

Collections

Notes

MODULE 3

1. Understanding the customer

To really excel at this job you have to be able to understand communications at a level beyond most people. You are dealing with individuals who are by definition under pressure financially and as such they are in a state that can make communications difficult. Particularly if they equate talking to you will reduce the amount of money they have available to themselves. The areas we are going to cover are – how people communicate and the different personality types.

It is important you build some type of connection with the person you are trying to communicate with. Stage 1 is rapport: You can build (or break) rapport on two levels, verbal and non verbal. In this lesson we will look at both. Stage 2 is calibrating, that is adjusting you style to match the conditions you find. Stage 3 looks at your communications style, the best way to understand this is to know what style of communicator you are yourself and throughout this lesson you will have a number of questionnaires, which are not to be returned. There are no right or wrong answers here it is just about who you are, and by understanding that a little better, you should be in a better position to communicate with others.

To discover what type of person you are complete the test in the spreadsheet entitled Processing Styles you would have received with your course material. This test was created by Michael Losier who has written two excellent books – The Law of Attraction and the Law of Connection. Which is one of the sources I have used for the material I have used in this section of the course.

Some of the concepts may be obvious and others will hopefully set off a light bulb and give you some insights into what makes people different, and what makes communications easy and what makes it more difficult.

The fact is we tend to use the world as a mirror. We like people we perceive to be like us and we don't like people who are not like us. Now I know that is a generalisation and people tend to be multifaceted and that is what makes things interesting. When we compare ourselves to others we are usually simply looking at one facet of them that is relevant at the time. You have a picture in your head as to what is right or what is acceptable in a given situation and then you judge

the other persons response on the basis of how it matches up to your own picture and as a result they either pass or fail the test.

In collections, you might hear a story of grief and hardship that you are prepared to accept as a valid reason not to make the required payment at the required time. Things like bereavement, a medical condition or a major family crisis could fit the bill here. Whereas if you found out the bill wasn't paid because they were on holiday in The Bahamas, you would probably have less sympathy for them.

Now, in broader terms people have four main types of communications style, they are Visual, Auditory, Kinaesthetic and Digital. There is an exercise to establish what type of person you are, and when you understand this and you understand the different types of people you will learn how to connect with them more easily. Now this isn't magic, although it can appear to be magic when performed professionally and the only way to perfect it is to practice it consciously all the time. The first exercise you will have to do as soon as you have read the material is to make a list of the people you come in contact with on a daily basis, co-workers, customer's even friends and see if you can work out what type of person they are.

1. Visual

Visual people, see things as pictures, memorise by creating pictures in their mind, learn quickly, get bored easily, value time, so things have to start and end on time and they prefer to get the big picture rather than all the details.

They use words like:

- Focus
- Imagine
- Look
- See
- Show
- Visualise
- Illustrate

- Clear/ Clarity
- Picture
- Bright
- Appear
- Dull/Hazy
- View/ Scan
- Enlighten

Commonly used phrases for the Visual Style Communicator:

- I see what you mean
- That's not clear enough
- Don't keep me in the dark
- That makes me see red
- Give me the big picture
- I need a new perspective
- I get the picture
- Can you clarify

Greetings commonly used by Visual people:

- It's great to see you
- You're looking good
- I'm looking forward to it

Goodbyes

- See you later/ soon/ around
- I'll look for you online

What others like about Visuals:

They can move from one subject to the next with lightening speed, they are good at understanding the big picture, great time managers and have lots of ideas

What others find challenging

- They can become rigid and inflexible when faced with timing or schedule changes
- They become impatient when listening or reading details
- Can be impatient
- Tend to rush themselves and others
- Not good on detail

To build rapport with a visual:

- Provide an agenda
- Keep meetings short
- Start and end on time
- Give plenty of notice
- Get to the point quickly

To break rapport with a visual:

- Change appointments at short notice
- Telling long detailed stories
- Long meetings
- Arriving late
- Ask them for great detail
- Long voice mails or emails

The type of questions you should ask a visual:

- Do you see what I mean?
- How does this look to you?
- Get the picture?
- Is that clear?

