

“PANIC INSTRUCTIONS”

Tim Paulsen

RAGNAR PRESS

325 Ball St.

Cobourg, Ontario

For more information about this book and the author, please visit:

www.incprocollect.com

Copyright © 2020 by Tim Paulsen

ISBN: 978-0-9683495-6-4

All rights reserved. No part of this book may be used or reproduced in any manner without written permission, except in the case of brief quotations embodied in critical articles and reviews.

Cover design by: Sanja Vulicevic

To view her 'most excellent work, [please visit](#).

Someday, the scoring modules and the dialers may be of little use. Someday, you may find the old and trusted techniques have been damaged, perhaps beyond repair. You may find, someday, that when a customer or client says, 'I don't have any money', they really don't have any money!

Welcome to someday!

Effective *Creative* and
Practical
Collections in the Time of
COVID-19

By: Tim Paulsen
Founder and Managing Director



International
Center for
Professional
Collections

TABLE OF CONTENTS

Tough Times Ahead-A tremendous grasp of the obvious	1
Rule number One of Panic Instructions:	3
Forget the Children, Put on Your Oxygen Mask First!	5
We have never been through anything like this –Oh yea?.....	6
Your 'C' Team:.....	10
We're all in this together – and other lies	15
Ask for the money!	18
The 'C' Word	22
Home Field Advantage?.....	24
Your customer has no money? Easy, peasy!	28
Expect me to pay you and not feed the kids?	30
Empathy – if you can fake that, you've got it made!.....	31
Think you were hated you before!	36
Cool, Calm & Collected	39
You want me to do what?.....	45
Reward employees:	48
Professional Onion Peeling – Excuses.....	49
The Working Door.....	53
It was the best of times, it was the worst of times.....	57
I have a screw loose (Okay, maybe more than one.).....	60
All in this together?.....	61
Please accept our application for YOUR 'C' Team	63

Tough Times Ahead-A tremendous grasp of the obvious

I'll keep this introduction short, just like the rest of the book. 'Hah!', I hear you say, 'at less than 60 or so pages, it's a stretch to call it a book. You might be right. But *booklet* sounds a little light, don't you think and *manifesto*, heavy and pretentious.

Years ago, I was involved in a few car rallies. We would be given some directions, maps, items to pick up and an expected time to be at check points and the destination. If you got lost, there was a package labeled 'panic instructions', that if unsealed, might cost a lot of points or even disqualify you from the rally, but at least you could make it to the final lunch or dinner, survive as it were, to perhaps rally another day.



Many of us, if not feeling lost are at least 'off our game' with current events. We may have had some tough times in our lives and in the credit and collection profession, but COVID-19, with the health

Panic Instructions 2

and economic threats in every country of the world? Well, I'm not telling you anything you don't know, like the chapter title says, 'a tremendous grasp of the obvious', eh?

So, what are we going to do, roll over and play dead? Not a chance. To go down without a whimper, let alone kicking and screaming, ain't our style. It may have been said best by the psychologist, Viktor Frankl, 'When we are no longer able to change a situation – we are challenged to change our selves'.

Okay, none of us have experienced a pandemic like COVID-19, but many of us have faced a challenge, localized to a particular industry, city or country, buckled up and applied determination and creativity and most important for us, lived to tell the tale. We will take some lessons from them, the experienced pathfinders, but we won't rely on them alone. Younger folks have some ideas that just may not have occurred to some of us who have been around the block a few times. Their ideas are included too.

If you believe you have noticed a quirky sense of humor, a somewhat irreverent attitude, that's me and I welcome you to the club, you too have a fair grip on the obvious yourself. Congratulations. Some tough and difficult times ahead of us in this business of receivables, but no reason we can't have some fun on the way. If you don't agree, sorry, this book is not for you.

Tim Paulsen, Cobourg, Ontario

May 17, 2020

Rule number One of Panic Instructions:



In the popular comic science fictions series, 'The Hitchhiker's Guide to the Galaxy' by Douglas Adams, the phrase 'Don't Panic' is featured on the cover. The novel explained it was partly because the device "looked insanely complicated" to operate and partly to keep intergalactic travellers from panicking. It is said that despite its many glaring (and occasionally fatal) inaccuracies, the *Hitchhiker's Guide to the Galaxy* itself has outsold the Encyclopedia Galactica because it is slightly cheaper, and because it has the words 'DON'T PANIC' in large, friendly letters on the cover."

A few people have said, and I've seen no reason to dispute their assertion, particularly in these times of ours, that Douglas Adams' use of "don't panic" was perhaps the best advice that could be given to humanity.

Is this a conflict with a book titled "Panic Instructions"? Not at all, the booklet is designed to prevent the negative results of inaction or inappropriate action to an unusual or novel situation. A United States president, not the current one, said many years ago, "We have nothing to fear, but fear itself" – to which he added, "the nameless,

Panic Instructions 4

unreasonable, unjustified terror which paralyzes needed efforts to convert retreat into advance.”

In our business¹, we have to deal with the negative effects of the virus, the loss of jobs, service interruptions, the closing of a business, whether temporary or forever in addition to the negative emotions that are every bit as contagious as COVID-19. Fear, fatigue and panic undermine our ability to think clearly and to creatively manage our response. We come from a long line of survivors and we didn't get here by freezing, like a deer in the headlights, it was fight or flight. For quite a few weeks now, many of us have used the flight response to take ourselves and loved ones out of harms way thru isolation and social distancing.

For a few months yet, maybe even a year or two, we'll have to be nimble on our feet, some distancing and other measures may be required, but if we want our business and our employment to survive – we'll have to fight.

Losing is not an option.

Let the words of the philosopher Christopher Robin guide us: “You are braver than you believe, and stronger than you seem and smarter than you think.”

What say? Are you with me?

¹ I will leave aside, the greater concerns about individual health. These are covered in a great multitude of publications and other media.

Forget the Children, Put on Your Oxygen Mask First!

When you are on an airline flight, the instructions are that in case of emergency, put on your own oxygen mask before trying to help a child or anyone else who may need assistance. Okay, I don't mean 'forget the kids', but if you don't look after yourself first, you may not be able to help anyone.

By now, there can't be any of us out here who don't know the value of washing our hands properly and all the other tips and techniques, but we tend to forget, we get sloppy. Think of the virus as an enemy, waiting for you to sleep or turn your back. On November 11 of 1918, the day the armistice took effect on the last day of World War I, the allies suffered 10,944 casualties, including 2,728 who died.

There will be pressure too, some from well-meaning but ill-informed or short-sighted management or owners, and some from C.E.O.'s who could be clinically diagnosed as psychopaths. They will be calling on us or our co-workers to put ourselves in harm's way in one form or another. For the latter, if something should happen to us, their one-word response, spoken under their breath: next.

If you are going to put yourself in danger, make sure your eyes are wide-open, take every precaution possible, ensure the reward is worth the risk and I suggest two words to the to the C.E.O. who orders you to the front, no, not those, but: *"After you."*

We have never been through anything like this –Oh yea?

We have. I don't mean to make a comparison of COVID-19 to the Spanish Flu, Black Plague, SARS, MERS or any other world-wide epidemic. What I do mean to compare is the situation where a city, area or country faced a similar economic disruption threatening the employment and assets of consumers as well as the survival or failure of companies.

Unemployed? Not if I can help it!

The lost decade in Japan, refers to the ten years or so beginning in 1991 when there was a period of severe economic stagnation, following a hyper-inflated economic bubble collapse. It was not only a difficult time for most businesses in Japan, which were forced to lay off millions of employees, it was a particularly tough challenge for a collection agency. But for Steven Gan, who owned and operated the first foreign owned collection firm in the country by the name of The International Credit Management Association (ICMA), it was an opportunity to try and be uniquely creative.

