

Collection Agency Best Practices: 2019



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New Apps Can Wreak Havoc on Collectors Trying to Comply With FDCPA

There are apps out there now that imitate the voices of real people and individuals are using them during phone conversations with collection agents as a means of wasting an agent's time and making it impossible to collect on a debt.

That was just one of a number of important topics discussed by a panel of compliance experts during a webinar, "Where Collectors Make the Most FDCPA Mistakes." The objective was to share the areas where agents most often get tripped up when attempting to comply with the Fair Debt Collection Practices Act.

The apps mentioned during the webinar, Robokiller is one of them, are intended to be used against robocalls, where an automated voice attempts to sell a product or service to an individual. The apps attempt to turn the tables on those automated calls by deploying their own bot to engage the automated voice in a prolonged conversation, seeking "revenge" on robocallers, as Robokiller's app proclaims.

But individuals are deploying the apps in collection calls as well, the panelists revealed. And that is causing problems for agents who might not realize they are speaking with an app and not a human.

"Honestly the best thing that you can do is play those call samples and give them examples of those apps so they can listen to it, they can hear the questions because they're essentially the same each time someone uses that app," said Shelly Gensmer, the vice president of legal and compliance for ERC.

Training is an incredibly important component of helping collectors avoid making mistakes with the FDCPA, the panelists said during the webinar.

It can be easy, for example, for a collector to get distracted at the beginning of a call, either because the collector is familiar with the individual being called and has built a rapport with that person, or in a situation where an individual is being uncooperative right from the get-go, which can lead to a collector forgetting to make the necessary disclosures, said Renee Bogar, vice president of compliance and quality assurance with Radius Global Solutions.

"I always encourage collectors to stay the course, remember where they were in the conversation, make sure that they're getting back to their disclosures that they need to provide, when they've established a relationship with a consumer don't get to the point where you're feeling too comfortable, too personal, they always need to maintain that higher level of professionalism," Bogar said.

The panelists also warned collectors to be mindful of the traditional baiting traps that individuals like to try and set to catch a collection agent violating the FDCPA. Those include questions about when a debt is due, trying to get a collector to overshad-



ow the validation notice, asking the same question over and over again in an attempt to get a different answer, and questions about whether a debt will be reported to the credit bureaus. In many cases, not trying to come up with an answer is the best answer.

"We tell clients the law does not require you to answer every question a consumer asks, and although it is courteous and consumer-friendly, what we try to get our clients to understand is if the bait gets shown get off the phone," said John Bedard of the Bedard Law Group.

Collectors are often trained to create a sense of urgency with respect to getting an individual to pay a debt as quickly as possible, but that can lead to issues if the urgency is bring created during the 30-day validation notice window. In those situations, collectors need to make sure they do not overshadow the window individuals have to dispute a debt.

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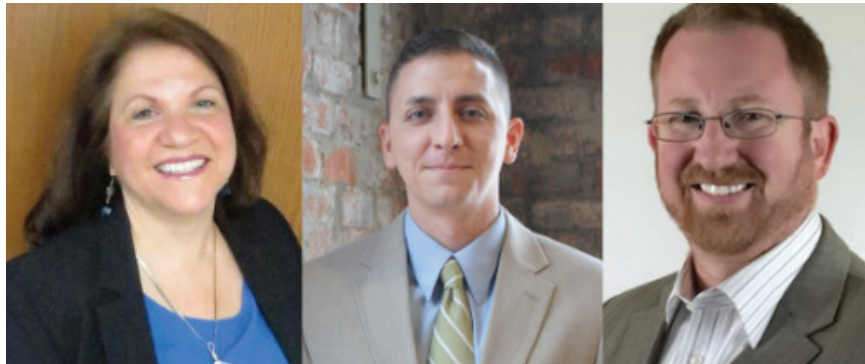
How to Avoid ‘Analysis Paralysis’ When Assessing Productivity

It can be very easy for collection agencies to get bogged down in what is known as “analysis paralysis” when attempting to figure out the productivity of collectors, because there are so many different data points and variables that can be factored into an equation. But just because there are so many data points does not mean they are all important, and each agency has to do its own calculations to figure out what works best for them.

