

How Technology is Helping Agencies Maximize Collections in Spite of Labor Shortages

Companies in the accounts receivable management industry have had to get creative during the past couple of years, starting with the outbreak of the COVID-19 pandemic and now dealing with the impact of The Great Resignation, and while technology has helped offset shortages in labor or changes to workflows, thinking outside of the box is also crucial to a company's success in today's market, according to panelists who participated in a webinar recently that was sponsored by Peak Revenue Learning.

Making sure that your agency has enough agents to cover inbound and outbound call volumes is harder today than it has ever been. Between agents who are working remotely and the fallout from The Great Resignation, the pieces to an agency's labor puzzle are tougher to connect than ever before. A good first step for any agency, according to the panelists, though, is to analyze your data to determine your peak calling periods, and make sure you have enough coverage during those timeframes.

"Right now, there are three peak calling timeframes — in the morning between 8am and 9:30am, between noon and 1:30pm, and after five o'clock," said Mike Hiller, vice president of collections at American Profit Recovery. "Once you do the math, you can figure out what your peak periods are, how many peak periods you're hitting, and how much you collect during those periods. There's a multiplying effect, depending on how many how much staff you have, of how much more revenue you can generate just by making some very minor tweaks. But do do the math."

Another way that agencies can use technology to help maximize employee productivity while also covering potential labor shortages is through their payment portals. Driving consumers to a portal to obtain information or to make payments means that one less agent is tied up managing a conversation that could just as easily be handled in a self-service portal, said Elyssa Klenotiz, chief of staff at CCMR3.

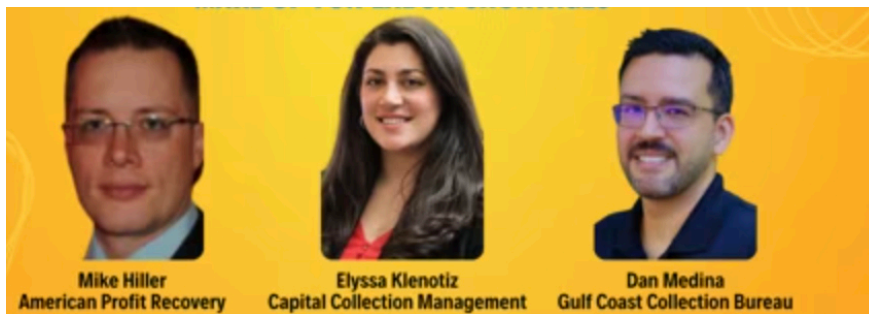
"We encourage our agents to mention our payment portal [and tell consumers they] can go there they can visit all the time," Klenotiz said. "When we do voicemail drops, and we leave regular voicemails, we also mention going to our website because that catches money, you know, 24 hours a day. Our portal functions like it's another four to five agents depending on the day of the week. So having things like a portal that's integrated with your system that has the real-time balance information becomes really important. And if you can take it to the next level where you're even offering you know, partial settlements and things like that, then you're really making your portal extremely productive."

Technology has also helped companies looking to accelerate and streamline the hiring process. More agencies are using scheduling services like Calendly to allow applicants to schedule their own interviews, rather than have back-and-forth conversations via email or a phone call to try and set up a job

interview.

Another area of technology that companies should be using is controlling the number of outgoing calls being made by their automated telephone dialing systems, said Dan Medina, Director of Operations at Gulf Coast Collection Bureau. The agency monitors performance of its collectors on an hourly basis, allowing it to pace the flow of calls being made by the dialer to maximize the amount being collected at any given point in time.

"We went from managing our pacing monthly to daily today of the week to now hourly," Medina said. "You're not leaving all the work to be done the last few days of the month, you know, praying, praying, praying for a miracle type of situation. We know where we expect to be at the end of the month, given all the current work and situations that we're looking at right now."