When the ICMA contacted a debtor, who owed perhaps \$5,000 on a credit card, and was unemployed with neither income nor assets, the question asked was, "Are you seriously looking for employment?" If they responded yes, one of the services provided by Steve's company, and offered to the debtor, was a resume rewriting and job placement service. Subsequent to helping the debtor with their resume, they would submit it to four to five staffing companies they worked with, and almost always got the debtor employed.

Steven cautioned to add, "If it was a former C.E.O. looking for a similar position, that never happened. But we could get always get a person employed in a body shop, a restaurant, or perhaps an office

cleaning service, where at least they were earning some income and becoming a person in motion once again.”

One example of this unique service was when Steven introduced a 50-year-old candidate to become a driver at a mid-sized transportation company. Although at first it was a big come down after having been a successful manager for many years, the debtor worked himself back up to a managerial position after a couple of years.

Once employed, Steve’s firm would arrange with the staffing company for a small portion, it could be 5%, 10% of the salary to them to pay down the original debt. He claims it was a triple win. "Number one, we got the debtor working again. Number two, the debtor started paying the debt, which was a win for the creditor and three, it was also an income stream for us."

The Big Nickel

The town of Sudbury Ontario is sometimes referred to as ‘Nickel City’. As you might have guessed it is due to the mining of nickel that has been taking place since it was discovered in 1883. Although nickel is non-renewable and there is no sign of the mineral running out, the mining and delivery has not always been smooth.

One such hiccup was a nine-month long strike by workers in 1979. At the time, I was a collection manager at a firm named DYLEX². There were ten divisions in the organization, for the most part selling men’s and women’s clothing and accessories. Each division had its own credit card and that’s where I came into the picture, along about ten collectors making up our team.

Our process was as follows:

1. Request payment in full:

A review of the account before we called a delinquent customer, might indicate they worked at Inco, which was

² This was an acronym for Damn Your Lousy Excuses. It’s true. I tell no lies.

the employer, but we did not ASSUME that meant they did not have any money. Some might have savings or a friend or family member who might be able to offer assistance.

2. Negotiate a lesser payment:

When they could not make the payment in full of what was due on the account, we would work our way down, S-L-O-W-L-Y. The objective, still to work out a way to bring the account current, even though through a long labor disruption.

3. Just five:

Some people were only getting strike pay, not very much with rent to pay, food to put on the table, utilities and such, we were pretty well last on the list. But we were determined to stay on that list.

We might have to deal with the 'food on the table vs paying you' statement from a customer and then come back with:

"How about this, Mr. Setter, five bucks. You can manage that, can't you? Just five bucks and I'm not even talking every week. Just once a month until, let's say three weeks after the strike is over. You do that, and we'll stop the interest charges on the account, and we won't age it any further, we'll stop any negative information going to your credit file. Then, after the strike, three weeks or so as I said, we won't even look for full payment of arrears, but what would have been the regular monthly payment. You make that same minimum payment for three months and we clear all arrears."

Few people would not agree to the minimum proposal and results were good for most of our customers. Did some break the

agreement? Sure. We would contact them to see if we could get them back on track, but it wasn't always successful. At least it may not have seemed 'successful'. There are going to be times you won't collect but do the very best you can for both objectives of collecting and keeping the customer and you can walk out the door at night with head held high.

We Can Work It Out!

The popular group 'The Beatles'³ had a hit song years ago, "We Can Work It Out", no time for fussing and fighting my friend, let's get together and work it out. A deal or a commitment with your customer, be they an individual or a large organization, does not begin with a conversation with them, it starts you and your team, recognizing that what worked in the past might not help us now so let's get creative.

³ For some of you, this is the group Paul McCartney was part of before 'Wings'.

Your 'C' Team:

They are not the third best you have, in line behind the A and the B team. Not at all. In fact, they are the *best* possible. Your 'C' Team is your Credit & Collection SWAT⁴ or FLYING SQUAD, comprised of your most talented individuals from a number of disciplines who have joined together to complete a successful mission.

Accounts Receivable has been described as the lifeblood of an organization. Cut it off and the organization dies. Restrict the flow, the organization will wither, perhaps die a slow death.

There will be differences based on the type of business, consumer or commercial and a few other factors. There may be several people in one or more of the responsible positions. A smaller firm will typically have people who wear several hats. If you are called upon to assign tasks to an individual, try to give them the assignments they want and are good at, not just to put a name in a box.

Make up of a 'C' Team:

Collection Professionals:

One out of five.

In collections, as in so many other areas, Pareto's Principle applies. Twenty per-cent of your collectors will bring in 80% of your results. What are they like?

- They want to win, almost to the point of desperation. This is far beyond not wanting to lose, nobody 'likes' to lose, but premier collectors hate it. They want to be number one and although money is not a big motivator for them, it is how they keep score so they must be compensated accordingly.

⁴ Special Will & Attitude Team

- Can handle losing: The paradox here is that in collections, even the best of us will not be successful all the time. Shake it off, learn from it and quickly back in the game.
- Assertive with your customers and that tends to be reflected in their dealing with management. If you have a team comprised of nothing but the best, the results may be stupendous, but expect some scratches. It is similar to herding cats.
- Skills include negotiation and being creative. Compensation is how they keep score. This might be considered a 'given', but enhanced qualities need to include 'thick skin' for dealing with a much larger percentage of individuals or organizations that are having a very difficult time, perhaps never out of work, able to pay bills before, teetering on the edge of losing their home, filing for bankruptcy. You may be able to specialize. A few of your team may be excellent, assertive collectors, but perhaps not as creative as others. If possible, best if you can have a mix.

Collection Coach & Trainer:

An individual who can provide the needed training and coaching, quickly, effectively and remotely. Not your average coach and trainer, this individual or team will need to provide suggestions to your 20%, that will be unwelcome and resisted unless delivered by seasoned, experienced and credible individuals.

Also, they will be called upon to provide collection 101 training to sales personnel and others who may have been shanghaied into collections and to the 80% of collectors who make up the larger number of your teams.

Productivity Control:

In collection management, we have always stressed the desire for both quality and for quantity. But it is quantity we tend to reward. It is much easier to measure, whether it be in the funds collected, number of calls made, customers contacted or hang time. Someone

relatively inexperienced in receivables management may be able to offer measurements of quantity. For quality, not so much.

When the measurement is not just what you say (or don't) but how you say it, as important as it is, the results are subjective.

During COVID-19 it may take the same amount of work effort, but likely much more, to bring in LESS than before. Partial payments may become the new normal. Measurements and compensation to the team and department will have to be adjusted accordingly.

Human Resource Professional:

Many consumer debtors will be out of work. A Human Resource Professional should be able to better help us know when this is a valid reason, how long it may be in effect, as well as direction and help for customers to be more successful in finding employment. Check how this was [successfully handled](#) by Steve Gan and his collection agency in Japan a few years ago.

He or she may also be called upon to work closely with the Productivity Control expert to be creative in compensation alternatives to the collection team.

Sales Representative:

The more we know about TOS (The Other Side) the more successful we will be in our approach and negotiations. In commercial collections, nobody should know the customer better than the sales representative. They should assist in developing a profile and an approach. In addition, without seeming to double-team a customer, there are often benefits to having them sit in on the collection call.

Stress Management Experts:

This should be a professional, perhaps a psychologist with experience in dealing with people who are under a lot of stress. Plans and approaches should be developed but not only for our customers, but also our collection team who will have to deal with many more customers than before in difficult situations. A few experts have

suggested that an individual with experience on a suicide hot line could prove invaluable. I hope none of us have to deal with a customer who may be contemplating taking their life, but there are few areas that will teach you more about listening skills.