Productive collectors are the fuel that keeps an agency’s engine running smoothly and agencies can never afford to run out of gas.

“There are a lot of supervisors and managers, especially newer to their position who want to measure 30 or 40 or 50 different data points and key performance indicators,” said Roger Weiss of CACI. “And what that can actually do is peel away from a collector’s produc-

tivity. There’s a rule of productivity that says if you focus on something, it will improve. However, if you focus on everything, you focus on nothing and entropy will set in and you’ll go through sprawl.”



Irene Hoheusle
Account Recovery Specialists

Greg Ruffino
Williams & Fudge

Roger Weiss
CACI

To avoid that situation, Weiss recommends focusing on a small number of KPIs, such as close rate and average payments. Those data points transcend the type of debt being collected, the number of times the debt has been placed, and even the size of the agency itself, Weiss said.

Another key metric that many agencies should be relying on to determine collector productivity is the number of payments in full (PIF) that they are obtaining. Irene Hoheusle of Account Recovery Specialists said that her firm went as far as to create a contest that offered a \$150 bonus to the individual who collected the most PIFs during a two-week period. What Hohuesle noticed at the end of the

contest was that even though the number of PIFs had not increased that much, what did “skyrocket” was the dollar amount of the payment plans that the collectors had negotiated, she said.

“It went from an average of about \$80 a month to \$150 a month,” Hoheusle said. “And I think that was because when [the collectors] were saying these things, the consumer found the expectations of a payment plan was higher when they were asking for payment in full more often.”

The flip side to trying to maximize collector productivity is that unproductive collectors can be identified. Williams & Fudge was analyzing the call times that its collectors were averaging when on the phone and it noticed that one collector had an average call time of less than a minute. When it listened to the recordings of those calls, the agency

found out that it wasn’t the individuals hanging up on the collector, it was the other way around, said Greg Ruffino from Williams & Fudge.

“You’ve got to have a good temperature gauge on your

staff and the individuals and the overall company culture and budgets as to when and how you deploy certain incentives,” Ruffino said. “There’s lots of incentives that have no dollar value, like parking spaces. But when you’re getting into tapping into the budgets, it’s all about timing. So things don’t lose their luster if you’re doing something every week or every month that has some sort of dollar value to it.”

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Agency Executives Share Tips to Help Hire the Best Collectors

In today's market, people can be pickier about where they work. Hundreds of resumes that are submitted turn into a handful of viable candidates who actually show up for the interview, and maybe one or two people accept an offer and make it through lunch on the first day. Finding qualified individuals who can become collectors is as hard as it's ever been. Even as collection agencies get better at sourcing new candidates, be it through referrals, job fairs, or online job sites, turning those pieces of paper into an actual living, breathing employee is no easy feat today.

A trio of executives from collection agencies recently came together for a discussion on where to find the best collectors, and while there was a lot of consensus from the panelists about where to source possible candidates, each agency had its own process for screening and interviewing those individuals to determine if they have what it takes to become a successful collector.

To improve the efficiency of the screening process and to get an initial feel for how candidates sound and behave on the phone, most agencies start with a phone interview. In many cases, the objective is to just get the candidate talking about anything. The interviewer wants to assess the candidate's phone demeanor and ability to engage with someone. If the candidate has a job, ask why he or she wants to leave, to help assess if the candidate is a good fit, culturally, for the new agency. Another question to ask is what interested the candidate in applying for a job with this particular agency.

"There's no wrong question," in a phone interview, said Mike Hiller, vice president of collections at American Profit Recovery. "I just want to get them talking. I want to see how well they can think on their feet. If I'm picturing someone, maybe they've got a

job already and they're cyber-slacking at work, just clicking around, applying to jobs now. If I ask him a question, 'Why were you interested in, in our position?' And they don't know what they actually, they applied for. Maybe I've got to dig a little deeper."

