

THE CREDIT TIMES



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Collectability of Delinquent Debt

Proper cash flow drives large as well as small businesses, but delinquent accounts are the brakes to their operations. Recently many companies have extended the aging time on accounts receivables prior to instituting formal collection efforts. The loose payment requirements may be severely impacting the company's cash flow and therefore their bottom line.

A survey of Commercial Collection Agency Association members indicates the probability of collecting the full amount of a delinquent account drops dramatically as the length of time after the due date increases. Even after just 90 days past the due date, the amount recovered drops to 70%. At 6 months, it reduces to 50%; at 1 year it is less than 23%; and after 2 years the likelihood of recovery plummets to 10%.

The survey results clearly demonstrate the importance of taking positive action when an accounts receivable ages past its due date. A competitive economy requires a healthy cash flow and the ability to adapt to changing market conditions – regardless of the industry. Companies must take a hard line on past due receivables and turn to professionals when internal efforts are not successful.

In order to decrease the amount of delinquent debt, companies need to pay attention to warning signs that may be an indication that their customer is in trouble.

1. A change in pay habits such as an increase in the time to pay an invoice.
2. Frequent mistakes on checks or if they provide check numbers and amounts but the actual check never shows up.
3. If the decision maker cannot be reached or calls appear to be screened by a gate keeper.
4. Smaller orders.
5. Jump in orders can indicate the customer is loading up.

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The Commercial Collection Corp. of NY, Inc. is pleased to announce the promotion of **Joe Grieco** to **President**.

Joe joined the company in 1985 as a Collection Manager Trainee and was promoted to Executive Vice President in 2002. During this time he has been an intricate part of the success and growth of CCC.

All of us at the company Congratulate Joe and wish him success in his new position as President.



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Management Team

Robert Ingold
Chief Executive Officer

Joseph Grieco
President

Judith Mattioli
Sr. Vice President

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Vice President

Susan Landel
VP of Collections

Darlene Evans
VP of Operations

Bryan Rafferty
VP of Sales

Frank Vecchio
VP of Legal

Valerie Ingold
VP of Outsourcing



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6. Sales rep observes that the customer's premises look shabby or the inventory is not moving.
7. Inquiries from other creditors in the same industry but different geographical location.
8. Company public records being revealed.
9. Unexplained changes in staff.
10. New bank account.

Some delinquent accounts cannot be avoided but staying vigilant can help with the collectability of these debts and ultimately improve cash flow and profitability.

*Article Written By: Tom Peglowski
Assistant Operations Manager*



THE COMMERCIAL COLLECTION CORP. OF NY, INC... DESIGNATED AS ONE OF THE SUPER 7 COMMERCIAL AGENCIES 2014

Collection Advisor worked with the International Association of Commercial Collectors finding commercial collection agencies that are held in high regard by peers and have aligned themselves with values such as those listed by the IACC certification, which includes being sufficiently bonded and licensed while exemplifying ideal financial and operational procedures as determined by a third party.

Below is the excerpt on The Commercial Collection Corp. of NY, Inc. from the Collection Advisor.

COMMERCIAL COLLECTION CORPORATION OF NEW YORK | Bob Ingold, Chief Executive Officer

How does a client transmit account information to you and keep up-to-date with the account's status? We have setup methods that accommodate our clients. **The more automated customers will send over accounts with FTP or other electronic placement.** They will view activity online, in real-time. Other clients send email, fax, or mail files to us. Our motto is "Whatever Works for You". Reports are the same. While we can do real-time review of email, we still offer the client the approach "Keep it Best for the Client".

How is it determined that an account is uncollectable? Many factors go into this and it is difficult to offer one answer: company out

of business, bankrupt, judgment proof, too small to sue, disputed, lack of documentation; just to name a few. The simple answer is, we verify the circumstances and provide full information back to the client. Inevitably, it is the client's decision on proceeding.

What is the most important technology your agency uses? It may sound simple, but the telephone. While we have computers, fax machines, email, etc, the whole thing comes to a stop without phones. Because of that we have a very complete disaster plan.



For more information on any of CCC's services...

3rd Party Collections
1st Party Collections
Mechanic's Liens
UCC Filings
Credit Reports

Please contact Bryan Rafferty at 1-800-873-5212 or E-mail brafferty@commercialcollection.com



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