

Intelitech Quarterly Review

Consultants to the Debt-Recovery Industry

A Periodical from The Intelitech Group

Throughout the industry, collectors who are consistently top-performers are those who are properly trained in compliance and general talk-off technique. In my experience, I have seen the need in the industry for a training tool to help collectors develop their skills and increase their confidence so they in turn, increase your bottom line. It is rare that a product will have the potential to revolutionize the way collectors are trained. We feel CollectorTalk!™ is that product.

I have enclosed a copy of the effectiveness study conducted for CollectorTalk!™ This study revealed a 15% increase in 'promises to pay kept' by those collectors trained using CollectorTalk!™ While I cannot guarantee these exact results for every agency, I feel this product can help your agency become more effective in your collector training.

CollectorTalk!™ uses simulations to help each collector improve their talk-off techniques and interactions with debtors. Having confident and experienced collectors is vital to the success of every agency and conducting initial and on-going training will ensure that every collector is learning and performing well. CollectorTalk!™ is a proven learning system capable of advancing new collectors into high performance positions as well as fine tuning the skills of seasoned collectors without additional human interaction.

I invite you to experience this revolutionary training tool. Please call 360.260.9780 or visit www.intelitechgroup.com for more information.

Sincerely,



R. Fred Houston
President,
The Intelitech Group

Collection Agency
Performance

Business Consulting

Collector Training

Account Workflow
Optimization

Enhanced Collections

Improved ROI

Reduced Costs

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CollectorTalk!™

Effectiveness Study

A major bank card organization conducted a test with a group of Collection agents who had just completed their new hire training course. The new hires were divided into two groups. The pilot group practiced with 50 collection simulations for an average of one hour a week and the control group did not practice. All other training and assistance remained the same for both groups. The objective was to improve payment promises, how many were taken per hour and of those, how many kept their promise.

The table shows their performance in their average productivity and quality scores after two months (or just eight one-hour practice sessions).

	Promises To Pay Per Hour	Promises To Pay Kept Per Hour	Average Call Handle Time	Quality Score (100 point scale)
Pilot Group	4.15	2.88	131 seconds	94.45
Control Group	3.32	2.50	146 seconds	90.80
Pilot Group Difference	+0.86	+0.38	-15 seconds	+3.65 points
Percent of Improvement	26%	15%	10%	4%

- Over a period of time longer than 2 months, an increase of 15% in 'Promises To Pay Kept' represents a substantial amount of revenue.
- The 10% decrease in 'Average Call Handling Time' represents a significant savings in operational expenses. This improvement in efficiency was achieved along with an improved quality score.
- Approximately 3/4 of the total performance improvement occurred after just half (4 hours) of the total practice time.
- After just 2 months the Pilot Group members were performing at or above the levels for an experienced representative!

Participant Feedback

- Everyone agreed that the best thing about the program was recording and listening to oneself.
- They all indicated that they had made adjustments to voice tone, speed, and language as a result of reviewing and assessing their own recordings.
- The most significant changes were to tempo (as most people discovered that they speak too quickly to be understood), and to empathize and sound more compassionate.
- Everyone agreed that it helped prepare them for taking live calls.
- They found that they were much more comfortable and confident than their peers in the control group.
- One participant noted how easy it was for her to answer smoothly and with confidence, while her peers were still nervous and uncertain.
- They knew that they had covered the situations in classroom training, but had forgotten them or felt uncertain. CollectorTalk! gave them confidence that what they were saying was correct.
- Several commented that they used the same phrases with live customers that they had practiced within CollectorTalk!.
- One said that she didn't even pause, the answer just came out her mouth because she had done it many times already.
- They were amazed that live customers sounded just like the customers on CollectorTalk!. Taking live calls did not intimidate them, because they had practiced with different types of customers.
- They liked seeing the text as well as hearing it. It helped them remember what to say when on the phone.
- They indicated that the Coaching screens, that provide additional coaching tips for effective performance, were very valuable.
- Everyone agreed that the software was very easy to learn and use.



