Collection Agency Best Practices: 2023



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Three Keys to Building Effective Training Programs

Rodney Dangerfield went “Back to School,” didn’t he? So why can’t aspiring debt collectors do it, too? Many might not remember Dangerfield and the 1986 classic movie where the then-65-year-old comedian played a father who enrolled in college to be with his son (totally worth re-watching if only to see pre-Iron Man Robert Downey, Jr., and Dangerfield’s work on the Triple Lindy), but the message of the movie hits home for debt collection training programs, too — individuals going through training programs are like students who need to be reminded that it’s ok to ask questions and it’s ok to take notes. Building an effective training program is like sending new hires back to school, and that includes trying to make the process as enjoyable and fun as possible, according to the panelists on a recent webinar who discussed different ways to make training as effective as possible. This webinar was sponsored by Peak Revenue Learning.



Setting the tone at the start of a new training session is important, and that means reminding the new collectors that their job — for the time being — is just to be good students, said Greg Ruffino, the director of training at Williams & Fudge. “And what do great students do?” Ruffino asked during the webinar. “They take notes. They ask questions. When they’re told to watch a video, they actually watch the video. They take notes home. They collaborate with each other.”

Like students, new collectors need plenty of breaks and activities to keep the days from becoming monotonous slogs through important topics like the Fair Debt Collection Practices Act. This means breaking up days into different blocks, like spending time in the classroom and then spending time shadowing agents to see what things are like on the collection floor, followed by sitting in on a call calibration session, to show them what those are like and how committed the company is to helping agents succeed, said Gwen Gullicksen, the director of compliance and training at Sentry Credit. “You cannot sit and read the FDCPA and FCRA and all of the other abbreviations, all day for two days,” Gullicksen said. “You have to break it up.” At Frost-Arnett, the company spends half of the training day in the classroom and the other half on the collection floor, with trainees shadowing agents, said Kelsey Peters, the director of talent acquisition, training, and development at the company.

One area of training that gets overlooked is following up with new hires after 30, 60, or 90 days to see how the job is different than what they learned during training, Peters said. “If you’re serving your hires, they’re going to be the ones that are going to give you that concrete evidence that we missed something that we can then take back to the training team, review, and see where we want to plug that in,” Peters said. “We can assume and we might be plugging in additional content that just makes it all overwhelming. So their feedback is vital.”

Like Dangerfield in “Back to School,” committing to the process and understanding that becoming good at something takes hard work because there are no shortcuts is a key to becoming a great collector. “If you can understand and accept the perspective on what we’re doing, you’ll be totally fine,” Ruffino said. “If you understand you’ll have X number of no’s to get to the few yes’s, those few yes’s make all the difference in the world. And you’ve got to understand that and those that do understand it can build long-term tenured careers.”

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How to Effectively Manage Your Team for Peak Performance

Race cars, Power Rangers... There are a number of different analogies and examples that can be used to describe how all of the employees inside a collection operation need to be performing together for the operation to be successful. Looking at all of the employees inside an operation as a team can help boost performance, make sure everyone is rowing in the same direction, and keep everyone accountable, shared the panelists of a webinar on performance management. This webinar was sponsored by Peak Revenue Learning.

The topic of performance management — monitoring the productivity of employees as a way of maximizing their output — not only helps the business, but also shows you care about your employees and are willing to invest in their development, the panelists agreed. The right kind of competition can be healthy inside an office and can spur employees to want to do better, whether they are competing for a prize, or just to have their name on the top of a leaderboard.



Measuring performance objectively, using data and statistics, is the best way for employees to see how they are doing and identify possible areas for improvement. If a collector sees that the amount of time he or she is spending on the phone with consumers is two, three, four minutes longer than others in the office, that should cue the collector to try and get through calls faster, the panelists said.

"It helps us when we look at it and we can say, you can see in the statistics that an agent has potentially got some knowledge gaps because their hold time gets really high and the percentage of calls they put on hold or their transfer rate is high, those are indicative," said Bettina Hagey, the head of Quality Assurance at Credit Control Corp. "They create an image and a portrait for us that can direct that coaching. And so the agents need to be aware, but we as a corporation need to be directed by that content as well, in order that we can target our coaching in the right places."