Motivation Experts:

Help us better understand a **type** of customer, for example a small business owner, what makes them tick, what does and does not motivate them. In some respects, this is similar to the calling of a professional ' profiler'.

Company Executive

Sitting in with the team should be a representative of senior management who can explain policy when needed, but also be able to recommend and adjust policy and procedures to fit the new challenges. We don't want the team working at a lower level on their own, 'kicking' ideas and proposals upstairs. Much better, if possible, to have the decisions made there and then.

Government Liaison Officer:

To individuals or to small business and others, our governments will be offering packages to assist. Some of our customers may need directions and assistance to help navigate. This individual will know the 5 W's (Who, What, Where, When & Why) of programs available to your customers, point them in the right direction if needed and let you know what you can expect.

Home Improvement Experts:

Many of us will be called upon to work from home. Seems easy – but it ain't a walk in the park. This individual will provide suggestions and direction to obtain the highest productivity with improved morale. See the chapter on ['Home Advantage'](#).

Information Technology:

The connections, information and the security needed to securely be productive while working from home or another remote location.

Minister of Compensation & Fun:

You may need to discover new methods of compensating employees. Perhaps (hopefully) you had various means of keeping up morale in the past, but what now? Not only may there be more of a need, but folks aren't in the office.

We're all in this together – and other lies

I received an email today from one of my banks, assuring me 'we're all in this together'.

In addition to informing me about personal banking on-line and restricted branch access, they specifically told me:

a.) **Auto and personal loan relief:**

I can request to defer a loan payment for up to 3 months. Interest will accrue and the deferred payments will be added to the schedule.

b.) **Mortgage payment relief:**

If I am experiencing financial hardship as a result of COVID-19, I can request to defer payments on a mortgage (principal, interest and property taxes, if applicable) for up to six months. They noted that the mortgage payment deferral program is not mortgage forgiveness.

If I'm out of work, do I appreciate I can 'move' payments required for a loan, car payment or a mortgage? I do. But come on you bankers⁵, does the name Snidely Whiplash, late of Rocky & Bullwinkle come to mind? How about some skin in the game from you guys? For anyone younger or out of country, Snidely was the mustachioed villain.

In George Orwell's novella 'Animal Farm', the last commandment adapted to their constitution was that all animals are equal but some or more equal than others. Nothing, absolutely nothing during a time

⁵ The banks are a clear target. But they are not the only one.

like this, will piss people off more, your customers, your employees, your family, than special treatment, people taking advantage.

Some of these people may not have the strength or option to fight back now, but they will remember. This is how the building of the barricades begin.

The banks and others may say, 'why should we take a hit'? I say, 'why the heck not'! Feel free to substitute heck with the word of your choice.

'Hey, Mr. Banker. You want to be in this together?' How about stopping the interest during at least the isolation period of a couple of months? Drop one payment of every loan, every mortgage. Hold a lottery and one out of every X, won't have to pay for a year, but payments are 'forgiven' not just tacked onto the end.'

You really want to be in this together? Great! The young Ann Frank said years ago, 'What a wonderful world it is where we don't have to wait five minutes to try and make it better.'

What's my point?

In your organization, whether a large financial institution or a one-person small business, be careful of ever saying 'We're in this together' or 'I understand how you feel'.

Let's take an example of collecting on a consumer debt. If you're calling them, you have a job and know where your next paycheck is coming from. So, no talk of 'understanding', or 'know how you feel'. By the way, it doesn't matter if a few months or a year ago, you were unemployed. You knew how 'you' felt in that situation and no doubt it was not pleasant, but you still don't know how 'they' feel.

Options?

"Mrs. Blaise, I try to put myself in your shoes, but I can't. I've got a job, trying to work with customers like yourself who are going thru a difficult time. While I could never say I know how you feel, I can tell you that I'm committed to try and work with you to help resolve this situation, I don't mean to make your life difficult. But if we don't do

anything now, it may be worse in the future. It's a bit like 'sheltering in place' and social distancing."

Don't take my word(s) for it!

Work out a few responses that 'speak' to your customer, create your script, and then toss it away and speak from your heart.

Ask for the money!

The impact of COVID-19 does not change the number one rule of effective collections. When an account or invoice has not been paid as agreed, contact the customer, and ask for the money.

Yes, there will be individuals who are out of work. There are firms whose customers have stopped paying them, yet, whether from savings, earnings, sale of assets, government or other assistance, some customers have the money to pay.

Perhaps one of a firm's other creditors does not get paid, or perhaps not as much in order for your invoice to be paid. Maybe an individual is obliged to use some of their vacation savings to pay your account. Collections has ALWAYS been a matter of borrowing from Peter to pay Paul.

One of the worst collection calls I had occasion to hear was along the lines of: *"Hello, I'm calling about your past due account with a balance of \$350.00, but if you don't have the full amount, maybe you could pay half, but if that's a problem, maybe a token payment on the account?"*

Should you be prepared to take less, sometimes much less? Yes, but you don't start there. Begin with the full balance in mind, and only as required, work your way down – slowly.

Secondary Objectives:

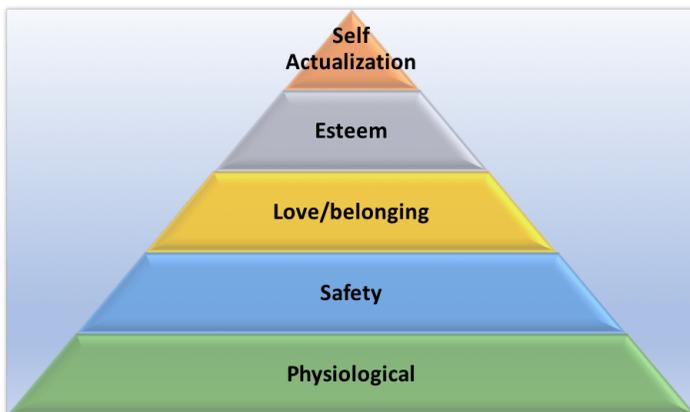
The full payment is the objective, but next in line is acknowledgement and communications. On a special page on our [website](#), there are as many as 19 audio interviews with International experts. Nearly every one of them has stressed that we may not be able to collect but we need to, in fact we must, communicate. When you have exhausted all avenues of payment, at least you want the customer to agree they would pay you if they had the funds. If there is some other potential excuse for nonpayment, such as product

damage, partial delivery, you want to hear about it now, not later. Also, establish and keep communications lines open. It may be some time before we are back to normal, but situations will change.

Why should they pay you?

If you don't know the answer to this question and cannot articulate it to the customer, your odds of getting paid are about the same as Donald Trump admitting he made a mistake. Not to say it will never happen, but you might not want to hold your breath.

Do you remember Maslow's hierarchy of needs?



It is often best described in the shape of a pyramid. People are not interested, at least not much and can't be motivated by what would be described as love/belonging, until safety issues are satisfied and before safety, the physiological needs must be satisfied. This could include food, water, clothes and sleep. If you've ever tried to get one of your kids to do their homework or household chores when they're cranky from hunger or lack of sleep, you know what I mean.

You can't force anyone to pay their account. Even if you were able to pull a gun on them and get them to hand over their money, it's only a matter of time before the local sheriff, police force or SWAT team (a real one) drops by and makes you give it back. Go to jail and don't get your money.

You can only hope to convince them why it is in *their* interest to pay you. If you are collecting for food they have not consumed yet, or the rent on an apartment or a mortgage payment on a house, you may be in the lower pyramid of payments.

