Inc.



The owners of EPN have over 120 years of combined experience in the collection industry. This agency has grown quickly and now boasts a team of over 40 employees. EPN has gained a well-deserved reputation for customer service and has put significant revenue back into the local economy.

EPN, Inc. became a client of The Intelitech Group in May 2005, when they utilized Acumen!, a knowledge-based recovery decision engine. Lacey Cherrington, Vice President and General Manager of EPN, Inc. has seen tremendous results: "We have seen recognizable improvement in our collection procedures and strategies using Acumen!"

EPN is also considering implementation of CollectorTalk!, Intelitech's collector training program. "CollectorTalk! is clearly the next step for us," says Lacey. "There is no question about the positive impact The Intelitech Group has had on our collection efforts and our account flow."

The Drizzle of Data

Continued from page 6

luxury to a necessity seemingly overnight. This has increased as the need to quickly update reports and graphs has increased.

An important factor to consider when dealing with data and information, specifically when using the internet, is security. As public awareness increases and the government takes action, it becomes important that as database administrators or data miners that we limit our steps backwards. The consequences of overlooking security can be drastic.

Who is the intended audience? How the results are to be presented and how they will be accessed can differ greatly based upon the needs of people who will be using the information. Most data mining tools present data virtually the same way (i.e. reports, graphs, or a combination of the two). But the

ease of which you can display the different methods, the software's ability to keep the integrity of the design of the report when refreshing data, as well as it's ability to create ad hoc reports varies drastically. There is nothing more frustrating than spending more time on making the report 'pretty' than on actually finding the information that you where looking for.

The answers to these questions will identify which tools will make the difference in your organization and with the correct tools. Even the most monumental task becomes possible; you will be able to recognize, control and report on your steady drizzle of data.

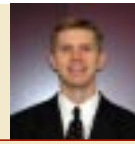
Document IT!

Continued from page 3

evidence that not only did you train your collector properly in FDCPA and related regulations, but that those procedures were actually followed, and that his story doesn't quite match the contact audit trail.

Without a doubt, failing to keep proper records can open you wide to financial loss and other penalties.

Properly documenting what you do – not only in IT, but also in all aspects of your operations, can serve to save you from disaster. Well-organized, updated working documentation should also ease your day-to-day operations, actually save time, reduce your stress, and make you more profitable. So, if you do it, document IT!



Here in the Pacific Northwest, we have quite a wet climate, especially in the spring. This is not unusual for the area, but for some reason this year, the rainy weather caught me off guard in my yard upkeep. I have a relatively small yard and mowing it has never been too difficult, but this year (with steady rainfall and mild temperatures) my nice little lawn turned into my nice little rain forest. Each Saturday I would look out the window see the steady drizzle of rain and put off any yard maintenance until the next week. This continued for an embarrassing amount of time until finally I realized (with the help of my wife, family, and neighbors) that I needed to be a little more proactive about this not so little issue. And to make matters worse, my neighbor, Mr. Green Thumb, had managed to keep his lawn at exactly two and a half inches despite the adverse conditions, while my grass towered at two and a half feet.

After watching the weather forecast, I found a time when at last I would be able to reclaim my yard from the abundance of weeds, overgrown bushes, and grass that looked more like it belonged in a Tarzan movie than in my little neighborhood. I was determined to put an end to all of the snickering of my family and friends. Armed with my resolve and my reel lawn mower, I set out from the garage confident that I would be able to get things into shape by lunch.

Not realizing that the recommended height for mowing with a reel mower is no higher than 4 inches, I began my quest for the perfect lawn. Needless to say, my resolve and determination were quickly tested as I struggled and pushed for what seemed like hours. Instead of cutting the grass, my mower would tear out large

clumps, leaving only the dirt. If I had thought my yard could look no worse I was wrong. My determination was quickly replaced with desperation. Not knowing where to turn, I reached for the weed whacker and proceeded to whack, chop, and trim every living (and not so living) plant on my property. In the end, while the plant life was dramatically shorter, it was debatable if there was any improvement.

In the world of data mining, it is common to ignore the steady 'drizzle' of data that relentlessly accumulates and grows our database.

In the world of data mining, it is common to ignore the steady 'drizzle' of data that relentlessly accumulates and grows our database. Before we know it, we are forced to take on Amazon-sized tasks with sub-par tools. Typically, we get overwhelmed and then pull out "the weed whacker of data," commonly known as the delete function. Before we know it, we have cut more than intended and (if we are still employed) things will not be the same until, with proper care and a lot of time, we are able to nurse things back to normal. How do we avoid this terrible disaster? The simple answer is that we must find and use the correct tools.

How do we determine which tool is best? There are four questions that, when answered, will help us to better understand our needs and the tools that will be most effective.

What is the purpose of the information we are trying to find?

While this seems obvious and overwhelming, the more time we put into answering this question, the less

time we will spend trying to answer other business questions. Data mining should always be performed for a specific purpose. It is amazing to me that individuals who are not sure what they want continue to query the database over and over with the hope that at some point they will find it. Identifying your purposes initially will save incalculable time and resources. Often it is quite a chore to identify a single purpose, but start by brainstorming the reasons you collect the data. It is important that you involve others – ask this question to everyone who will be able to use the data as information.