Auditory

Auditory people mainly process information that they hear. Auditory people prefer the radio to the television! When the visual people are looking at a scene the auditory people are listening to every sound and that is far more important to them.

They use words like:

- Resonate
- Harmony
- Repeat
- Tune in
- Buzz
- Discuss
- Ringing
- Listen
- Sound
- Noisy
- Whisper
- Tune
- Say
- Babble
- Quiet

Commonly used phrases for the Auditory Style Communicator:

- Tell me more
- I hear you loud and clear
- That rings a bell
- Tune in/out
- That resonates with me
- I'm looking forward to it

Greetings commonly used by auditory people:

- It's great to talk to you
- I called to tell you

Goodbyes

- I'll talk to you later
- Chat later

What others like about Auditory Style communicators

- They are excellent speakers and presenters
- Great for brainstorming – loads of ideas
- Love discussions
- Many are great writers and editors
- Great storytellers

What others find challenging:

- They tend to be blunt and very direct
- Not very diplomatic
- Always have strong opinions – on everything!
- Quick to anger if they are not being listened to
- Often interrupts
- Like the sound of their own voice
- Will repeat themselves until they think they have been heard

To build rapport:

- Ask them about themselves
- Avoid pressuring them
- Listen attentively
- "I hear what you are saying"

To break rapport

- Do something else when they are talking to you
- Interrupt them
- Raise your voice when you speak to them
- Tell them to “get to the point”
- Poor quality audio
- Background noise
- Misspelling

Type of questions to ask an Auditory:

- What do you think that means
- Do you understand?
- Is this making sense to you?
- Can you describe it in detail?

Kinaesthetic

Kinaesthetic Style is all about feelings based, Kinaesthetic style people often speak slowly, they learn through doing, they need to feel their way through new information, when making a decision they will “feel” whether it is right or wrong

They use words like:

- Feel
- Firm
- Together
- Relationship
- Touch
- Connect
- Press
- Catch
- Hard
- Complete

- Soft
- Numb
- Strike
- Comfortable
- Grasp/ Handle

Commonly used phrases:

- Walk me through this
- It feels right to me
- I'm getting a grasp on this
- That fits
- That sits well with me
- He rubs me up the wrong way

Common Greetings:

- I'm happy to hear from you
- I'm excited that you called
- Let's catch up
- Feels good to connect again

Goodbyes

- Take care
- Stay in touch
- Lets connect soon
- Hugs

What others like:

- Good at relationship building
- Extremely loyal
- Nurturing and supportive
- Detail oriented
- Great team players

What others find challenging:

- Find it hard to make decisions quickly
- Get overwhelmed with too many choices
- Provide too much detail
- Can be “needy” in personal and business relationships

To build rapport

- Provide an agenda for personal and business meetings or events
- Make them feel included
- Give a comfortable physical environment
- Allow time for creativity, fun and play
- Offer very few choices

To break rapport:

- Make them feel excluded
- Interrupt or talk over them
- Give too many choices
- Overanalyse
- Disregard their intuitive and emotional responses
- Too much logic

Good questions:

- How does this feel?
- Can you relate to this?
- What would make this more comfortable for you?
- Does this work for you?

Digital

Digital style people memorise by steps and sequences, process information in a methodical and logical way, very detail oriented, have a strong need to make sense of the world around them, learn by working things out in their mind, need time to process new information.

They use words like:

- Perceive
- Consider
- Detail
- Know
- Describe
- Figure Out
- Process
- Logical
- Change
- Think
- Rational
- Decide
- Understand

Digital Style Commonly used phrases

- Without a doubt
- Word for word
- Describe in detail
- Make sense of it
- Pay attention...
- I know what you mean

Common Greetings

- Hello
- Yes
- This is Derek

Common Goodbyes

- Bye
- Bye for now

What others like about Digital Style

- Good at solving complex problems
- Great strategists
- Excellent at sequencing and structuring tasks and projects
- Manage details very well
- Great at planning parties, events and outings
- Fiercely loyal

What others don't like about Digital Style

- Slow to trust new people, new things and new concepts
- Hate being interrupted
- Can be stubborn
- Like to be asked not told to do something
- Don't volunteer information – have to be asked specifically