Trying to measure the level of customer service that a collector provides is not always possible to assess objectively. There are subjective aspects to whether a consumer was satisfied or not and those components are not as easily measured. Sometimes, noted Hal Trapp of Receivable Solutions, you need to look for the effect of a subjective component to find something that can be objectively measured. For example, if a collector is abrupt with a consumer during a call, that might lead to a request to speak with a supervisor or even a complaint, and those are objective data points that can be tracked and used to help improve performance.

Setting attainable goals — not ones that are too lofty and lead to employees cutting corners or being too cutthroat — is the key to a positive work environment where everyone is moving in the same direction for the same reasons, said Mindy Chumbley of Solverity.

"Sometimes your goals are either too high or you expect people to outperform all the time," she said. "You risk burnout or unhealthy competition where people start cutting corners and caring more about the stats. If you get too competitive and too pushy, then you come up with other unhealthy things where people are cutting corners or they're stealing payments or, you know, some of those things that are happening. And so I think sometimes getting to profitable and sustainable is a better business model than getting to 100%."

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Retaining New Hires in the Collection Industry: A Blend of Flexibility, Engagement, and Support

In the fast-paced and often high-pressure world of today's collection industry, retaining new hires is a multifaceted challenge. Companies are increasingly recognizing the need to blend flexibility, engagement, and support to keep their workforce motivated and productive, experts discussed during a recent webinar that was sponsored by Peak Revenue Learning.

Hybrid Work Environments: A New Norm

The shift towards hybrid work environments is more than a trend; it's a strategic move to balance office culture with remote work benefits. "The hybrid model allows employees to develop a culture, get to know their coworkers, and have fun," says James Taylor from RGS Financial. This approach is crucial in an era where face-to-face interactions are limited, yet highly valued for building connections and a sense of belonging.

Leadership Presence and Mental Health Support

Leadership's physical presence in the office during employee workdays is vital. It's not just about oversight; it's about being accessible for informal conversations and support, especially for those who might struggle with supervisor relationships. Companies are also recognizing the importance of mental health support, offering free Employee Assistance Programs (EAPs) to provide a confidential outlet for personal and professional stresses.

Engaging Onboarding Experiences

First impressions matter. Innovative onboarding experiences, such as production videos showcasing company values and job insights, set the stage for new hires. These experiences, coupled with careful attention to compliance and privacy, make the first day memorable and engaging.

Family Inclusion and Fun

Incorporating family into company culture is a unique approach that pays dividends in employee satisfaction. From Halloween surprises for employees' children to virtual Santa visits, these initiatives create a family-friendly atmosphere that extends beyond the workplace.

Equipment Return Policies

With remote work comes the challenge of equipment management. A robust process, including signed agreements and clear consequences for non-return, ensures accountability. This approach has proven effective, with a high rate of equipment return.

Productivity in Remote and Hybrid Settings

Contrary to common assumptions, productivity in remote and hybrid settings often matches or exceeds that in traditional office environments. Companies have observed varied...

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...productivity patterns, with some employees thriving at home and others in the office. This insight has led to more personalized work arrangements, catering to individual preferences and strengths.

Use of Technology for Engagement and Compliance

Advanced technology, including AI software in virtual meeting rooms, helps monitor engagement and compliance. This technology detects disengagement or distractions, providing valuable metrics for management. However, positioning this technology as a resource rather than surveillance is crucial to maintain trust and comfort among employees.

Extended and Interactive Training Programs

Training programs have evolved to be more extensive and interactive. A blend of technical, client-specific, and practical training, coupled with mentorship, builds confidence and competence in new hires. This approach has shown success in easing the transition from training to independent work.

Gamification for Engagement

Gamification has emerged as a powerful tool for employee engagement. Platforms like Zizzo transform mundane tasks into competitive, fun activities, appealing to the innate competitive nature of employees in the collection industry.