Your organization may be higher on the list as a result of being lower on the pyramid (known as Paulsen's inverse payment priority paradox), but here is where it gets tricky. Despite being a pyramid, your position is not cast in stone. Here is an example.

Years ago, a major trust company in Canada was primarily involved in corporate loans and consumer mortgages. If one of their customer's had a mortgage payment not honored for some reason, it only took a quick note, a phone call was rarely needed, for the customer to run to the office and make good the payment. But when interest rates grew and peaked at over 21% in the 1980's, a note or a call to the customer and would run down to the office with the keys to the house. "Take it, you're doing me a favor!"

COVID-19 is creating a seismic shift in the pyramid, expected to be fluid over the next couple of years.

In accounts receivable, we have always attempted to influence the customer or the debtor to see their obligation in such a way that they will agree to make payment. Reasons?

- Repossession of an asset
- Will cost you more in long run
- Reputation
- Aggravation

In the time of BC (Before COVID) a collector may have wanted to point out the negative aspect of a blemish on the credit bureau, perhaps a weaker credit score. No point in bringing that up now, when so many people may be in that same boat. But, what about the opposite?

"Mr. Hope, it may take us a bit longer to resolve your account, I appreciate it is difficult for you. However, I want to assure you that not only will it ensure we may work together in the future, we would

like to provide you with a special letter for clients such as yourself, thanking you for your efforts and commitments and will freely make the same available to future creditors of yours.”

The 'C' Word

Always important, but never as much as now during COVID-19 is the classification of debtors into the

CAN and CAN'T categories, then followed by the WILL and the WON'T.

- Can Pay and Will Pay – If these customers are past due, it's our fault or at least they think so. There may have been something wrong with the product or the service. Important training here is to get agreement and details over what is NOT in dispute and then work out the rest.
- Can Pay but Won't Pay – These folks are practicing cash management, with your money. You are not likely to convince them they should pay. They don't care and need to understand the negative consequences of non-payment. I never recommend doing anything illegal or immoral in collecting, but in the end, you want this type of customer to be left shaking their head, muttering aloud, 'Geez, I wish I'd have just paid them a long time ago.'
- Can't Pay and Won't Pay – They haven't got the money, but if they did, odds are strong you wouldn't be getting it anyway. Professional fraud artists fall into this category. They probably don't have any money but wouldn't pay you if they did. You do want to make their life difficult and become a hard target in the future – but don't waste a lot of time with them.
- Can't Pay but Will Pay – This category of delinquent customers will be the biggest increase as a result of COVID-19. It could be an individual out of work or a small business owner who had to close his doors for several months. They

might have always paid in the past and would if they could.

The other three categories need attention, but this last one is where you have the chance to make the biggest impact on your receivables during COVID-19. You will need to identify them and have very flexible terms and arrangements, lower or no interest, minimum and sometimes no payments for a period of time, some of the creativity shown in another chapter.

Effective and professional collections during the time of COVID-19 is not ALWAYS about collecting the money. Through no fault of their own and despite their intentions, best efforts and working with you – some invoices and accounts will not be paid. But the true objective of collections is to create and to maintain a customer. How can you work with these people in such a way that even if you do not get paid, they will push their way past all of your competition to deal with you in the future!

If that wasn't reward enough, you and your team will feel great!

Home Field Advantage?



Some of us may be working from home for the first time. Here are a few suggestions from those of us who have been at it for some time, but also tips more specific to the current challenges.

Apology not required:

If you have been around a few years, perhaps you remember ‘the cone of silence’ used by the characters on the television show, ‘Get Smart’? Nothing like that available for us working at home (it didn’t work well on the television show either).

Don’t worry too much about noise from the kids or dogs. Mention it once if necessary and then move along. Most folks will understand.

Everyone needs their own Space:

A Captain of a fishing trawler was once asked if he or any of his crew took their spouse with them on a voyage. He shook his head adamantly and said, “No. When we fish, we fish. When we have fun, we have fun.”

The ability to focus can determine our success in work and in our family life. My friend Luis, a credit and collection expert located in Mexico City stressed in his interview the importance of being able to

focus when working from home. When you need to focus on work, it is much easier if you go to 'the office', which may be a separate room in your house or apartment (lucky you), a designated corner, or a laptop set up on a kitchen counter or dining-room table. With the latter you may not be able to focus as well, but you can still focus. In the television series of some years ago, 'WKRP in Cincinnati', the character Les Nessman was perhaps 'ahead of his time'. In an open office concept, he had tape down on the floor to indicate where his office walls were. Well meaning spouses and kids should know where your walls are and your office hours. Have fun with it but make your point.

Mom is working in this room

The **ONLY** acceptable reasons to interrupt mom today (4/21/20) are:

- You're dying
- Someone else is dying.
- The dog pooped in the house.
- There is a whiskey/margarita/taco/ice cream truck driving by.
- Some super scary person is ringing the doorbell.
- There's a fire. You're on fire. Everything is on fire.
- The cast of Magic Mike is about to do a performance in the front yard.
- You puked or truly think you might puke.
- Someone broke a bone in the bound house or on the swing.
- There's a rabid squirrel in the house and it's shredding our toilet paper supply.
- A meteorite or other space junk has crashed through the roof...and it's raining.
- There's a hurricane, cyclone or tornado.

END OF LIST

A door is helpful for some privacy, but you may need to tape a sign, something like a working mother used not long ago.

Your own Space Suit too!

Many of those who work successfully from home recommend that you dress for the occasion, just like you were going to the office. I even know of one man who gets dressed for the office, walks out the front door and then back in, just to get in the right mood.

Might be a bit extreme, but if it works – go for it.

Maybe you consider dressing in sweats or even pyjamas is a perk of working at home and there is no adverse affect on your productivity? Same answer, if it works – go for it. However, please consider the affect not on you, but others. In the book, ‘Dress for Success’ by John Malloy, he said the person who claims they could work as well in shorts and a t-shirt vs a business suit was missing the point. Others, your boss, your co-workers will judge you based on the way you dress. It’s not fair, but that’s the way it is. “But,” I hear you say,” no boss or co-workers around.” Any chance you will be speaking to them or your customers via a conference call? How about your family. Will they take you as seriously working when you’re in your flannels? Perhaps most importantly, will *you* take yourself seriously?

Break it up!

Our office ancestors worked hard, maybe stuck or threatened to do so in order to get us breaks and lunch hours. Have a coffee at your desk if you like but take an official break too. Get away from the desk, go walkabout, even if just around the house or ten minutes on a stationary bicycle.

Lunch? Minimum of thirty minutes. You’ll work much better when you return.

Off Center?

If your team worked in a call center and are now all working from home, you don’t need to tell them that it is a totally different

environment. Wait a minute – actually you *do* need to tell them, it is different and their success will depend on their adapting. Though I have managed a call center in the past, I checked with an expert, one of the best, Mike Aoki, the president of [Reflective Keynotes](#). With more than 20 years of customer service, sales and management experience, with a focus on call centers, his contributions to this chapter were invaluable.

If you are looking to add a consulting member to your ‘C’ Team with call center experience, I recommend you get in touch with Mike. Tell ‘em Tim sent ‘ya.

Your customer has no money? Easy, peasy!

Is it really easy when your customer has no money? Yes, it is.

You are thinking perhaps, there has to be a catch? Yes, there is. The easy part, in its own way, may be your most difficult challenge during the time of COVID-19.

No Money – Easy Peasy:

If you are truly dealing with a customer who has no money, are you going to collect? No, you are not. Always, we are trying to classify delinquent customers into categories of will pay, won't pay, can pay and can't pay. Unemployed with no job prospects in the immediate future, no assets, no help from anyone for the debt? There are questions to ask and some statements that may be helpful (see Excuses). Hey, you're just taking all of the notes and passing them along to management with a recommendation.