Data Mining

What is the right Pick?

by: Bryan Houston

Over the past couple of decades there has been an explosion in technology that can only be compared in significance to such times as the discovery of the Americas or the industrial revolution. One of the areas that has arguably been affected more than any other is our ability to retrieve and store data. Ten years ago, if I would have said, "I need 20 more gigs." You would have been as likely to think that I was in a struggling rock band as a computer technician out of hard disk space. As computers operate faster and disk space becomes cheaper, the amount of data that is being collected and stored is mind boggling. We think nothing of adding an "extra" 200 gigs of storage to our computers. In our quest to continue filling hard drives, we tend to overlook the value of the data. In the debt collection industry the mind set of more is better has been our constant companion. We need more accounts, we want to collect more dollars, we need more information on this debtor, we want more data! But herein lies the problem, for many of us it seems a task for Hercules himself to make any sense of the data, and then to take the knowledge gleamed and make business decisions is almost unheard of. Since most of us do not have access to Hercules, how do we find, analyze, and display data? When one looks at a mountain of data, it is easy to become overwhelmed with its sheer size. However, just as you would make sure that you had the appropriate tools for mining diamonds, having the correct tools for data mining can greatly increase your success of striking it rich. One of the first steps needed before beginning our mining process is understanding the size of the mountain. Are we going to be searching for numbers in a spreadsheet or will we be analyzing millions of rows in a gigantic database? Similarly, using dynamite to

look for diamonds in our backyard would most likely produce disastrous results. However, if we were in a remote area trying to work through solid granite, dynamite might be very applicable. In the corporate data mining process there are a limited number of resources. While we may find diamonds in our backyard with dynamite, the cost of a destroyed home (as well as the loss of a few neighbors) may be too great an expense. Techniques for mining also vary depending on what the diamond will be used for. If we were looking for jewelry quality we would use different techniques than if the diamonds were to be used as a drill bit. Equally, if the data we were

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looking for was to be viewed and accessed internally, our data mining techniques would vary greatly from externally. The look and feel of a report may be a little more 'relaxed' if the person who created the report is on hand to help explain it. Conversely, those things sent to outside organizations need to be well explained so that there is not any confusion. Now that we have a few of these tools in hand, we are ready to begin the mining process. After what seems like an eternity we have found our first diamond! We excitedly grab our valuable stone and run down the hall anxious to show that all of the time and effort that has been spent has been well worth it. Upon arriving, 'the boss' looks at our precious diamond, unexpectedly frowns, and then in complete disgust throws our rock through

the window. A verbal bashing is then unleashed that is worthy of a Jerry Springer show. What happened? Where did we go wrong? The data mining process, just like the diamond mining process, doesn't end when we find the 'rock'. A diamond requires a number of other steps from the time it was mined before it is recognized as the valuable stone it is. Many times the data we find while mining also requires some polishing before it is recognized as the valuable piece of information it is. It is just as important to find the data as it is to display the data appropriately. If you were to bring in a one hundred page spreadsheet of data, very few would spend the time to look through it no matter what is shown. This same data displayed graphically would give a bottom-line glance that would probably apply to a wider range or individuals. While I am not suggesting that all information is better displayed in graphical form, I am suggesting that, depending on the intended audience, the same data may need to be displayed in different ways. When looking for a mining tool, it is important that the way the data is displayed is the easiest to use. The final and perhaps most important part of the data mining process is getting the information into the hands of those who can use the data to make the appropriate decisions. Diamonds are mined for a specific purpose, whether to be used as a piece of jewelry or to be used as a drill bit. All the effort in finding the diamonds would be in vain if they were not used. Similarly, we extract data for a specific purpose. Often when the data mining process has been completed, the information derived is not given to those who would most benefit from it.

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Can You Spell Miranda?

by: Don Snow, Vice President

Have you ever experienced an Attorney General complaint in your office? After listening to a phone conversation, have you had to sit down with a collector to “reinforce the rules” of FDCPA or FTC? Have you had to deal with the attorney who is threatening to “close you down” for a collection violation? These are all very real possibilities in the collection industry – today more than ever. With the employee turnover issues that many businesses face, it is often the case to bring in the unseasoned collector (which might actually be better in the long run anyway) who is not even aware of what FDCPA stands for let alone how it can affect him and you. In a “suit happy” society there seem to be predators out there looking for the slightest violation of these complex collection laws. Sometimes the cost of defending yourself and your business in the courts – even if you are “innocent” - can be so costly that many take the settlement route. This can also be very expensive. In the “perfect” office this could never happen. Your staff would be so astute to the legal aspects of collections that they would never venture into that gruesome world of FDCPA violation. You would have the perfect training program with perfect trainer(s) teaching and re-teaching your new collectors and even your most seasoned staff all about “compliance”. Obviously we would also be living in that perfect world free of hunger, disease, crime and taxes.