Looking Ahead: The Future of Hiring and Retention

The future of hiring and retention in the collection industry remains challenging, with no significant changes on the horizon. The key to success lies in continuous innovation, both in hiring practices and overall business strategy. As remote work options become more prevalent, companies offering flexibility, along with a supportive and engaging work environment, will likely have an edge in attracting and retaining talent.

Key Takeaways

James Taylor, RGS Financial: Sending candy and other items for the kids and grandkids of new hires to share. I think that's extremely important — including the families. Sometimes it's overlooked that families sacrifice a lot of time that they don't have because they're working. That's hours that they've devoted somewhere else. So finding those connections and bringing the family in — I think it's important. You're proud of where you work, but your family is also proud of where you're working as well.

Judy Gray, State Collection Service: Make the Employee Assistance Plan available to all employees. That's something that we firmly believe in. And it has been very successful. Work is stressful. And we want to make sure that our employees and their family members all have access to our EAP. We just recently enhanced our EAP and we doubled the amount of one-on-one counseling sessions our employees and their family members can have. And really, that was a recognition of our knowing how stressful the world is right now.

Tony Diaz, PFC: You need something that separates you from everyone else. The job's gonna be the same, most likely wherever you go in our industry. So whether it's your engagement, your company, culture, how you get people working remotely to feel like part of the company, whether it's just you in your home, but if you have 100 other people in an office somewhere else that you have to separate yourself from the other company, whether it's through fun committees, it's the health and wellness, or you have other engagement platforms that you can use, something to get that remote hire to feel like they're part of your company. If it's a care package you send to them alongside their new equipment, which is some goodies and some snacks or some swag from the company. Anything that you can do that sets you apart from your competitors, that's going to mean something to that new hire. It's not just another box, and here's my goods and start the job and see you Monday, something a little personal to them. That goes a long way.

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How Microlearning Can Help Train Collectors Faster

Teaching adults is different than teaching children. It's doubtful that anyone will question that statement. Understanding how adult learners are different from children — usually because adults need to understand the "why" behind what they are being taught — is important to companies in the ARM industry who train adults on a daily basis. Making sure that adults retain what they are being taught is crucial to developing collectors who will be successful and compliant, a panel of experts discussed recently during a webinar sponsored by Peak Revenue Learning.



Beth Conklin from State Collection Service noted that it's important to show adult learners "what's in it for me, and why do I need to be here? Why do I need to learn this topic?" Trainers must explain the benefits of learning and retention to motivate busy adult learners.

The webinar highlighted that trainers must understand different learning styles and customize training accordingly. As Dan Estes from R3 Dynamics said, "trying to help people overcome that fear. Because, you know, their jobs are at stake, their money is at stake, all that stuff." Trainers should incorporate visual, audio, hands-on, and reflective elements to engage all learners.

Technology can enhance learning when used appropriately. Tony Diaz from PFC USA stressed the importance of "day one expectations. How do you learn? And how do you want me to communicate with you?" Trainers should determine communication and learning preferences to effectively deliver content.

Microlearning bursts and applying concepts in short sessions aids retention more than long lectures. Trainers must consider "different delivery methods in order to be able to overcome some of these barriers," Conklin said.

Shadowing, screensharing, and allowing learners to practice concepts provides valuable hands-on experience. Trainers were encouraged to get learners actively involved in their own learning process.

In conclusion, the key to effective adult training is understanding individual learners, communicating appropriately based on preferences, incorporating different learning styles, applying concepts in short sessions, and engaging learners through hands-on activities. Following these best practices will help trainers overcome barriers and improve learning outcomes.

The most important takeaways from this webinar are:

1. Understand why learning is important and benefits the learner
2. Recognize different learning styles and customize training accordingly
3. Determine individual learners' communication and learning preferences
4. Use technology appropriately to enhance learning
5. Incorporate microlearning bursts and short application sessions
6. Provide hands-on learning through shadowing and practicing concepts
7. Get learners actively involved in their own learning process

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