One of the questions that interviewers should seek to answer during the process is how comfortable are they with the candidate, said Jessica Andriola, vice president of talent management at ERC.

"If I were, you know, a consumer, how comfortable would I be talking to this person?" Andriola asked. "How comfortable would I be handing over my credit card information, my checking account information, things like that?"

Being a good listener is as important for the person in charge of hiring as it is for the individual looking to become a collector, said Alan Clayton, the chief operating officer of Frost-Arnett.

"We'll ask somebody who has call center experience about it," Clayton said. "And

if they say, 'Well, I just don't do well in production environments,' it gives you a clue they might not be a good fit. Or, if they list the last three places they've worked at and they blame their supervisor or manager for being bad as the reason why they were not able to do their job, it kind of gets to their attitude. So I'm trying to get them to talk and the more they talk, the more you can hear the good and the bad. We're trying to teach our managers and supervisors that they should be letting the applicant talk 80% to 90% of the time on interviews."



Jessica Andriola
ERC

Alan Clayton
Frost-Arnett

Mike Hiller
American Profit Recovery

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Industry Pros Share Tips and Techniques to Make Training More Fun and Engaging

Training collectors, especially those who have been working at an agency for a period of time, is a great idea. But the idea of having to take them off the collection floor and take time away from being on the phone to train them, especially as the industry is heading into its busiest time of the year, is not something that many agencies love to do. A pair of industry experts, during a webinar that was sponsored by Peak Revenue Learning, discussed the concept of microlearning, which delivers targeted content in short bursts that not only takes less time than traditional training, but also helps boost memory retention.

A recording of the webinar can be accessed by clicking here.

The attention span of individuals is shortening, noted Roger Weiss, who is the president of CACi and also runs The Collections Coach, making the concept of microlearning even more relevant and important to companies in the credit and collection industry.

Weiss, who was joined by Debra Ciskey for the webinar, pointed out that microlearning is not the best tool for every situation. Microlearning works best when trying to teach simple, straightforward topics.

"Microlearning modules concentrate on one very specific skill or topic or behavior that you want your agents to learn," Ciskey said. "Microlearning links new training to previous training and through experience, using past learnings on the job that will open up your students' minds to subsequent training. It reduces resistance to training because it links to the experience that your learner's have had previously. I don't know about you, but I've been in training sessions where the students come in with their arms crossed, daring me to teach them something. That doesn't occur with microlearning because they're excited about the training."

When incorporating microlearning techniques into a training platform, it is important to remember the most effective underlying adult education techniques, Ciskey and Weiss pointed out. Those are:

- Recency
- Linking
- Spaced Learning
- Making it Memorable
- The 90/20/10 Rule
- Review & Repetition

On top of the techniques and using microlearning, the pair shared other tips to help collectors be more engaged during training to boost retention and awareness. One such technique is using a cliffhanger by foreshadowing what is likely to come in the next session. Television shows have perfected the use of cliffhangers at the ends of episodes and seasons to keep people on the edge of their seats until the next episode airs.

"It gets your students again excited about about the learning because they already know a nugget of what they're going to get in the next session, and they just can't wait to get to get there," Ciskey said. "Now, you know, you don't have to use sessions in a particular order and they still link because they use the common techniques as well."

Getting individuals excited and engaged in learning is a huge step in proving the value of microlearning, Weiss said.

"I learned a statement that was given to me by one of my role models, Nick Di Giovanni: Is the juice worth the squeeze? And that's where microlearning learning comes in," Weiss said. "It provides time-effective and cost-effective solutions. The juice is worth the squeeze. There's an ROI on it. If they learn it in short, fast, repetitive, frequent bursts you're going to feel those impacts that much quicker."

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