

Collections & CREDIT RISK

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STAR TREATMENT :

HOLD ON TO YOUR ACES



Illustration by Veer.com/Michael Klein

BY CAROLYN HEINZE

Turnover remains a problem for many collection agencies. How can firms keep top performers motivated and happy?

Rare is the child who dreams of growing up to become a debt collector. Scarce is the adult who launches a job search with the ultimate goal of landing a position as a collections agent.

That's not to say the job itself must be unpleasant or unfulfilling. By creating a positive working environment that emphasizes the rewarding aspects of debt collecting, agencies not only facilitate the recruitment – and subsequent retention – of skilled employees but they also contribute to reshaping the often negative image many in the general public have about the industry.

“The collection industry has a bad rap and I don't think that is legitimate,” says Pam Kirchner, chief executive officer of BCA Financial Services Inc., an accounts receivable management company based in Miami.

When many people think of a collection agency, she adds, they imagine a cold, poorly lit warehouse packed with surly individuals barking out threats over the telephone. They also tend to think about the isolated examples they have heard concerning an abusive collector.

“Those images are not reality anymore,” Kirchner says. “Our collection agents are highly trained, educated professionals – selected because they have excellent communications skills and excellent negotiation skills.”

personnel

That said, collecting debt remains a challenging gig and Kirchner understands that it requires individuals who can deal with frequent rejection.

“We work in a very fast-paced, high-stress environment, and you get a lot of rejection,” she says. “You’re unsuccessful more than you’re successful.”



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JANICE L. SCHROEDER, DCM SERVICES, LLC

Selling the Job

To counter this, progressive agencies provide a comfortable setting in which collectors are at ease.

BCA Financial Services, for example, is housed in a building that overlooks Biscayne Bay, and whenever employees need to take a breather they can step out onto a large terrace to enjoy the view.

Inside, the office is equipped with the tools and technology that enable employees to work effectively, and Kirchner says that it is these elements that illustrate to job candidates that her company is not at all consistent with that image of the damp, dingy warehouse.

“From the moment they walk in our door, the first thing we do is we get rid of that negative image,” she says.

After job candidates have the opportunity to look around, Kirchner and her recruiting team discuss how the company works, the clients it serves and the testimonials it has received from not only those clients, but those from whom BCA has collected as well.

In some cases, former debtors have enlisted the company’s services for their own businesses, which helps to demonstrate the organization’s focus on customer service rather than bullying—making the prospect of working there a lot more attractive.

It also pays to be open-minded about hiring those who have had issues with credit agencies in the past, believes Kenlyn T. Gretz, president and chief executive officer of Americollect in Manitowoc, Wis.

In mid-October, the company recruited six new employees, two of whom have owed money to the firm.

“That’s good – we want people that are like that,” Gretz says. “They can relate better to the consumer and they can probably bring them value in some sort of communication.”

Training to Service

Kirchner believes that if agents do not feel like they are helping the consumers, chances are they will not enjoy their jobs.

At BCA, agents are taught that they are working in sales, with the goal of selling payment in full. To get there, they need to know how to listen, and realize that not every call is handled the same way. By listening, collectors can learn why the bill is delinquent and then work with the consumer to figure out how they can solve the problem together. This, Kirchner underlines, is how collectors can feel like they are making a difference.

A large part of controlling turnover is linked to training: if collectors are taught the skills they need to handle the more difficult calls they have to make, chances are they will be less frustrated when things are not going smoothly.

Kirchner explains that with today’s economy this is especially important, as consumers are strapped for cash and are therefore under a lot of stress.

“We try to train them to understand

where the consumer is coming from,” she says. “We explain that the anger is not really directed at them; it’s what’s going on in the consumer’s life. We can’t change that, but we can give them a different take on it to allow them to see the other person and understand their situation.”

DCM Services, LLC, an accounts receivable management company based in Golden Valley, Minn., focuses on a narrow slice of debt collection: deceased debt recovery.

Janice L. Schroeder, DCM’s director of human resources, notes that this requires collectors to apply a heightened sense of compassion. “Our collectors have the added burden of dealing with people who are grieving and who are in mourning,” she says. “When you look at the position, it’s a combination of social worker and customer service professional all wrapped into one.”