About three weeks ago I had a very interesting letter arrive addressed to my wife and me. Horror of horrors – we had been turned over to a major collection agency! We were now debtors!! (Actually this really did happen and this is not just a story!) I immediately called the number listed on the letter and was directed to Mr. Jones. He was a pleasant young man who was there to help us back to the road of credit recovery by allowing us to pay our past due debt

immediately (he was set up to take my check over the phone). Now Mr. Jones had one problem. He was not interested in “my side of the story”. He had no idea what the debt was about, when or where it was incurred or anything to lead me to believe that I actually owed this \$218 that he wanted right now. Since I have been in the debt recovery industry for over 20 years I thought I had some insight as to the need for keeping my bills current – besides I know too many people in collection agencies. I explained to Mr. Jones numerous times that I had no idea what this debt was for and that I believed it was an error. I had never received either a bill or a statement and was completely convinced this was not correct. He was not buying my story and indicated

“Proper training... Is a reality that needs to be taken even more seriously today than ever before.”

that if I was not able to pay this debt today that it would certainly affect my credit rating and possibly require court action. Okay Mr. Jones – now you have my attention. Let’s talk about this. I indicated that I was actually disputing this debt and that I needed proof that the charges were actually incurred – I asked for proof of the debt. I was ready and willing to put that in writing. Now Mr. Jones had no idea how to deal with that. He suggested that I call “the client” and ask them about the debt since the agency had no way of providing that kind of information. You see the picture here. A young collection agent who either has no concept of, or is willfully disregarding the laws the industry must abide by. I was pretty sure it was the former rather than the latter.

The rest of the story is pretty ordinary. I called the “client” as I was “directed”. Seems my wife had charged some items at our local Home Depot store on our HD credit

card. We have recently moved and the address HD had for us was now incorrect. My wife had them update the billing address right then. However, there was a glitch of some kind and the address reverted back and we never received the bill. In the end HD apologized for their error and dismissed the extra charges. We paid the \$103 and everything was good as new.

Now imagine what might have happened. I call my professional “let’s get that collection agency” attorney and the process starts. Who is going to suffer – Mr. Jones or the agency? Since Mr. Jones appeared to be doing what he understood or at least what he thought he understood he was supposed to do – collect it all and collect it now – it was likely the agency that would be the one to suffer in the end.

Proper training is not a “necessary evil” that only costs time and money. It is a reality that needs to be taken even more seriously today than ever before. I don’t believe Mr. Jones was intentionally disregarding any compliance laws or company policies. I think Mr. Jones perhaps didn’t know, maybe didn’t care, but most certainly wasn’t trained properly. Can you afford to have a ‘Mr. Jones’ in your office? Do you currently have a successful training program to minimize your exposure and risks? Preventing just one ‘Mr. Jones’ episode can more than pay for the cost of a well-designed program that keeps you ahead of that curve. Now is not the time to delay. Like a friend of mine once bemused – it is not ‘if’ but ‘when’. He was referring to a major earthquake in the Northwest. However, might not this ‘when’ be applicable for any agency without an effective ongoing training program? As Dr. Laura says on her radio program, “Now go and do the right thing”. *i*



Business As Usual - Part I

by: Charles Boling

As dangers and complexity in the world increase, so does the need to protect your business data. The rules are constantly changing. Requirements of government agencies, concerned clients, and your own internal controls are increasingly demanding. You need to know that the information which is the lifeblood of your collections business is kept safe, and that in spite of threats from man or nature, operations continue, and from your clients' viewpoint, it's "business as usual".

In a nutshell, the mission of data security is twofold:

1. To ensure that you ALWAYS have access to your data, no matter what happens.
2. To ensure that unauthorized people NEVER have access to your data, no matter what happens.