To build rapport

- Provide an agenda
- Create timelines with them
- Use logic and facts when dealing with them
- Provide a quiet working environment
- Give them time for sufficient preparation
- Show you trust them

To break rapport

- Barge into their private space
- Expect an immediate response
- Present too many new ideas
- Not giving them time to process details
- Tell them what to do
- Taking them for granted
- Changing the agenda without their input

To reinforce the learning, the exercise that follows has four role plays. See if you can work out what style each person is demonstrating, what is happening and how their styles have impacted on the communications and what they both could have done differently. This is not for marks, but if you want to fill in the blanks, copy the next four pages and send them back to me I'll check your understanding and give you some suggestions.

Let me make it clear, there is no right way and no wrong way to communicate. As you read the stories that follow you will immediately be on one side or the other, you will agree with one and be annoyed by the other. The fact is you will support the person who most resembles your natural communications style and be most annoyed by someone who has a different style.

By being aware of the styles, if you can then adjust your style to match theirs you will be much more successful. By knowing this person is a Digital, so I better give them lots of facts and figures, this person is Visual, so I better not give them too many words, this person is Auditory, so how things sound is the most important thing for them, you will find yourself in the top 5% of excellent communicators.

After the role plays there is a simple form, you can print it off and put it on your desk. Put the name of the person on the left hand column and their style on the right hand column. You can do this with customers, co-workers, bosses, friends

and partners. The more you are aware of their styles, the less you judge someone as being right or wrong or being simply annoying, you see them simply as they are: “That is typical digital behaviour”, “That is exactly what I would expect from a Kinaesthetic” and then you adjust your style accordingly, I guarantee you will find an amazing difference in how you approach everybody. If you can make a habit of this, when you go into a new social circle, play a game with yourself and see if you can work out what their natural communications style is, and have fun with it.

Be warned as well that everybody illustrates all styles; just one tends to be dominant. If you did the online test you will see that you are a mixture of all four, so is everyone you come in contact with.

Exercise

Role Play:

A customer is browsing in a TV shop, the assistant comes over

Shop Clerk: May I show you the TV, the picture is really great

Customer: (pauses) Hmm, no thanks, I'm just collecting information right now

Shop Clerk: Let me show you what it looks like.

Customer: What is the warranty?

Shop Clerk: I'll just turn it on first...

Customer: I'd rather have my question answered first.[abrupt tone] I'd rather shop on my own and when I have a question I'll ask you.

How did this communication go?

Can you imagine this customer buying anything from this clerk?

The shop Clerks style _____

The Customers Style _____

What should the Shop Assistant said or done in this situation?

Role Play 2

John is talking to his girlfriend...

John: I want to tell you about this great idea I have...

Girlfriend: Another idea? What happened to the last one?

John: I don't think you are hearing me; I want to tell you all about it

Girlfriend: Go ahead, but I feel like you never stick to one thing. You are all over the place.

John: It sounds like you don't care about what is important to me.

Girlfriend: I didn't say that.

How did this conversation go?

Do you feel a row coming on?

John's style _____

Girlfriend's style _____

What could they have done differently to communicate better?

Role Play 3

Mary wants to connect with Jane a co-worker:

Mary: I'd like to get together for lunch so that we can talk about the new project

Jane: I had planned a few messages at lunchtime. What exactly did you want to discuss?

Mary: Oh I just wanted to connect with you and touch base.

Jane: Truthfully, I like it when we have an agenda so I know what we are going to talk about and how long it is going to take. Can we set up a half hour meeting at 2 o'clock when we both get back from lunch?

Mary: Yes we can. I am also hoping to hear how things are going with you.

How did this communications go?

Mary's Style _____

Jane's Style _____

What could they both have done differently?

Role Play 4

Dad tries to help his child with their homework.

Dad: [Turning off the radio] you've got to stick to this homework schedule.

Child: This method doesn't resonate with me. I like to do a little of this and a little of that, it doesn't have to be done in order.[turns the radio back on]

Dad: You can't possibly concentrate with all that music going on.

