

# **Qualified Collector**

## **MODULE 4**

ICM

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# Stages of the telephone Call

## Start, middle and end

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The very first thing you have to do is establish you are talking to the correct person. Depending on the size of your organisation you will have different criteria under data protection legislation. The Data Commissioners themselves will tell you that the onus on a large company to comply with the provisions is stricter than it is on smaller companies. When you are dealing with something as sensitive as banking and finance rigorous checking must be done before any information can be given out. In any case you really have to verify you are talking to the right person at the start.

At the simplest level, simply raise the inflection of your voice at the last syllable of their name “Hello, Tom” if spoken with a smile it will get a more positive reaction. If you are satisfied you are talking to the right person you can move directly to the central message you wish to deliver or more often move to the request you are looking to make or the question you are looking for an answer to – this is the middle stage we will discuss later. If you are not satisfied you can ask a qualifying question: “You are Tom Murphy from Carlow?” If answered affirmatively this could be accepted or you can move to some qualifying questions that only they would know such as address, date of birth, Mother’s maiden name, other account password, usual method of payment etc. Once you are absolutely sure you are talking to the right person and they should be able to answer the above questions without hesitation, then you are ready to move to the second stage of the call – the request.

The second stage is simply to state what you want. Be as clear as you can, and say the words. Never assume that they should know why you are calling, you have to tell them. If you set out in advance the required outcome for the call this helps in keeping you focused. Do you want the money transferred to your account? Do you want a cheque to be posted? Do you want to collect payment? Do you want their Credit or Debit card details? Do you want them to call into the office to meet

you? Whatever it is, be clear, be willing to be flexible to get the desired result, often there are many different ways to get the same result, and your job is to find the best way available to you at the time. Remember to listen attentively.

The third and final stage of the call is the closing of the call, and this is the commitment stage. In the same way a skilled salesperson is always looking for opportunities to close the sale, you have to employ some of the same tactics to close the call and get the required result. There are three parts to the commitment: how much they are going to pay, how they are going to pay and when they are going to pay. You need to include answers to all three questions before you have a real commitment, as soon as you get it repeat your understanding of the agreement. If they say they will do a cheque for you on Thursday, don't assume that they are going to post the cheque on Thursday. Writing the cheque can just be the start of a long process in some companies, where it has to go to two directors to be checked, approved and signed, then a spell in the post room, you know the story, so if they say they will do a cheque on Thursday, simply ask the confirming question "will it be on my desk on Friday" this should get through all the hoops and get straight to the point.

Often our customer will give us signs and signals they are willing to cooperate and enter into an arrangement and it is this stage that we reverse the process on the module on words above and become conscious of every word **they** use and asking yourself "Why did they say that?", "Why did they ask that?" "What are they really saying?" If you work on the basis that most people genuinely want to reach a settlement, it is your job to find a way that is acceptable to all concerned.

# Emotion, Logic and Power

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The first reaction you receive from a consumer or sole trader answering the phone is emotion. Know this simple fact and be ready for it. Now, different people have different ways of expressing emotion, some stay silent, some tell you of a death of a close relation, some shout and roar, some use what you could consider as inappropriate language, some can become defensive, some will promise anything, just to get you off the phone, some will burst into tears and others will threaten suicide because of their current hopeless situation. For the moment you need to learn to accept all the above behaviours simply as an expression of emotion, that has to be dealt with before you can expect to make any progress on the main issue which is the collection of the money.

Now before we deal with each one in turn, we must agree that the main job at this stage of the call is to learn how to deal with the emotion and move past it as quickly as we can so we can deal with the issues in a logical manner. Logic and Emotion are at two ends of the spectrum and you cannot communicate in a logical way with someone who is in an emotional state, you have to deal with the emotion first. Knowing that every person has a basic need to be listened to and understood, you can fulfil that role every time. Note: I didn't say agree with, I didn't say sympathise or even empathise. A line like: "Mr X, I hear what you are saying and I understand your situation and I am sure you understand mine. So what can we do to make this work?"