You may be obliged to let the customer know of the unpleasant results of non-payment (not so easy, see what follows), but you are not going to collect.

Working with a customer who truly has no money may be your most difficult challenge.

Some years ago, I delivered a collection training program at a small-sized utility in Southern Ontario. One of the trainees, a young woman just a few weeks on the job, asked me if I was going to cover a way that she would not feel badly when she would be involved in disconnecting services to one of their customers. 'I mean a nice customer,' she hastened to add, 'someone trying their best to pay their account, bring it current, but they can't, maybe a marital

breakup or even a death in the family.’⁶ She didn’t want a service disconnected, but the organization had a policy to follow.

‘No,’ I said. ‘I don’t know how to do that, but more importantly, if I did know, I wouldn’t tell you.’ We are going to be involved with difficult situations, many more of them due to COVID-19 than ever before, where a customer, an individual, a small business owner or even larger organizations are not going to be able to bring their account or invoices current – they truly have no money – and action must be taken. We are supposed to feel bad some days when we leave the office. If it should get to the point where such actions could be taken with nary a discouraging thought on your part, it’s time for a career change.

Scott Peck, author of ‘A Road Less Travelled’, right on his first page, and please forgive me Soctt if I paraphrase, says, ‘Life is difficult. It is not a bowl of cherries. But sometimes or somehow, we have an unrealistic belief that it is supposed to be easy and when it’s not, there must be something wrong with us. Once you realize and accept you are supposed to feel badly, you can accept, more on and help not only your customers, but yourself.

It does not do to leave a leave a dragon out of your calculations, if you live near one.

- J. R. R. Tolkien

⁶ Different than they type of customer one would be happy to drive out and disconnect. We’re taught not to take it personally, but still....

Expect me to pay you and not feed the kids?

This is not a new question from consumer debtors, but we will hear it more often.

“No”, Mr. Graham, “I do not.” (I suggest a pause of a few seconds here.) “If your choice is to feed your kids or to pay this invoice, feed your kids. It is what you’re gonna’ do anyway and it’s what I would do facing the same situation. If we are able to work together on this, we may find a way you’re your kids get fed first, they are the priority, but also it could be possible to resolve this debt. What do you say, can we give it a try?”

If they refuse to discuss further and perhaps on a subsequent conversation, then you may be dealing with a customer who won’t pay vs one who can’t.

Empathy – if you can fake that, you’ve got it made!⁷

Did the chapter heading get your attention? It’s based on a quote attributed to the legendary comedian George Burns who said, “Sincerity – if you can fake that, you’ve got it made.” It’s possible George may have ‘lifted’ the quote from Jean Giraudoux, a French novelist, diplomat and playwright. Did he? Mr. Burns is not with us anymore, so we can’t ask him, but if he were, what are you gonna’ believe from a guy who recommends faking being sincere? Besides, if you go back far enough, most quotes were said by someone else. He was very talented, but I don’t expect *everything* said by Jean Giraudoux was original. Maybe he ‘lifted’ his quote from the American philosopher Groucho Marx who said, ‘The secret of life is honesty and fair dealing. If you can fake that, you’ve got it made.’

Research indicates that nobody has laid claim to the title of this chapter, so I’m laying claim to it as mine. “Empathy,” Tim Paulsen said, “If you can fake that, you’ve got it made!”

But there is a very good reason it hasn’t been said before or claimed by someone else. As important as it is to our business of accounts receivable management, more so in this time of COVID-19, it is not the same as sympathy and should not be compared with honesty or compassion. You can fake being sincere, you can fool ‘em about honesty and fair dealing. You can’t fake empathy.

What is empathy?

Empathy, I’ve been told, comes from the Greek, meaning ‘to see thru the eyes of another’. It may have been said best by Atticus, sharing important information to his daughter, Scout, in the iconic novel, ‘To Kill a Mockingbird’, “you never really understand a person

⁷ Tim Paulsen

until you consider things from his point of view...until you climb into his skin and walk around in it.”

“Think of it from my point of view,” a customer says, or seem to say, “why should I pay you?” To better understand our customers, we have to walk a mile or two in their shoes. Less logic – more emotion, or if you are old enough to appreciate the analogy, ‘a little more of Doctor Spock and a little less of Mr. Spock’.

Why is it important?

We can't force anyone to pay an account. It will always be their decision. We hope to influence them, provide reasons and it is entirely natural for us to consider and offer reasons from our point of view. But nobody, not an individual on their own, a small business owner or an accounts payable manager in a large organization, nobody pays because it is in *our* interest. They pay when it is good for *them*.

Let's take the case of Caroline who loaned her sister Jocelyn, living in Montreal, \$500 last year to take a hairdressing course. The deal was for re-payment of \$100 a month, starting six months ago. The first payment of \$100 was received, two weeks late. Nothing since. Finally, Caroline reaches her sister on the telephone, it wasn't easy. “Hey,” she tells her, “I could really do with that money, I've got some bills of my own, you know and some painting I want to do in my apartment.”

Does Jocelyn care? No. At least, not very much. It is not that she is an evil person, it is just entirely natural that the way she sees the world and most importantly, priorities for paying from her limited (in her opinion) resources, is not the same as Caroline.

Until she can come up with reasons why it is important to TOS, the other side, in this case, Jocelyn, then it may be a long time, if ever before Caroline gets paid.

How do you get it?

If someone called you and asked, how to get to your house, there is no point in providing directions to the airport if they live in the same city. The question would be, 'where are you now'. To see thru the eyes of our customers, to better discover where they are now, we need to develop a profile.

It is not a crime to be weeks, months or even years past due on an account and I urge caution in any comparison, yet criminal profilers, the types often contracted by law enforcement, use their knowledge of psychology, behavior and analysis to build a profile of an offender. It is made up of logical guesses based on evidence and analysis. A profile may be used to interrogate suspects in a way that appeals to their psychological process.

Would something similar work well in dealing with your customers? It already does. On your 'best days' or that of some of your colleagues, when you have a 'type' of customer on the telephone or sitting across from your desk, you alter your approach based on what you see and your experience. The professional empathetic approach to effective collections is to arrive at your questions and your overall approach in a more deliberate fashion.

Let's say for example that you deal with small business owners, many who may have had to close their doors during this time of COVID-19.

Put on those shoes and go walk-about. What are they saying? What do they think? What do they feel?

- I've worked hard for the last ten years to develop my business, in just a couple of weeks, it's gone...maybe forever
- I can't pay my staff and you're calling me for a past due bill!
- When is this gonna' be over?
- I'm close to sixty years old, could be a health concern if I open my business too soon

- The only thing I've got a lot of is bills
- None of this is my fault!
- Before this, I always paid you on time
- You say, 'we're in this together', then come join me with no money coming in!
- What you gonna' do! Courts are closed. You can't take any action!

The objective of the profile is to know our customer better and to communicate more effectively, providing reasons why it is in their interest to make a payment, even if a token amount or at least a commitment for the future.

Is it manipulation?

We could look at it two ways. It could be described as the skillful handling and control or it could describe a person who twists words or plays on emotions to get what they want. I prefer the former.

The danger of empathy

To return to the analogy of criminal profilers, there is a recognized danger in spending too long in the skin or minds of a criminal. If you watch enough movies or television involving profilers, you will come across a famous quote by Nietzsche, 'If you gaze long into an abyss, the abyss will gaze back into you'. He seems to be warning us that if you spend too much time with monsters, be careful you don't become a monster yourself.⁸

After we have walked a few miles or kilometers in the shoes of our customer, developed our profile, the next step is to **take off the shoes**, return to our side of the table and develop an action plan. Knowing what we know now, what may be the best questions for our

⁸ Once again, a debtor is not a criminal, not a monster. Profiles may be done for any profession, useful on making a sale, customer service, or debt collection. .

customers. What may motivate them to provide additional information, commitment for the future.