Child: It sounds good to me. It doesn't distract me at all.

Dad: [Grumbling] that doesn't make sense to me. How can you even think with all that noise?

Child: You're not listening to me. I told you it doesn't bother me.

Dad leaves the room in total frustration.

How did that communication go?

Dad's Style _____

Child's Style _____

What could the both do differently?

Now it gets even more interesting, as well as having a natural communications style there are sixteen different personality types, and we are going to find out about these in the next section.

a. Personality types

There are sixteen different personality types and lots of different definitions depending on the organisation carrying out the study. The best one I have come across is Myers Briggs. I have enclosed a short test with only 4 questions.

Follow the instructions at the top of each page and don't overthink your answers, simply tick the box that resembles you most. Some could go one way or the other, just that you are clear,

When you have finished the exercise, write down the four letters for your personality type:

My personality type is _____

Below you will find a summary of your personality type. As soon as you have established your four letters, find them on the following pages and see if it resembles you!

When you know what you are, you can go online and key in the four letters and you will find out a lot about yourself, if you have a friend or partner, get them to complete the test as well and by understanding what personality type they are combined with their communications style your understanding will increase, and so will the relationships.

In short where the sixteen personality types come from is based on four preferences:

E = Extrovert, How energized you are by the outer world

The opposite is

I = Introvert, how energized you are by your inner world

S= Sensing, focus on facts and practicalities

The opposite is

N = iNtuitive, focus on patterns and meanings

T= Thinking, decisions based on logic and objective analysis

The opposite is

F=Feeling, decisions based on personal values and convictions

J= Judging, live outer life in a planned and organised way

The opposite is

P=Perceiving, live outer life in a spontaneous and flexible way

So your score reflects your inclination towards one or the other. If you are more extrovert you will be an "E", if you are more introvert you be an "I". Just in case you are surprised, Freddy Mercury, the late lead singer with Queen scored heavily as an "I"! So often things are not as they seem on the surface, but that is why you are doing this course, because in Credit Control, nothing is ever as it seems. With the four tests there are sixteen possibilities: ISTJ, ISFJ, ISTP, ISFP, INFJ, INTJ, INFP, INTP, ESTP, ESFP, ESTJ, ESFJ, ENFP, ENTP, ENFJ, ENTJ.

Here is a short summary for each types, do you see yourself?

ISTJ – Quiet, serious, earn success by thoroughness and dependability. Practical, matter of fact, realistic and reasonable. Decides logically what should be done and work towards it steadily, regardless of distractions. Takes pleasure in making everything orderly and organised – their work, their home, their life. Values traditions and loyalty.

ISFJ – Quiet, friendly, responsible and conscientious. Committed and steady in meeting their obligations. Thorough, painstaking and accurate. Loyal considerate, notice and remember details about people who are important to them, concerned with how others feel. Strive to create an orderly and harmonious environment at work and home.

ISTP – Tolerant and Flexible, quiet observers until a problem appears, can act quickly to find workable solutions. Analyse what makes things work and readily gets through large amounts of data to isolate the core of practical problems. Interested in cause and effect, organise facts using logical principles, values efficiency.

ISFP- Quiet, friendly, sensitive and kind. Enjoys the here-and-now and what's going on around them. Likes to have their own space and to work within their own time frame. Loyal and committed to their values and to the people who are important to them. Dislikes disagreements and conflicts, do not force their opinions or values on others.

INFJ- Seeks meaning and connection in ideas, relationships and material possessions. Wants to understand what motivates people and are insightful about others. Conscientious and committed to their firm values. Develops a clear vision about how to serve the common good. Organised and decisive in implementing their vision.

INTJ- Have original minds and great drive for implementing their ideas and achieving their goals. Quickly sees patterns in external events and develops long

range explanatory perspectives. When committed, organise a job and carries it through. Sceptical and independent, have high standards of competence and performance – for themselves and others.

INFP- Idealistic, loyal to their values and to people who are important to them. Wants an external life that is congruent with their values. Curious, quick to see possibilities, can be catalysts for implementing ideas. Seeks to understand people and to help them fulfil their potential. Adaptable, flexible and accepting unless a value is threatened.