Mike Hiller
American Profit Recovery

Elyssa Klenotiz
Capital Collection Management

Dan Medina
Gulf Coast Collection Bureau

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How Collectors Should Respond to Common Scenarios With Consumers

Good collectors understand that winning a call is about getting a payment from a consumer, not winning a debate or conversation about who is right and who is wrong. It can be just as important not to address certain comments that a consumer might make during a conversation just to keep it flowing in the right direction instead of taking the call on a tangent about who's right and who's wrong. Because that tangent might not have a road that can get you back to the main point of the conversation and then the call is lost. Knowing what to say and when to say it was a key point made by a panel of experts on a webinar recently where they role-played different scenarios between consumers and collectors to illustrate the different ways that collectors can manage common and uncommon situations.

The webinar was sponsored by Peak Revenue Learning.

For example, during one of the scenarios, the consumer made a comment to a collector about how “I know how you debt collectors are,” indicating that collectors are known for being aggressive. But the collector, Irene Hoheusle from Account Recovery Specialists, didn't take the bait. She ignored the comment and instead pivoted the conversation toward discussing a payment plan with the consumer — LaDonna Bohling in this scenario. “I didn't try to how she was wrong or change her mind,” Hoheusle said during a debrief of the conversation afterwards. “No, this isn't the time to do it. I think that people forget when they're on a call, they don't have to address every single thing a person says if what they're saying really has no value to the

conversation. So when I heard LaDonna say ‘I know how you collectors are’ a little part of me giggled. Another part of me wanted to say ‘You're wrong,’ but that's a battle that's best not to fight.”

During another scenario, the conversation between a collector and a consumer centered around getting an unpaid debt off the consumer's credit report because she was trying to buy a house and needed a higher credit score to qualify for a better mortgage. Showing that she was listening to the consumer's issue, the collector — Bohling in this scenario — often repeated back what the consumer had said, but in a way that kept the conversation moving forward. “We all know that this is a sticky sticky situation to be talking about deleting from credit

reports and if you don't handle it well, your agency could end up getting in trouble,” Bohling said.

One of the keys during any interaction is for the collector to use language that the consumer can understand, said

Kristi Loyer of Wilber Group, the third panelist for this webinar.

“Speaking a language that they can understand can either continue a conversation or that conversation just shuts down,” Loyer said. “It can be just as plain as they don't understand what you're saying. Even though you are an expert, not using expert language or acronyms or things like that, that maybe aren't public knowledge can shut a conversation down.”



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The Secret to Writing Strong Policies & Procedures

Everyone who has a driver's license knows how to drive a car. We know what pedal makes the car move and which one makes the car stop. We know which way to turn the steering wheel to make the car go to the left and which way to turn the wheel steering wheel to make the car go to the right.

But while we all know how to drive a car, how we actually go about doing it is different from driver to driver. Some of us may hit the gas harder or softer than others. Some may hit the brakes harder or softer than others. Some of us may have different ways of making turns or changing lanes, or what we do when we get into a car and start it up.

Driving is a good analogy for describing the operations inside collection and recovery operations. While companies all have the same goal of collecting on unpaid debts, the processes that are used inside each operation will be different. But, just like driving, it's important for companies to make sure that employees are following the proper steps to make sure that nobody gets into an accident.

Inside a collection operation, that responsibility falls to a company's policies, procedures, and work statements — documents that details how just about everything of any importance should be done. During a recent webinar — sponsored by Peak Revenue Learning — a panel of experts discussed the differences between the types of documents.

A good first step toward writing policies, procedures, and work statements is creating a worksheet or document that lays out what is being done and who is responsible for doing it, said Sara Woggerman, the owner and president of ARM Compliance Business Solutions. The document provides an outline of what is happening and will make it more likely to recognize gaps, Woggerman said during the webinar.

Ultimately, there is some flexibility regarding what

kind of instruction goes into which type of document — policy, procedure, or work statement — because what matters most is that the specific steps are written down somewhere, the panelists agreed. It is important to remember, though, that documents like policies and procedures are documents that can be subpoenaed and are discoverable during litigation proceedings. Work instructions tend not to get pulled into litigation,

Woggerman noted, so it might make sense for companies to include their most granular detailed steps in those documents rather than in policies and procedures.