**Silent.** Have you ever had a call when the person at the end of the phone simply went silent? If this happens they either don't know what to say or they are afraid to say anything.

**Death of a close relation.** You might think this is an unusual item to have included in a piece on emotion. The reality is this is exactly where it belongs. You see the fact of the person's death and the non payment of the amount due to you are only linked in the emotions of the person you are talking to. As soon as they know

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who is calling and knowing that they have not paid anything for X number of months, their thought processes

**Shout & roar.** Oh we have all had this type of customer in the past and when they start you begin to wonder if they are ever going to stop. The reality is that they are going to run out of steam at sometime. Your job is to manage the interaction. If they start by shouting, the best form of defence is simply to let them get whatever it is off their chest, all you should be listening for is: have they a genuine grievance with your business or are they simply venting? If they have a valid reason, if something major has gone wrong and worse still you are responsible and they are justified in their anger, then you have to listen attentively and be in a position to take control of the call as soon as they have run out of steam. In this state of anger there is no point engaging with them, there is no point asking them to stop, there is absolutely no point in shouting back, that would take the conversation away from the central point which is the collection of the money. In conversations like this it will test you to the limit.

### **Inappropriate Language**

To some people this is just how they speak and the inclusion of the odd expletive is simply how they express themselves and there is no malice or badness in their intentions. Others use bad language as a weapon to deliberately annoy and upset you; the intention behind this behaviour is to win the battle by bullying you into ending the call without having to give a commitment to pay. If you see this just as a tactic and not a personal assault it will help you remain calm and focused at all times which is the secret to success in collections.

### **Defensive**

**Promise Anything.** While these people might seem to be easier to deal with at the time, they are probably the worst type of person to deal with. You will have a sense that they are uncomfortable; they are rushing to get the call over with and will say absolutely anything to get you off the phone. Take time and if you can get them to give you a firm commitment you are more likely to succeed.

**Tears can be difficult to cope with.** They can be an expression of emotion; they can be a tactic and a defence mechanism. This is almost exclusively in the realms of consumer credit

**Threat of suicide.** This is becoming more prevalent in the current climate and while throughout the course you covered quite a bit about psychology and emotions, you are not a trained counsellor and most are not equipped to deal with such serious cases. The reality is that 99% of the time it is just an expression of emotion and in most cases it has the desired effect when the collector backs down. The only thing I can suggest here and I stress I am just a lay person here I am not a counsellor, is to acknowledge what you are hearing and provide them with some hope by saying something like: “The thing about financial problems is that there is always a solution and I am available to help you find it” “We can work something out if you are prepared to meet me and go through the issues, I guarantee we will find a way out of what seems now like an insurmountable challenge.” In these cases if you show you are willing to be flexible, you are ready to discuss the options and really listen to the problems they are having and at the meeting you present the options in a non judgmental way and let them chose the option that works best for them, you will find a way as long as you are focused at all times on finding the best solution. The great thing about this approach is that while you are working with the customer, you are still finding a way that the account is going to be cleared, maybe it won't be as quickly as you would like, your job is to get as much money as you can as quickly as you can and every interaction will be different.

## Before, during and after

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You have to be conscious of these three timeframes. Before the call you have to do your research, get all the facts in front of you and make sure you are focused on what you want to achieve from the call. Remove all distractions and make sure you are giving your 100% attention to the call. You have a lot to listen out for and in particular any signals the customer is giving you regarding payment. A sentence like “I can’t pay the full €1,500 today” probably means that they can pay something today and they fully intend to pay the full €1,500 at some future date. If you listen to the voice inflection in the sentence – what word is the emphasis on? If it is on the €1,500 then the correct question is “How much can you pay today?” If the emphasis is on the word “today” then the correct question is “When will you be in a position to clear this account?” Either answer will bring about the start of the negotiations process that we covered in a previous model, and not to be accepted on face value. When you get into the habit of looking for signals you will find them everywhere and in every conversation you have. You simply have to open your ears and switch off your own natural ability to see the worst in everything.