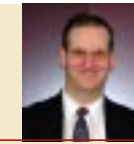
The purposes of a database can be drastically different, and the tools vary depending upon the purpose. Often, however, the tool that will work best is the tool that fits the amount of data you would like to mine. Not many years ago, the purposes of data mining would have played a more definite role in deciding what tools to use. But with the advance of processing power and the abundance of databases, many of the tools available today perform very similar functions and are only differentiated by the size of the data they were written to mine.

What is the size of the database?

The single-most important factor when determining the best tool to use is the size of the data. It is important to not only look at the size of the data today but to anticipate what the size will be tomorrow. In the last newsletter, I discussed the issue of size.* If I had taken into account that that my mower could not cut my grass because of its length, I could have saved myself a lot of time and frustration.

How will the data be accessed?

As internet connection speeds continue to increase, the need to access data at anytime from anywhere has transformed from a



Documentation? Do you mean the 2,000-page book that came with my collection system, my proof of legal U.S. residence, or what?

Neither one, specifically, but – now that I think about it – perhaps both, and a whole lot more.

That expensive network appliance you recently bought that serves as your firewall (and performs a few other important functions) just went up in smoke. You have been cut off from the outside world, and that is not a good thing today. Your staff isn't able to pull credit reports and skips, your clients are unhappy because you haven't emailed them the reports they were expecting, and a host of other complaints are piling up on your desk. You contacted your vendor, but due to a supply chain problem a replacement is at least 2 days out. You have your old firewall that's not as fancy, but it will keep the critical services running.

Now that you think about it, your whole network has changed since you last used that! Nothing is in the same place anymore; you're not even using the same ISP. Sure, you've been backing up the firewall configuration every time you made significant changes, but that doesn't do you any good unless you've got an identical unit to restore it to. Then, you remember that when you first got the new appliance, you made a spreadsheet showing how everything should be set up. You haven't updated it in about eight months, but at least it's a start.

Half an hour later, you're up – sort of. After another two hours, you've rediscovered most of the changes you'd made since making the spreadsheet and worked the bugs out, and your agency is again functioning. You make a note (written, of course!) to review everything once you get your new equipment set up again, update

your "cheat sheet," and keep it updated from now on.

The next day you approach your associate with a question about one of your secondary agencies:

"You're in charge of agencies; how long is XYZ supposed to keep accounts before returning them to us?"

"Oh, let me check," he says, as he starts sifting through the three-inch heap of papers he was apparently working on. A moment later, as your eyebrows furrow slightly, he reassures you, "It's here in the strategies...somewhere."



"The strategies just yanked a bunch of accounts after two days."

"Oh..."

Documenting the technical details of your workflow strategies outside the working system, along with the business requirements that drive them, is invaluable not only when things go wrong, but also is also extremely helpful as you review and refine your business practices.

It's great that you've put a lot of effort into securing your computers, encrypting your stored data, regularly changing passwords, and so on. But one day that key employee is hit by a car. When you go in to access that all-important data she was over, you find that you can't log in. You try another user account, but the system won't let you access the data. Your stress level builds as you think you might have

to restore the data elsewhere from a backup – and then realize that the backups are encrypted. So without the proper password, they're all worthless.

Then, in a flash of inspiration, you run to your office, open the safe (which only you and your business partner have access to), and pull from it a sheet of paper. You run back, log in using the alternate administrative account you'd previously set up, and are able to get in, fix the normal login, and you're back in business. Breathing a sigh of relief, you mentally pat yourself on the back for having the foresight that just saved you a whole lot of grief.

Your IT (Information Technology) assets are becoming a more and more valuable part of your business. It's crucial that the appropriate members of your team know what you have, and how it should work. Knowledgeable collectors are worth much less when the information and equipment that supports and directs their efforts is suddenly unavailable.

Some documentation definitely falls under the "cover your keister" records category.

Sure, you knew, or at least thought you knew, that Ed was legally able to work for you, but if he turns out to be here illegally, can you show the government the "proof" he offered you of his legitimacy, so that they know you weren't willfully breaking the law?

What about that client who's concerned that you're not putting enough effort into working her accounts, or concerned about the privacy of their account data? Do you have the information to easily satisfy her that you're applying due diligence to her assets?

As for that deadbeat who knows that he can eat well for the next decade simply by winning a lawsuit against your agency for harassment, his smirk will surely fade if you present



Aligning People, Processes, and Technology gives a business more direction, power, and focus in achieving success and profit.

Recently as I drove down the freeway, I noticed my car pulling severely to one side. Upon further investigation, and with the help of some mechanically inclined friends, I discovered that my car had an alignment problem. When I first heard the phrase 'out of alignment,' I had little knowledge of what that meant. Did it mean the car would soon fall apart and find a new home in the local junkyard? Did it mean that several adjustments could make the car run better?

Properly trained employees make the difference between an average agency and one that excels.