With this in mind, collectors are trained to focus on resolving outstanding obligations rather than straight-out collecting money, says Ronald J. Michalak, DCM’s vice president of marketing. “We’re dealing with the survivors of the deceased, and it is our job to help them take care of the final affairs of the deceased,” he says. “We are working with them to help them take care of some matters that will help them, in their personal lives, to move on.”

At Americollect, collectors are taught to employ an age-old method: treat others as you would like to be treated. “Who hasn’t struggled in their life?” Gretz says. “We strictly enforce that and some agencies don’t and I think that’s why they have a decent amount of turnover because they allow their collectors to beat up people on the phone. Who’s going to enjoy coming to work if all they are doing is beating people up on the phone?”

Like Kirchner, Gretz views collecting as a sales and customer service position. “We spin it as more of a sales position, and I think we’re getting the right people because we’re looking for salespeople and customer service people who are interested in solving problems versus accusing and demeaning people,” he says, adding that in guiding the consumer through financial prioritization, agents are charged with building the consumer’s image of themselves.

“When a collector feels like they are doing good, they’re going to enjoy coming to

work and they're going to enjoy doing their job."

Holding Onto Stars

While not everyone will prove to be a star collector, once you have identified your strongest talent logic dictates you will want to keep them for as long as possible. While good training and a comfortable office contribute to this, agencies also must make a continued effort to ensure that the work is challenging and interesting.

At BCA, new recruits are asked to complete a personality survey, which they then review with management to confirm whether or not they believe it is accurate. Once accuracy is established, the results are distributed to the supervisory team, which uses them to determine what motivates that specific individual. For example, some people are motivated by praise, while others are driven by status or money.

Kirchner points to an example of an employee who worked diligently on his assignments but was bored easily. To tap his potential, BCA's management assigned him varied projects that enabled him to essentially change jobs every couple of months. "It's about getting to know and understand your employees, and understand what you need to do as a company owner or manager in order to keep them," she says.

Making it Fun

Once employees are recruited, it is up to the management team to balance the challenges that collectors face with a little bit of fun. At BCA, employees have access to a gym, day spa and health food market. The company organizes a monthly contest, such as bowling, and the winning team is granted an afternoon at a local restaurant.

"What we try to do is to fill up with as much of the positives as we can – great benefits, excellent salary, a beautiful office," Kirchner says. "We try to outweigh negatives with the positives."

Tracey L. Bannochie, vice president of operations at DCM Services, acknowledges that added benefits contribute to maintaining enthusiasm among employees. "Seven-and-a-half hours of the day on the phone can be redundant," she says. "It's a challenge to keep somebody motivated to do a good job all the time." Understanding this, she explains that DCM's employees are treated much like software engineers in Silicon Valley: the company offers yoga and pilates classes on site, provides access to a gym located in the building and enlists the services of a masseuse, twice weekly, who gives chair massages.

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TRACEY L. BANNOCHIE, DCM SERVICES, LLC

Twice a month, the firm sponsors lunch and catered treats are brought in each day. The organization has set up reward programs, which enable employees to win different prizes, such as tickets to special events. "It might seem silly, but they love it, and it's the little things that make the difference," says Bannochie.

Accepting Turnover

Despite a company's best efforts to keep employees, some turnover is inevitable, and just as organizations need to incorporate systems and strategies that serve to retain professionals for as long as possible, they must be prepared to lose people too.

Part of this reality is a result of the generation gap. Younger generations change jobs easily in an effort to gain experience and build their own, individual brands as professionals.

"If you looked at resumes of collectors applying for jobs 10 years ago, they might have stayed with the job for three to five years. Now, we're lucky if someone stays on the job for two-and-a-half to three years," Gretz says. "Turnover ratio has to be tied to age buckets."

Kirchner believes that the current economic climate, which is witnessing layoffs in a number of sectors, will drive people to apply for collection jobs, again, out of default.

"To a degree, it's going to increase the turnover because you can't always determine whether somebody is going to last or not," she says. "Again, you're going to end up with these people for a short time until they find something better. We have to change our image so that they don't think that there's something better out there." **CCR**