Among the most common mistakes that companies make when it comes to their policies, procedures,

and work statements is a question of extremes — either going into too much detail or not enough detail. "It's an art form," Woggerman said. "There's a happy medium here. It's kind of like, if I were to ask you to write take meeting minutes, there's an art form to this too."

One thing that operations might find helpful is that they don't have to reinvent the wheel — no matter what needs to be done, chances are someone has already done it. Networking with peers, following the "copy and steal everything" method, or straight up using the Internet can yield access to documents that help companies get some, most, or all the way to where they want to be. "Somebody out there has already went through the struggle of writing a policy and you can get a copy of it and take from it what will help you and then go from there," said LaDonna Bohling from Contract Callers. "So use your network and your peers out there to help you with this."

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Understanding How Management Training is Different from Regular Training

Teaching someone to be a collector is a fairly straightforward process because you know at the end of the training, you want those individuals to be able to collect debts, compliantly, empathetically, and persuasively. Teaching someone to be a manager is an entirely different process because at the end of the training, you want someone who can be a leader. And being a leader doesn't necessarily look the same from person to person and from agency to agency. Teaching people to become managers is more about teaching them how to deal with people, and a panel of experts from across the accounts receivable management industry shared their thoughts and ideas during a webinar recently that was sponsored by Peak Revenue Learning.

Collectors are usually hired to be collectors. Managers are usually individuals that are promoted from within, sometimes they are collectors, but they can also be administrative staff, or work in other areas of a collection or recovery operation. What makes someone a good collector or a good auditor is not necessarily what is going to make that person a good manager, noted Ken Aldrich from Harris & Harris.

"Regular training programs are very process-based," Aldrich said. "I'm going to show you how to do this step and then this step and then you can make up a decision tree. Whereas management training is often intended to add an entirely new layer of skill or group of skills that are completely unrelated to previous competencies. So you're teaching them new things that you didn't hire them for;. You're trying to engender that in them rather than develop something that was already there."

To accomplish that, it's best for companies to begin with the end in mind, the panelists shared. Sketch out what you want a manager to be able to do and that will help you build a program that teaches those people to do that. Every day as a collector is pretty much the same. Every day as a manager is not. Companies also need to not lose sight of the primary function of a manager – making the team around him or her better.

Part of that process is teaching individuals that it's ok to make mistakes as long as they learn from them said Mike DeCarpio of BCA Financial Services.

"You want to put people in the position to make decisions, to be able to execute, and do things that help your business grow, help their career path grow, but also don't put you or them in a risk situation that that can be detrimental for all of the," DeCarpio said. "So putting people in place to make decisions, to take actions, to make mistakes, and then learn from those mistakes collectively, it's all part of the training program."

The core components of a management training program are likely to include basic ethics — the way you should treat your direct reports, how you should communicate internally and externally, basic coaching tactics, time management — how to prioritize tasks, and then proceed to more advanced topics after that, the panel discussed.

"Management training programs really needs to focus on how do you want your leaders to lead people," said Cortney Helfrich of Wilber. "People who are going to leave or quit do so because of a bad boss. So as you're going through the training, it's not just about doing the job. It's a lot about dealing with people. Every day is not the same."

Helfrich shared a story about going to someone with a situation she was dealing with and the person gave her a book to read. She said she read about half of the book before moving on to something else. The leader circled back to her and asked if the book had helped. She said she told him that the book had definitely helped her get through the situation she was dealing with. The leader said he was surprised that she never came back and thanked him for the \$50. Confused, she asked him what \$50. He had put \$50 at the end of the book to see if she would read it all the way through. "I told him that I didn't say I read the whole book," she said. "I said I got what I needed out of the part that I read. But if you're ever interested in seeing if someone's reading the books that you're passing them, slide something in the back just to see."

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