

# What's Up

# In the World of Collections



A Publication of The Commercial Collection Corp. of NY Inc.

September 2011

## Outsourcing...Why?

For a company that sells on credit, the accounts receivable financing portfolio is one of the largest assets. However, the accounts receivable management area of assets is often not given due importance or care. **In a survey carried out among companies, more than 40 percent revealed that they do not follow through on policies, procedures, or performance targets.** It was found that most of those companies do not have a sufficient workforce to focus on this issue. To outsource the task of accounts receivable management is an ideal option for firms selling on credit.

*A company can outsource all or a part of its accounts receivable business functions. Typically the functions which can be outsourced are:*

- \* Management of outsourcing accounts receivable at a given point of time
- \* Accurate keying of sales invoices on the basis of supporting documents like purchase orders, details of vendors, terms of payment etc
- \* Ageing of receivables
- \* Ensure timely collections and accurate application of payment to the customer's accounts
- \* Track and resolve delinquent accounts
- \* Ensure timely and accurate reconciliations of vendors
- \* Maintenance of customer database
- \* Risk ascertainment and analysis of credit worthiness
- \* Customer history maintenance
- \* Creation of new customers or modification of existing customers
- \* Ensuring appropriate documentation base before adding a customer

*Cont'd on back...*

## HAPPY BIRTHDAY!!

### Leo

Mr. Jim Dentico      Ms. Sharon Kearns  
Ms. Karla Jenkins      Ms. Nikki Hardman  
Ms. Angel Parra      Ms. Cathy Denoff  
Ms. Debby Brems      Ms. Gail Berndt  
                                 Ms. Nancy Hendrickson  
                                 Ms. Jana Hadbavny  
                                 Ms. Linda Campogiani

**Born: July 23 - Aug 21**  
**Quality: Brave & Noble**  
**Special Color: Gold & Orange**  
**Starstone: Ruby**

### Virgo

Mr. Chad Counts      Mr. Chris Burgess  
Ms. Bonnie Nickles      Ms. Beth Gardner  
Mr. Steve Shumate      Ms. Tammy Tolley  
Ms. Shari Slesnick      Ms. Sheryl Dupont  
Ms. Christy Kriz      Ms. Mary Gaynair  
                                 Mr. Shawn MacArthur

**Born: Aug 22 - Sept 23**  
**Quality: Modest & Energetic**  
**Special Color: Navy Blue & Gray**  
**Starstone: Sapphire**

**Ask About Our... Client Birthday Club!!**

### In this issue:

- \* **Outsourcing....Why?**
- \* **Happy Birthday**
- \* **Believe It or Not**
- \* **Did You Know?**
- \* **Brain Teaser**

### Management Team

**Robert Ingold**  
President

**Joseph Grieco**  
Exec. Vice President

**Judith Mattioli**  
Sr. Vice President

**Patricia Stelter**  
VP/Controller

**John Chotkowski**  
VP of Collections

**Susan Landel**  
VP of Collections

**Darlene Evans**  
VP of Operations

**Bryan Rafferty**  
VP of Sales

**Frank Vecchio**  
Legal Manager

**Robert Landel**  
Outsource Manager



Cont'd from front.

**Outsourcing accounts receivable can have several benefits:**

- \* Up to 30% to 50% annual A/R processing cost savings without capital investment. The company usually gets the best service at a low cost from the service provider.
- \* Eliminating postage and material expenses
- \* Increasing revenue by providing cross-selling/up-selling opportunities
- \* Increasing Return on Investment (ROI) for marketing programs
- \* Improving cash flow
- \* Reducing calls to customer service
- \* Improving customer retention and relationships by building brand
- \* Reduction in bad debt
- \* Utilization of advanced technology
- \* Better control over accounts receivable management

Outsourcing has been identified as an excellent business decision to dramatically cut costs and at the same time ensure that the work does not suffer.

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[www.strategicoutsourcesolutions.com](http://www.strategicoutsourcesolutions.com)  
*for more information on our Outsourcing services.*

## Brain Teaser

My friend Albert the butcher wears a size 13 shoe, is six feet tall, and wears a 42-long suit.  
What does he weigh?

**Last Question:**

With your pants on, can you put your right hand in your left pocket and your left hand in your right pocket?

**Answer:** Yes, by putting on your pants inside out.

**Winner to Previous Question:**

- |   |                              |
|---|------------------------------|
| 1. Sara Niederer (Waukegan, IL)           | 2. Dawn Bishop (Buffalo, NY) |
| 3. Danielle Devlin (Newton Highlands, MA) |                              |
| 4. Don Kohler (Rochester, NY)             | 5. Dave McDanel (Salina, KS) |

*All answers to be placed on enclosed Fax-O-Gram form.  
5 Fax-O-Grams will be pulled at random & sent a FREE Gift.*



**Believe It or Not**

**September is:**

- National Self-Improvement Month
- National Square Dance Month
- National Classic Music Month
- National Bed Check Month
- National Courtesy Month
- National Chicken Month

**October is:**

- National Dessert Month
- National Sarcastics Month
- National Adopt-A-Dog Month
- National Pickled Pepper Month
- National Computer Learning Month
- National Vegetarian Awareness Month

## Did You Know ??

The Federal Trade Commission (FTC) has been the main government agency responsible for enforcing debt collection laws such as the FDCPA (Fair Debt Collection Practices Act).

On July 21, 2011 the President signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into law. As part of this law, the Consumer Financial Protection Bureau (CFPB) has been created. The CFPB is responsible for overseeing the financial products marketed to the consumer. Within their scope of authority, the CFPB is now the governing agency responsible for enforcing debt collection laws.

However, there is a new twist. The CFPB also has the power to write new enforceable rules which govern the debt collection and accounts receivable management industry. President Obama recently nominated Richard Cordray as the CFPB's Chief Enforcement Officer. Mr. Cordray is no stranger to enforcing collection law as he is a former Ohio Attorney General. While revision of the collection statutes may not be on the top of Mr. Cordray's priority list, there will most likely be reform during his tenure.

**If there is a topic you would like to see appear in our newsletter, please contact Judy Mattioli at:**

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