In the first half of this two-part article, I'll explore a little, how we can achieve the first goal. I'm going to broaden the scope of this challenge slightly from the typical narrow-focus "geek" view of computer hardware, because there are a lot of other pieces that are crucial to keeping your business running. It doesn't help to have a can of gasoline, if your car's sitting on the bottom of the ocean....

The key to continuous business operation is redundancy – and that means more than hanging onto that old keyboard in case you spill coffee on yours. You need a backup of data, equipment, people, and processes. Some of those backup resources are "online", and others are "offline". Online resources are always available, ready to use – and are often in use during normal operation, performing other non-critical functions or not pushed to full capacity. Offline resources are not in active use, and

may take time to activate, but should be maintained and not allowed to "gather dust".

Some examples of Online resources may be:

- Mirrored hard drives & other components
- Multiple telephone & Internet lines (preferably from different providers)
- Cross-trained employees
- Satellite offices (geographically dispersed)
- Interactive Battery backups (UPS)
- Lots of clients (don't rely on one or two big ones)

Examples of Offline resources might be:

- Backup tapes (onsite and offsite)
- Replacement parts & systems
- Untapped outsourcing and staffing firms
- Electrical Generators
- Written and practiced disaster-recovery plans


"You need to know that the information which is the lifeblood of your collections business is kept safe..."

While more redundancy generally provides greater safety, we don't

have an infinite supply of money, so prudent risk management dictates that we balance the depth & likelihood of disasters with the costs of maintaining redundancy.

Ideally, we can use some of those resources actively to help our business, while at the same time keeping them ready to fill in where needed. Nobody hires double the staff they need, and then have half of them sitting around twiddling their thumbs waiting for the other half to go away. You hire enough that they aren't strained beyond what is healthy, and you train them so that if one person gets sick, someone else can step in and take over their critical

functions, while letting some of their own duties wait or be covered by other people as needed. Similarly, for example, Intelitech maintains machines in our remote office that are actively used, but have spare processing capacity and can take over some of the functions of another server should it fail or our primary site be rendered inoperable for a period of time.

In our next issue, we'll continue on to the second part of the data security mission that of keeping your information away from prying eyes. 


Continued from page 3

Another important aspect to any mining tool is the options that one has to send the data.

In conclusion, the process of determining which mining tools we are to use is as important as the data that we want to retrieve using the tools. In the market today there are many options for data extraction. It is important to keep the end in mind when making this decision. How big is the mountain we would like to mine? Will we be using the data internally, externally or both? Do we need to be able to update our reports daily, hourly or real-time? Do we need access on just our pc, over our LAN, or across the internet?

In our pursuit to collect, we have missed the entire goal of using the information to help improve our business.

So first let us breakdown the process of making informed business decisions into three steps.

First we need to retrieve the data. Second we need to make sense of the data and third we need to make sure the information is given to those who are capable of making the appropriate decisions. 



In The News

Fred Houston to Chair ACA Online Committee

Fred Houston will be Chairman of the 2004-05 ACA On-Line Committee. ACA On-Line has been a component of ACA International since 1994. ACA On-line is the major communication delivery method for many ACA initiatives. The Committee has helped with the release of valuable member resources such as E-Compliance and Campus ACA.



Fred Houston to Co-Chair ACA Research Task Force

R. Fred Houston will Co-Chair the ACA Research Task Force with Nancy Borgen, past president of ACA International. This task force evaluates current ACA member surveys and reports back to the Executive Committee. The Research Task force provides the Executive Committee with information to consider when determining the overall direction of ACA's research needs.



Introducing Matthew McCasline

The Intelitech Group welcomes Matthew McCasline as a member of its Sales and Marketing Team.

Matthew comes to Intelitech from a publishing company in Utah, where he developed new-product sales and marketing campaigns. Matthew earned a Bachelor of Arts degree from Brigham Young University.

"Matthew brings a level of expertise in marketing and business that will help us to better serve our clients and the Industry," said R. Fred Houston, President of The Intelitech Group.

The Quarterly Review includes information that educates clients and prospective clients on the cutting edge of the collection industry. It is published by:

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

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Oakland, CA

Consumer Debt Services
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