

# THE CREDIT TIMES



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## Rocking it Old School: The Power of the Telephone

By: Robert Ingold, CEO

There are more ways to communicate now than ever before, and for those of us who make a living collecting money owed to our employer or our client, texting, email, Facebook, LinkedIn, and other device-based tools have taken their place in our tool kit.

But when it comes to speaking with our clients and the entities from which we collect, from my perspective, an older technology remains the most powerful: nothing compares to human-to-human verbal communication by telephone.

A customer or debtor could write "I'm going to pay the bill," in a text or email. But that phrase can have thousands of actual meanings depending on circumstance, voice inflection and tone. You are then able to base your next question on those cues. A collector's ability to listen to and immediately follow up on what is being said can make all the difference in successfully resolving an account.

Based on my years in the business, there are six simple steps that anyone can use to get the most out of a phone conversation regarding a bill:

**Be singularly focused.** We all think we're good multi-taskers, but researchers say none of us are. Before making the call, turn off anything that might distract you – phones, other than the one you're using, other devices, and even email or Facebook alerts can take your attention away in the most crucial moment.

**Reflect on what is being said.** As you are talking to the other person, acknowledge that you are listening to what he or she is saying. You don't want to interrupt the flow of conversation, but just saying something like "mmm hmmm" or "please continue" lets the person on the other end of the line know you are paying attention and encourages him or her to keep talking.

**Clarify statements or questions.** Don't be afraid to say you don't understand. For example, a customer or debtor might say "When I bought this, I said I was not going to pay until I sold my product." Your reply might be, "I don't understand. You mean, if you never sold your product, you had no intention to pay? Why would you think you could get this for free?" Listen to what is said. It is likely the customer or debtor is trying to buy more time, and it is up to you to tell them that's not an option. It is also possible that there was a misunderstanding at the time of purchase, or even that the customer or debtor was given a false promise or bad information. You want to know that as well.

**Restate what was said.** When customers or debtors make a statement about that, repeat it back to them – but further refine their statement if necessary.

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The repetition goes back to our second step - you are reflecting on what is being said, and encouraging them to keep talking. By refining the statement, you can encourage the customer or debtor to make a more precise commitment.

Let's say the customer promises to pay you within the next seven days. You might respond with:  
"Within the next seven days. To me, that means you will have the check in the mail by this Friday. Is that correct?"

Without these specifics, you don't have a promise, you have a hope.

**Encourage further information-laden statements or questions.** The more information you can get from a phone call, the better off you'll be – especially if any payment promises you receive are broken, and you need to call back. Encourage the customer or debtor to give you as much detail as possible, so you can later hold them to what they say.

Customers or debtors commonly say they will pay you as soon as a payment they are expecting from their customer or client arrives. If you are listening carefully and hear such a statement, you can respond with more questions: "When does that client normally pay you, first-of-the-month? Mid-month?"

**Summarize the conversation.** Before people in our line of work hang up the phone, we want to have a promise, an understanding, with the customer or debtor. The details of this commitment should have been worked out in the previous two steps. In this step, repeat them. Especially if this is an early attempt to collect, I recommend framing this in the most positive of ways: "You have been a very good customer who has made good on your debts. If that were not the case, your application for credit would not have been approved. Today, you have told me that you will have a check in the mail by this Friday, right after your customer pays you. Have I understood correctly?"

With so many options available for communication, it can be tempting to use one that takes less time and effort than the telephone. But in my opinion, the good old telephone is often the best tool for a credit or collections professional to use to get the most information and the best results. Personally, I have found the more time I take to do it right up front, the less time I have to take to do it all over again.

## Believe It or Not

***The 2016 NACM Credit Congress is around the corner!***

*This year it will be held in Las Vegas, Nevada at Caesars Palace from June 12th-15th. Our booth number is 111. Be sure to stop by and visit with us.*



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