Come up with a script, but then, at least metaphorically, toss it away. Nobody in general, especially in these times we are going thru, like to hear someone who appears to be reading from a script, “your call is very important to us,” type of thing. You’ve got to say it like to mean it, and if you have been successful in your empathy development program, mean what you say:

“Mr. Hill, a lot of times we say that we’re all in this together, but I expect you’re going through some times our company hasn’t experienced. After all, we haven’t had to close our doors while this virus business continues. So, I’m not gonna’ say something stupid like, “I understand how you feel”, but I do appreciate these are not only difficult times that we don’t know when will end or how they turn out, nothing caused by us either, but this I do know...we want to work with you, get us through this to the other side. I’m hoping’ if we continue to talk now and again in the coming weeks, we might be able to do that. What do you say?”

Can’t be faked

Something that is perceived by the other side can be less than truthful. Just because a young man wears his pants low, without a belt, underwear showing, it doesn’t mean he’s just out of jail. A woman with many rips and holes in her jeans, doesn’t mean she can’t afford anything better. A politician might begin his speech with “To be honest with you’, but...well, you get the idea. However, empathy is something that you and only you can do. You look through the eyes of the other person or you don’t.

Despite the title, unlike sincerity, honesty, fair dealings, landing on the moon and even orgasm for that matter, empathy can’t be faked.

Think you were hated you before!

Perhaps hate is a strong word, but on a list of the least respected professions, bill collector is rated as number two, between telemarketers and politicians. It is not fair. After all, people don't rate cashiers as a hated profession. Even in this time of COVID-19 when you have to be careful when you shop, people may get stroppy about having to wait in line, six feet apart, the sanitizing that takes place when you arrive at the cashier and maybe uncomfortable with the plexiglass that separates us from them, but we don't *hate* the cashier.

Yet, isn't that the job for most of us in collections – completing the sale? Picture if you will, a customer arrives at a checkout line and is waved thru with a cheerful, 'we'll catch up with you next month'. Buy now, pay later. How cool is that? When we then ask for the money the next month or even later – hey, don't hate the messenger. 'The sale is not complete,' many a credit manager will say, "until the money is in the cash register.'

I go further mind you, 'the sale is not complete until the money has been collected *and* the customer returns to deal with you again – on credit – paying on time'.

Having said all of that, are we likely to change a customer's mind, what they may think of our profession? Fat chance.⁹ Even if we managed to sit a debtor across the table to listen to our explanation, it would sound whiny and pleading, so much so that if they didn't hate you before, they would by the time you finished.

Fortunately, we don't have to change their mind. I just have to change yours. The most important person today and for the immediate future in your organization, wait for it...is you!

⁹ Or I could say, 'slim chance' and mean the same thing. English is a funny language, eh?

Accounts receivable is the lifeblood of your organization and without you, it will not survive. It was always so, but the process of collections, while always a challenge, was never to the same degree as during COVID-19.¹⁰ We will use COVID as an acronym to describe necessary attributes of the profession.

C – Competitive

You have to compete against every other debt as well as future spending. Some of your competition will take priority. If you are lower on the list to be paid, you must be better at collection. If you were good before, you must get even better.

O – Overcome

You need to successfully overcome any excuse given for non-payment or a delay in payment. Some, but not all of these will be related to COVID-19. The motto of the Scouts is, 'Always Be Prepared'. Knowing these excuses ahead of time, you should never pick up the telephone to answer a call or to make without preparation.

V – Victory

First you define what Victory means for you and your organization. Most times, this is full payment of the debt, but that is not always possible. If not, what would victory look like under those circumstances. Then you measure it, quality and quantity¹¹

I – Inoculate

Leave your customers alone, assume they can't pay you during the crisis and that is just what happens. Your telephone calls to collect or at least to effectively communicate is like an inoculation for non-payment.

D – Dignity

¹⁰ By the way, if you are wondering if this means they should pay you more, the answer is yes.

¹¹ Management author Peter Drucker said, 'If you can't measure it, you can't improve it.'

More than before, perhaps more than ever in the history of accounts receivable, you will be dealing with many people in difficult, maybe can't be resolved financial situations, for the most part – thru no fault of their own. We want to earn our PHD in collections, which is to Preserve the Human Dignity of each and every customer.

So, should a client or anyone else attempt to give you grief about your profession, be it full time, part or just filling in from Sales or Customer Service – know that you are greatly needed by your organization, now more than ever. Head high. Walk proud.

Cool, Calm & Collected

It is going to get worse. There are many disagreements about almost every aspect of COVID-19, including responsibility, distancing, herd immunity, you name it. However, I believe we can agree in our business of accounts receivable; the volume and percentage of irate, angry and even abusive debtors and customers will increase. Dramatically.

A lot of folks will want to take their frustrations out on something or someone. They will want to kick the cat. No prize for guessing who gets to play the role of the cat. It has always been a balancing act for individuals or firms constantly past due. Money comes in and money goes out. When there is an increase in one or the other, the resulting disturbance means that someone, likely you, isn't being paid on time.

COVID-19 drops in and steps on the scale and percentage of individuals and firms trying to keep their homes, business, sanity, families together will increase. Often, particularly for newer people called upon to contact delinquent customers, this type of customer generates the most concern, even fear. It need not be the case. Not to suggest these calls are easy, but they do provide an opportunity for positive results rarely found in most business conversations. More on this later.

There are several objectives when dealing with a customer who has 'lost it'. We still have a debt we are trying to resolve, now if possible or at least a commitment or some information for the future. If a customer is angry, perhaps even colourful, odds are they are not talking about terms of payment, but rather opinions on our parents' marriage or suggestions that sound unpleasant if not even impossible.

Secondly, irate customers can wear down even the most motivated of our staff and that can result in burnout or turnover. You

are aware of the high cost to train and replace, so it's better to provide the best practices in addition to training and coaching.

Stop! Don't do this!

I will be sharing as many as ten suggestions for you to consider when you are in one of these situations. Notice I said 'if', not 'when'. Stay in collections long enough, especially in consumer collections and the advent of COVID-19, these folks will cross your path.

Before then, allow me to share three to be avoided at all costs.

1. Don't ask them to calm down:

It's like trying to teach a pig to fly. It doesn't work and it annoys the pig. It has also been compared to trying to baptize a cat. Not recommended.

2. Reply in kind (any kind):

We are professionals and we know that we should not use such language ourselves or for that matter even raise our voice. Yet...we are people too and there is a natural, but to be avoided reaction of, 'you too, and the horse you rode in on'. Do some customers deserve such a response? Yea, some do, rather desperately so, but if you respond the same way – they win.

Nothing will give you so much advantage as to remain cool and calm under these circumstances. Easy it ain't. But if it was easy, they wouldn't need professionals like us, would they?

3. A 'set in concrete' response:

Too many organizations spend time coming up with 'the response', one that works every time. We are much more complicated, all of us, debtors and collectors. Something that works with customer A, might not work as well with that very same customer the next week. A response that fits my style, may not be a fit for you. We need as many arrows in our

quiver as possible. Speaking of arrows, follow this one for up to ten suggestions.

The recommendations are purposely not numbered. There is not one of them that tends to work head and shoulders above the rest. You should be able to find a few that you can put into play, if it doesn't work for you and 'that particular' customer, discard and pick up another.

 Lower Your Voice:

When someone on the other side is angry and rude, the odds are they will be shouting. The natural tendency is to raise our voice too. Don't. Instead, try the opposite. Lower your voice, even to the point of a whisper.