INTP- Seeks to develop logical explanations for everything that interests them. Theoretical and abstract, interested more in ideas than social interaction. Quiet, contained, flexible and adaptable. Have unusual ability to focus in depth to solve problems in their area of interest. Sceptical, sometimes critical, always analytical.

ESTP- Flexible and tolerant, they take a pragmatic approach focused on immediate results. Theories and conceptual explanations bore them – they want to act energetically to solve the problem. Focuses on the here-and-now, spontaneous, enjoys each moment they can be active with others. Enjoy material comforts and style. Learn best through doing.

ESFP- Outgoing, friendly and accepting. Exuberant lovers of life, people and material comforts. Enjoys working with others to make things happen. Brings common sense and a realistic approach to their work, and make work fun. Flexible and spontaneous, adapt readily to new people and environments. Learn best by trying a new skill with other people.

ESTJ- Practical, realistic, matter-of-fact. Decisive, quickly move to implement decisions. Organise projects and people to get things done, focus on getting results in the most efficient way possible. Takes care of routine details. Has a clear set of logical standards, systematically follow them and wants others to as well. Forceful in implementing their plan.

ESFJ- Warm hearted, conscientious and cooperative . want harmony in their environment, works with determination to establish it. Likes to work with others to complete tasks accurately and on time. Loyal, follow through even in smaller

matters. Notices what others need in their day-to-day lives and try to provide it. Wants to be appreciated for who they are and what they contribute.

ENFP- Warmly enthusiastic and imaginative. Sees life as full of possibilities. Makes connections between events and information very quickly, and confidently proceed based on the patterns they see. Wants a lot of affirmation from others, and readily give appreciation and support. Spontaneous and flexible, often rely on their ability to improvise and their verbal fluency

ENTP- Quick ingenious, stimulating, alert and outspoken. Resourceful in solving new and challenging problems. Adept at generating conceptual possibilities and then analysing them strategically. Good at reading other people. Bored by routine, will seldom do the same thing the same way, apt to turn to one new interest after another.

ENFJ- Warm, empathetic responsive and responsible. Highly attuned to the emotions, needs and motivations of others. Finds potential in everyone, wants to help others fulfil their potential. May act as a catalyst for individual and group growth. Loyal, responsive to praise and criticism. Sociable, facilitate others in a group and provides inspiring leadership.

ENTJ- Frank, decisive, assumes leadership readily. Quickly sees illogical and inefficient procedures and policies, develops and implements comprehensive systems to solve organisational problems. Enjoys long-term planning and goal setting. Usually well informed, well read, enjoys expanding their knowledge and passing it on to others. Forceful in presenting their ideas.

AS you read through the list, you will see parts of yourself in your dominant type. If you are 70% Extrovert, you will see yourself more in the areas that begin with E.

Just knowing the different communications styles and personality types should really help you in your day job.

If you want a more simple model there are four other groupings that I have come across: The Leader, The Carer, The Learner and the Comedian.

The Leader needs focus and if there is a big mission the Leader comes out, they protect boundaries, explore new horizons, fights for what is right, sets new standards, is courageous and is an inspirational leader.

Name three people you know who fit this description:

The Carer, needs to have someone to love, they make decisions from the heart, they are a collaborator and a connector, they are at peace with themselves, have a deeply caring nature, they always see the good in other people.

Name three people you know who fit this description:

The Guru is on a search for wisdom. They share their knowledge with others, they search for the truth, they thirst for knowledge, and they are a true Guru and seem connected to a higher power,

Name three people you know who fit this description:

The Comedian takes life lightly, they can laugh at themselves and have no real ego needs, and they are creative, spontaneous and full of energy.