I came to discover that wheel alignment simply meant that the suspension and all four wheels were properly configured and adjusted to give the car more accurate steering and longer tire life. In other words, it meant that all the wheels and axels were working together to achieve optimum performance. Without proper alignment the car would still function, but might cause serious safety problems at high speeds and reduce fuel efficiency, as well as permanently damage the tires and severely reduce tire life. Both the front and back wheels could still spin independently of each other, but would not provide the desired result.

In collections, as in other industries, we must check the 'alignment' of our businesses to ensure they are operating in the most effective and efficient manner possible. There are different parts and functions within an agency, and at times we let them each work independently of the other functions. Each function or 'wheel' can spin by itself and help

carry the company forward. But if each wheel or function is aligned with the others, then the agency or car will move much better and will be ready for the challenges that lie ahead.

Three areas of focus that we need to align within our businesses are People, Processes and Technology. Each is an integral part of our success. They can operate independently, but when People, Processes and Technology are aligned, an agency has the foundation necessary to move past mere efficiency and begin effectively serving clients and improving the bottom line.

In order to explore how People, Processes and Technology can be properly aligned, we must first look at how they fit into the business independently.

People
People are the most important asset a company has. Each person, from high-level executives, to collectors, to administrative personnel, plays an important role in the overall success of the business. There are several areas we must examine in order to keep the business successful.

Properly trained employees make the difference between an average agency and one that excels. Employees must be trained thoroughly on their role and responsibility within the company. For example, each collector must know the laws, technology, and policies that will affect him/her in the collection effort. Each administrative employee must know important policies that affect his/her role in the company. And each supervisor and executive must know the goals of the business and have an understanding of how they are to be reached.

Each employee must have a firm and solid understanding of company policies and processes. Each policy that is in place within a company has a specific purpose and must be known by each employee in order for the desired result to take effect.

Incentives and motivation play an important role in the overall success of every employee in the company. Properly motivated employees will work harder, will strive to understand

their role in the company, and ultimately bring success to the company.

Employees must know how to use the technology that is available to them in order to become more effective in their role. Technology has the capacity to help us become more efficient; with each employee knowing the role of the technology and the processes behind it, success is imminent.

Processes
Employees must be empowered in order to be successful in collections. Technology must give them the

opportunity to reach debtors, manage accounts, process payments, and manage their collection efforts. Once at that point, each employee must be empowered by company policies and procedures in order to efficiently and effectively collect.

Processes and policies must constantly be monitored so that they do not conflict with the goal of making money, which is the ultimate

goal of any business. An agency once related an experience to us that illustrates the need for process monitoring:

In an effort to provide incentives for their collectors, "Agency ABC" instated a company policy that awarded a small bonus for every credit card payment a collector took over the phone. This policy was made in an effort to boost collections while cutting down on 'the check is in the mail' type situations. At the beginning, this policy seemed to work well for everyone. The collectors got bonuses and Agency ABC got less broken promises and

more payments in the door; a win-win right?

Over time, the collectors started to find ways to increase their credit card payments. Payment plans were offered to debtors so that several credit card payments would come in over a period of many months. While this looked great to a collector, it caused headache for the agency. Not only did it take months for the balance to come in, but they also had to pay a transaction fee for every credit card payment. After a time, this policy got in the way of the agency's effectiveness and this affected their bottom line.

Processes & policies must constantly be monitored so that they do not conflict with the goal of making money.

A suggestion was made that the policy be changed to provide bonuses to collectors who took full payment with a credit card. The new policy has empowered and motivated the employees while still keeping the best interest of the agency in mind. Policies must always guide the company toward increased success.

Technology
We all agree that over the years technology has certainly made the industry more efficient. We now have the ability to contact hundreds of debtors in a day, process automatic payments, and manage our accounts with less effort than ever before. While we are now more efficient, does the technology alone make us more effective? Although there will be some debate as to the answer, I would say that the technology alone does nothing more than empty our wallets. In order for the technology to make us effective and help our bottom line, it must be aligned with both our people and processes.

We must have trained people who understand the capability and purpose of the technology, as well as have the company policies in place that will help us take advantage of

all of the benefits technology has to offer.

World-renowned speaker and business consultant Stephen R. Covey summed up business alignment:

"The principle of alignment means working together in harmony, going in the same direction, supporting each other. Total organizational alignment means that within the realities of the surrounding environment, all components of your organization-

including your mission, vision, values, strategy, structure, systems, individual style

and skills, and especially the minds and hearts of your people-support and work together effectively for maximum performance. It is a process that never ends."

There is no quick fix for misalignment, but taking the proper steps will change the organization and provide drastic improvements. Employees must be well-trained, technology must be effective and focused, and policies must enable both to facilitate success and improve the bottom line.

With trained employees, effective technology, and empowering processes in place, an agency is aligned and prepared to effectively improve their business and their bottom line.

Before, my car got me where I needed to go. Now as I drive my newly aligned car, I realize that I can get from place to place much more smoothly. Our businesses may survive without proper alignment, but when alignment is in place in all areas of the company our business will thrive and provide an elevated level of success. Proper alignment truly is the key to continued success.