You know what happens? They often stop, have to listen, maybe ask you to repeat yourself.

 The Call Back:

"Sounds like I got you at a bad time. How about I give you a call back, say in 15 minutes?"

You might wait for them to respond, or you could say, "I will call you back in 15 minutes." and then terminate the call. This is similar to terminating the call. However, it is better never to hang up on a customer without telling them first.¹²

 Sticks and Stones:

"I hear you, Mr. Blaise. You're upset. I get it. But I'm afraid it doesn't change the debt, our trying to resolve it and the ramifications if it isn't paid. I'd rather work with you, if possible, rather than get into a disagreement." (Don't go too far off the deep end and say something like, 'I'm on your side.' You are not.

¹² Some organizations do not allow their personnel to hang up on an abusive customer. There is the potential there for a lawsuit by employees for creating a hostile work environment.

 The Next Voice You Hear!

Transfer the call. It might be to someone who is on the same level as you, but a new and different voice can work wonders. This works the other way too, where you may want to find out if there is someone else on their side, responsible for the debt, that you might be able to speak to.

 Let's Not Go Down That Road!

"I don't think there is much to be gained if we get off topic and get personal. I'm sure you don't either. Let's see if there isn't some way we can resolve this and then you don't ever have to hear from me again."

You want to avoid accusations against the customer/debtor that THEY are the ones who are shouting and perhaps using abusive language.

 The Cad Plate Will Not Attach to the Frabistat

Say that to an irate and sputtering customer and you know what happens? They will stop in mid-tirade and ask, "What did you say?"

You drive the conversation back to the debt, but if they persist is 'what did you say', you want to be able to tell them, word for word. You don't have to use 'The Cad Plate...', but you will want a phrase that is nonsensical, but you have memorized. "Mr. Sutton, I just put together a few words that don't make any sense, 'the cad plate will not attach to the frabistat' because I was getting the feeling we were getting off track and it wasn't going to help you or me.

 Let 'Em Go!

Some folks get up a head of steam and there is nothing you can do to stop them. Ask them to calm down? Like we've already said, that doesn't work. Terminate the call, perhaps get back to them later? It may be the best choice, but it isn't the only one.

Let them go, maybe get it off their chest. Mind you, if they are being loud and abusive, you don't need to hold the telephone receiver or headset to your ear. You'll hear them from a distance. Put down the receiver, pull the headset away from your ear. Breathe and maybe take a sip of water or coffee if you have it nearby. Don't let the 'hollering' customer hear anything – hold your hand over the mouthpiece.

When they stop and ask if you are still there. Tell them, 'yes', but not right away. Pause for a few seconds. Carry on.

It ain't over yet!

Once the call is terminated, hopefully with some success in resolving the debt now or in the near future, it is only over for the customer. Yours may be the only 'collection call' they have to deal with that day, maybe even for that week, but you may be speaking to another customer within a few minutes, perhaps even less in a busy call centre.

Give Control:

Any of our team should be able to take themselves out of the game for a few minutes. Knowing that we have control is half the battle, but using it wisely is the other half. Deep breathing, stand up, stretch and go 'walk-about' if possible. Talk it out with someone, preferably a trainer/coach. Here is what happened, here is what I did and (very important) here is how I felt about it. The American author Marya Hornbacher said, *'I am often drawn to what appear at first to be 'dark' or 'difficult' subjects, but which, upon further examination, are always and only reflections of the ways human beings attempt, however clumsily, badly, or well, to connect with others.'*

Panic Room:

In a call centre, it might be an idea to have one of these, maybe call it a 'quiet room' or something similar. Low lighting, water available. Take up to ten minutes when needed.

What an Opportunity:

Some years back, I delivered a three- week training program for a Provincial Government, some 20 or so individuals who would be out of work if they didn't take a position in 'receivables'. None of them had worked in collections before and certainly didn't expect to end up there (or out of work). Tough consumer collections too, items like unpaid motor vehicle infractions, overpayments on social assistance.

They suspected, rightfully so, that more than a few of the people they called would be...testy. By the time we finished the training, they were looking forward to such calls with anticipation. Not because they are amusing, they are not. But they do provide an opportunity to be the very best that you can be. Anyone can collect from an individual who has money and is willing to pay. Being able to successfully handle one of these calls, requires excellence in communication skills.

My friend Steve Coyle in Malaysia is the author of "Debt Collection – Stir Fried or Deep Fried", where he compares Asian vs Western Strategies in collection. He says that he 'loves the challenge of converting a fire-breathing customer'. Turn one of them around and you have a customer for life.

You want me to do what?

In many organizations, the effects of COVID-19 are a great increase in collection activity, but less in credit, sales, and perhaps even customer service. This creates the opportunity to re-deploy personnel and with the right direction, can greatly assist the overall objective of financial survival and customer retention. However, it is not without challenges.

Collections and Sales - Similar but Not the Same:

A sales representative *should* fit much better into the shoes of a collection professional. They are called upon to speak to a customer, in person or on the telephone and overcome objections about buying a particular product or a service. They should have a desire to win, but need a thick skin, just like a collector, to handle rejection. Fit they *should*, but there are many excellent sales reps less than effective with it comes to collections.



"You want me to do what?"

Maybe it is the white hat syndrome, I don't know, but I have found with the right training and direction that most can manage, and some will thrive, but don't expect stellar performance from your top salespeople. (But, don't tell 'em I said so. There is such a thing as the self-fulfilling prophecy.)

The folks from Customer Service will be skilled in communications, a major factor in success in receivables, but they may need to increase their level of being assertive.

Here is how to get the most out of re-deployment:

Selective Service:

Unless you must take all individuals or what you are sent, only take those who will make the best fit. Our firm has [a CollectABILITY Index®](#), an on-line questionnaire taken in less than ten minutes that will provide you with a report that will grade the 'ability' to collect. The cost is less than \$20.00, practically nothing when you consider your time and effort in training.

If you must make selections without the support of the CollectABILITY Index® or something similar, select based on the following and in this order:

- Take the folks who want to come:
Maybe they want to make sure they have a job, any job, but that's the way most of us fall into collections in the first place. You will get much more out of those who want to be there rather than assigned.
- Assertive:
Not afraid to ask questions. They don't need to have a chip on their shoulder and you definitely do not want them too aggressive, but they can't back down either.
- Winners:
They love to win – doesn't matter how you keep score, sales, collections as long as they are winning.

Drill, baby Drill¹³

You won't have time for a lot of training, so it is important to cover the basics and drill them in those basics until they have them right. Do not allow them to speak to a delinquent customer until they

¹³ A famous (or infamous) slogan of a political party. It's a good slogan, but I don't take sides.

receive training and have passed. You can give them a written or on-line test, followed by a role-play collection call.

Tailor to your organization, but it should include at the minimum:

Best Practices:

This will be the ten or so policies related to collection activity. Who you will/won't speak to, what is the minimum payment or terms of clearance, settlements, what needs to be referred to a supervisor/manager, how to handle irate customer, etc.

Phases of A Collection Call:

This book is geared to collection activity during the time of COVID-19. We assume you have the knowledge of what is required to make an effective collection call, but if not please let us know.

Overcoming Excuses:

How to deal with the expected nine or ten excuses you will hear about 95% of the time in your particular business.

Snakes & Ladders:

The all-important de-briefing should take place daily if possible, if not, at least once each week. Ask everyone if they can bring an example of each, one call that worked well for them, on that could have been improved.

Additional Support & Thanks:

Naturally enough, these folks will need a bit more coaching. Make sure they get it, in particular the knowledge of knowing it's okay to make a mistake, but only if you learn something. Also, they didn't plan to be working in a collection department. Make it fun for them, it is way more than possible, and be sure they know they have your thanks.