Name three people you know who fit this description:

On top of the types, different people have different needs and they place a different value on things. They can largely be broken down into four main different types of people:

1. Certainty/ Comfort
2. Uncertainty and Variety
3. Love and Connection
4. Significance

Type 1's Certainty/ Comfort like:

- Routine
- Avoidance
- Plans
- Controlling
- Procrastination
- Facts
- Food
- Learned Helplessness
- Smoking
- Faith
- Belief
- God

Type 2's Uncertainty and Variety like:

- Alcohol
- Drugs
- Create a drama
- New relationships
- New Job
- New locations
- Learning
- Stimulating conversation
- Crime
- Sports
- Adrenaline rush

Type 3's Love and Connection like:

- Sympathy via sickness
- Crime
- Gangs
- Smoking
- Compliance
- Intimacy
- Spirituality
- Clubs
- Pets
- Nature
- Leading and Inspiring.

There are also two sub groups The Growth Seeker and the Contributor.

Growth is achieved when the search for variety comes from the stability of certainty.

Contribution is achieved through becoming significant in comparison to others and then connecting with others to lead and inspire them.

People will be motivated by their values and perhaps an understanding of this will help.

b. Expression of emotion

When people are in an emotional state they tend to adopt a shadow personality to protect their real selves. The shadow personality comes out in times of stress or fear, in fact stress is simply a code word for fear! We can have different shadow selves depending on the person we are relating to.

The dark side of the Leader is the Accuser.

The Accuser looks externally for the cause of the results, when their needs are not being met they seek to lower others esteem and amplify themselves. Sometimes this behaviour is modelled on an overbearing controlling parent or the opposite if a parent failed to enforce boundaries or were too permissive. Visual cues are red face, tight lips, angular posture and pointing fingers. Their greatest fears are failure, being controlled or not being good enough. Their driving human need is for significance and certainty.

Name three people you know who fit this description:

The dark side of the Carer is the Coward

The Coward operates from a place of fear. They blame themselves externally for things that go wrong but secretly blame others. They seek to please others in the hope they will acknowledge and validate them, in this pursuit they will often choose someone to save. They find it difficult to set and enforce boundaries; they find it hard to make a decision. They have learnt to placate in relation to an overbearing controlling parent. Visual cues are bitten nails, poor skin quality, up-

turned palms in submissive gesture. Their greatest fears are abandonment, conflict and the unknown. Their driving human needs are for certainty and connection. The last thing they want is significance!

Name three people you know who fit this description:

The dark side of the Comedian is the Avoider

The Avoider looks to keep busy and distract themselves from problems. They change the subject when people challenge them. They are the life and soul of the party. The shadow develops from an aloof parenting style. They start loads of projects and soon run out of steam. They are prone to addictive tendencies. Visual cues are non symmetrical physiology. They are not very good listeners as they are busy talking to themselves or deep in thought. They tend to know lots of people and have very few friends. Their greatest fear is being judged, commitment and rejection. Their needs are for Uncertainty and Significance.

Name three people you know who fit this description:

The dark side of the Guru is the Digital

The Digital lives from the head up, they look to bolster self esteem by being superior in knowledge and can be condescending. They evaluate on intellect and distrust their external instinct. Could have been developed in response to being pushed hard by parents by being told constantly what they did wrong, without

enough effective praise first. They defend themselves with logic and reason. Their greatest fears are being wrong, failure and being poor. Their driving needs are for certainty and then significance.

Name three people you know who fit this description:

When faced with a shadow self ask yourself “What shadow self are they operating from?” What can I do to meet their needs and sooth their fears?

Perhaps this level of information is more useful when dealing with friends and partners than dealing with customers, as long as you find it useful... anyway it helps if you can put a label on a customer: “Oh, this is a real Digital!” “This one is a bit of a Avoider!” When you can put labels on the people you are talking to or sometimes who are shouting at you, you distract yourself from the content of what they are saying, you never get upset by their behaviour – that was lesson #1, and while you are working out the type of person they are, knowing their fears and wants puts you in a stronger position to know how to get to the required result.

I know I have given you a lot of information here, the only way it will work is if you practice it every single day. With practice the people you come in contact with will think you are psychic – “how did you know I had controlling parents?” Answer: “well with behaviour like that, it couldn’t come from anywhere else!”