You have to be aware of the feelings of the customer during the call, there is another aspect that is often forgotten and that is how the customer feels after the call. Are they likely to be relieved and to deliver what was promised in full? Of course this is the aim of your communications.

Consider the following scenario:

John owes ABC Ltd €3,000. It should have been paid two months ago and every day that goes by John is living in fear that he is going to get a really irate call and maybe end up in Stubbs or in court. Most people do not know how the system works and that fear follows them around all day long. Everybody finds something to worry about and worry about money can be the most thought consuming of all worries. Then one morning John’s worst fears are realised and here is ABC Ltd on



the phone. We know that that is going to spark an emotional response from John but let's take an easy option and go with the following content of the call:

Collector: Good morning John, Derek here from ABC Ltd, I am phoning to arrange collection of the €3,000 on your account.

John: Hi Derek, sorry I haven't paid it; things have been really tight here the last few months.

Collector: [clever enough to work out this is a "can't pay"] "So John, what can you pay?"

John: How about I give you €500 a month for the next six months?

Collector: That's great John, Thank you.

If that is the end of the call, can you imagine how John feels at this stage? Firstly it was far too easy, he knew he was clearly wrong for not paying the account when he should, he now knows that all the worry he did was wasted because ABC Ltd seemed to be ok with it. So for future reference he knows that he can take extended credit from this company. Then he will play the call over in his head and at some stage he will come to the realisation that he was really foolish to offer €500 a month. He will think – I owed them €3,000 and I offered them €500 and they accepted it without question, why didn't I offer them €200? If during the day John receives another call from a Credit Controller who has been through this course, he is more likely to pay them and leave ABC Ltd to the bottom of the priority list again, just to see what will happen next.

So you see you have to take the three time frames into account, you have to make sure that when the call is over, they are happy with the agreement reached and there is some incentive for them to follow through on the agreement.

# Identification, issues and commitment

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Now I can imagine at this stage you are probably totally confused at this stage. How can I put all these into practice at the same time? The start, the middle, the end; logic emotion and power; establishing the reason, establishing the personality type of the customer, looking for a closing opportunity, keeping accurate records, getting a commitment, following up and watching the words I am using and asking the right questions and I thought I knew all there was to know about the job of a collector.

Now let me ask you do you drive a car? At the start it was daunting, three pedals and you only have two feet, gear sticks, wipers indicators – three levers and only two hands and you have to keep one hand on the steering wheel at all times. A windscreen, side windows and a rear view mirror and you only have two eyes and for most people they point in the same direction! Reading and obeying traffic signs and hoping to get to the required destination, while remaining on your own side of the road without hitting anything oh yes, and without cutting out! That is daunting. Until now, unless you are a learner driver you have forgotten all this and driving is now second nature to you.

I assure you it will be the same with the collection call. Reading and re reading the material, incorporating one element at a time and when you have mastered that move to the second and soon you will find you are skipping through calls, adjusting to the requirements easily and effortlessly and getting results like never before.

The very best collectors do a lot of this automatically, what I am presenting here and what I hope you will do is to start performing the role consciously. There are four levels of competence – unconscious incompetence – you don't know and because of that you don't know you don't know! Conscious incompetence – stage two you realise there is something you don't know. Conscious competence – now you are moving to the third stage you know what you should be doing and because it is all new to you, you have to think about each step before you take it.

Finally you arrive at stage four – unconscious competence – you know what to do, you know how to do it and you can do it without even thinking.

So you see you have come on a journey and are now somewhere between stage three and four, when you get to stage four you are like the professional driver or the musician for whom the music seems to flow effortlessly.

Then to keep you on a track on continuous learning, you will discover that as soon as you have mastered the collections piece there are hundreds of other pieces in the Credit Management Jig Saw – from credit vetting customers, setting up workable policies, learning the legal aspects, personal insolvency, internal politics and reporting. I hope as you are coming close to mastering this topic you will be encouraged to go on and learn some more about this important topic.