I hope this will whet your appetite to become a people watcher and use the knowledge here to amuse yourself particularly when people become totally unreasonable – there is a reason and it is up to you to find it. Why consumer collections in particular can be difficult because you are dealing with people at a

heightened emotional state and at these times we are more likely to see the shadow personality than the more positive one. We have to learn, first to recognise it and then be able to work out what to do about it.

c. Change in circumstances

One of the things we have to be aware of where we are dealing with businesses or consumers is when their circumstances have changed. There are some credit controllers who will say out loud “not my problem” “I don’t care about your problems, I have enough of my own” and I don’t fully agree with them. Now you cannot become an agony aunt or a person who takes on everybody’s problems, otherwise you will get no work done and unless you are made of stone you will find it having an effect on your own performance. If you have a loyal customer for many years and due to some event they are no longer in a position to honour the commitments they have made, it is up to you to get all the relevant facts and to make a decision. In simple terms you have limited options:

1. You can offer increased terms and increased lines of credit to help them over a difficult patch. This is a high risk strategy and should only be done with approval and when you are happy that this is simply a temporary blip and things will return to normal in a known space of time. The agreement should not be open ended, “we can give you an extra months credit until the end of October, when the account will revert to 28th of month following” . In the middle of October you should have a note in your system reminding you to make a call to confirm all is going according to plan and there will be a double payment at the end of the month.

2. You can hold the account at its current level for an agreed period and agree to supply goods on a cash-on-delivery or cash/ credit card on collection basis. This way you are maintaining contact, keeping them supplied and hope that at the end of the agreed period they will be in a position to either pay you in full or start paying down the account in agreed monthly instalments. I have to stress at the risk of repeating myself that the “agreed period” is exactly that. Have a definite date or time that the account will be brought back into terms and stick to it. Your credibility depends on it.

3. If you deem that the problems are not of a temporary nature, that in fact the problems are terminal, then the only option you have is to get as much as you can as quickly as you can.

4. An option often used by Credit Controllers is to simply stop supplies, if this is done in isolation without a rigorous collection process you are in danger of losing the customer **and** losing the money.

When circumstances change and when the customer is important to you, you should get all the facts and work with the customer to find a solution that works. If you are dealing with a low value customer say an electric bill, a gas bill, a telephone bill or an internet bill, then the individual customer is not that important and your main concern is in managing your exposure. In these cases there are two ways of dealing with it:

1. Immediate cut off. The bill is due on the 26th and it is not paid so supplies are withdrawn on the 27th, and only reinstated when payment in full is made. Sounds like a harsh strategy, it works when the person is tied into you and wants to use your service and the withdrawal of service will prompt immediate payment rather than a mass exodus away from your company. The stronger your position in the marketplace the better this will work. To be honest in the consumer credit field, I see more and more Companies resorting to this tactic in the future. As payments become automated and electronic as the binary system takes hold of how we do business. When I talk about the binary system I am talking about two options – black and white. It is either on or it is off. The account is either not due or overdue. Payment is either processed or it fails, and if it fails the service stops. As we strive for greater efficiencies in the workplace, the easiest way to cut down costs is to remove all the grey areas you will see this happening more and more. For example when you buy one hour's internet access, there is a countdown timer and when the time gets to zero the service stops. In time this will be the way all business is done. For now there is an expectation that there will be some leeway and when building a regular customer base adopting such a rigid approach could have a detrimental effect on the business and as long as other suppliers remain more flexible, consumers would be more inclined to move to them.

What is reasonable?

This one word has kept generations of lawyers profitably employed for years. The law always uses phrases like “reasonable care” “reasonable doubt”. What is reasonable to you may not be reasonable to me, and I suppose that is why the courts are full of cases every single day, everyone thinks they have a case and the reality is that half of them are going to lose. Even the “winners” on the day may not really be winners at all when you add up all the costs. In most cases the only real winners are the legal profession themselves.

In the world of credit control you get to define what is reasonable, and you will only be able to do it properly when you perfect your questioning and listening skills as outlined in the last module. You also have an acceptable level of debt whether spoken or unspoken; there is a culture in your business that considers one debt good and another bad. It is helpful if you can document this and in the absence of a guideline you should, as far as possible adopt a zero tolerance position on all overdue accounts.