Reward employees:

Mary Kay Ash, the founder of May Kay Cosmetics, started from nothing and amassed a personal fortune of some 98 million U.S. Dollars by the time she passed. She knew products but more importantly I believe, understood motivation. She was quoted as saying there were two things that people wanted more than sex and money: Recognition and Praise. I say that if you can put together a program that provides all four, you'll never have to work another day in your life. You may not have much of a budget for rewards. That does not matter. You can do an awful lot, with just a little, if you put in the effort.

Let's make it tough on you. Suppose for example, you only have \$30.00. Not likely to cover dinner for two, may not even a reasonable lunch. Imagine if you will, 12 or so balloons up on the wall. When someone hits a target, they get to pop a balloon. Inside is a piece of paper that will tell them, winner or better luck next time. A winner gets a crisp \$10 bill. Loser's paper by itself is worthless but get three of them and they get \$5.00.

You will find, just like a casino, it isn't the winning that generates the excitement, it is the 'possibility' of the win. Need more ideas? Look for '1501 Ways to Reward Employees' by Bob Nelson, PhD.

Danger!

One thing you should not give as a reward is leaving early or time off. This would be the equivalent if they are working from home. I want people to have so much fun and satisfaction from what they do that the opposite would apply. Your prize? You get to work a couple of hours more this week! If you don't think that is possible, here is another book you may want to read, "Thank God It's Monday", by Auren Urish. (A title so popular, a few other authors have written similar books.)

Professional Onion Peeling – Excuses

If you work in accounts receivable for any length of time, you maderney want to add ‘onion peeler’ as a list of skills on your resume. What happens when you peel a layer off an onion? There is another layer unath, right? That is often what happens in collections, we manage to overcome an excuse give by a customer or a debtor for non or delayed payment, but there is another excuse waiting in the wings, or underneath in this case, so I may continue with the metaphor.

First, a few words, about the word itself. I do not use ‘excuse’ in a disparaging fashion. In many cases, our customer may have a reasonable and viable reason for an account or invoice not being paid. The Python boys had a famous skit that ‘Nobody Expects the Spanish Inquisition’, and despite some of the ‘I told you so’s we are hearing from a few people around the world, let’s face it, I don’t think any of us in business expected COVID-19. In March of 2020, I was one of the International Experts giving several talks at the WCCE (World Credit Congress & Exposition) in Johannesburg, South Africa. Some experts we were, I don’t think one of us mentioned the formidable challenges we could expect starting within a week of the program. Since then, we have gotten our act together and you will find many of us sharing the best ideas and techniques on a special page of our web site.

Is COVID-19 a good excuse for someone not paying their account. Not for the virus itself, but the result of the virus, out of work, business closed for a period, maybe permanently, and possibly even a deceased customer or a death in the family. Though there may be many more of these for us to try and resolve with our customers, most of us do have experience in trying to resolve excuses of a similar nature in the past.

The objective becomes some cases, it is a reasonable and viable reason for an account not being paid. We are certainly going to see enough instances during COVID-19. Yet, the account is not past due because of the virus, but because someone is out of work, or they were ill as a result of the virus and those excuses we have been dealing with for many years.

The most effective method of handling excuses:

1. List the Excuses used by your Customers.
2. What are the best questions?
3. Develop your delivery system
4. Always improve.

1.) List the Excuses:

This shouldn't take more than ten or fifteen minutes. Gather your team together or send out the question: What are the major excuses we hear from our customers? The answers will vary by consumer or commercial and your particular business, but I'm sure you are familiar with the usual suspects that could include:

- a. Out of work
- b. Waiting for money
- c. Business is difficult (Heck, maybe even impossible, during COVID)
- d. My customers are not paying me
- e. Payment needs to be approved
- f. Check/cheque needs to be signed

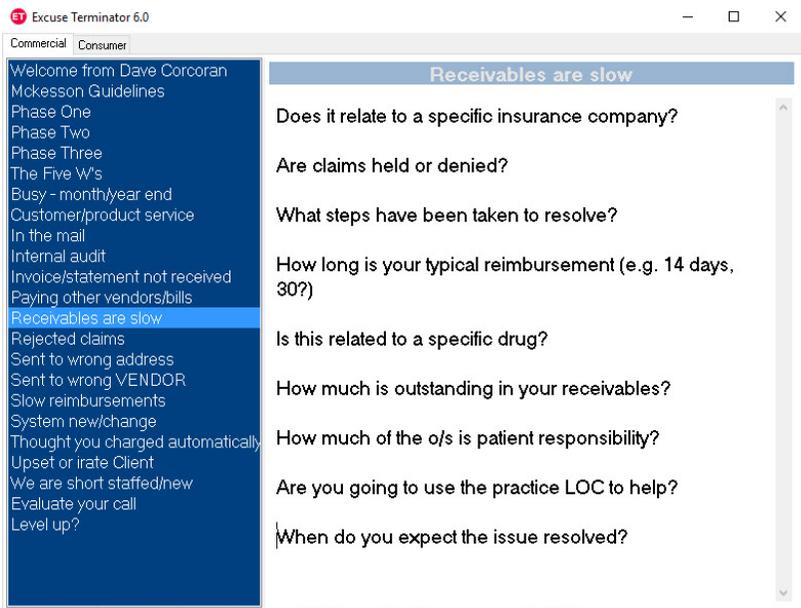
2.) Using the 5 W's of investigative journalism, list the best questions. Who, What, Where, When and Why. If a question doesn't fit, leave it out. Also, add some statements that may elicit a better response or additional information. You and

your team may have something that has worked for you, make sure you share it.

- 3.) A format simple and easy to use. This information could be on 3”X 5” cards, could be on paper, and index or our electronic version of the Excuse Terminator. It has been said that out of Good, Fast, and Cheap, you have to pick two, but that is not the case with our product ‘SAGE’, software for ‘Solving Answers Generalizations & Excuses’.

Available for download for about \$20 and ready to use right away, containing the major excuses and best information from experts, that is fully editable by you. To find out more, [click here](#).

You can find a short video there, but for now, they say a picture is worth a thousand words.



Eliminating excuses – This is what we do!

In my career as a collection manager, I have sometimes given an excuse terminator product to a ‘seasoned’ collector who has let me know that he doesn’t need my ‘little’ excuse terminator. (It is almost always a male and he uses the word ‘little’ to describe the excuse terminator.) These collectors have a bit of a swagger and though a challenge to work with on occasion, are very good at what they do. “I know you’re good at collecting,” I tell them. “I’ve heard you. Probably better than me and though you may not need the excuse terminator, I’m going to leave you one. You don’t have to use it, tuck it away in a drawer if you like. But, don’t miss anything.”

We help our collection team to work with the customers to overcome any and all excuses for non or delayed payment. We eliminate any excuse from a collector for not asking the right questions at the right time. Finally, we eliminate any excuse for ourselves for not giving our team the best tools to perform at the top of their game – telephones, a system, place to work (or be supported if at home) and tools like the Excuse Terminator.

The Working Door

When a customer closes the door to their business, work with them to get it open. That's how doors work.

It was tough sledding even before COVID-19. About 20% of new business fail in the first year and 50% by their fifth. In commercial collections, we have had to deal with the small business owner and company failures for many years.

However, in most of those cases it was a slower process and attributed to reasons such as no market for their service/product, not having the right team, running out of cash, competition too tough or good, price and cost. The failures tend to be a slower process over several months or longer. Often with hindsight, we or someone could say, 'I saw it coming'.

Not so, as we have already mentioned, with COVID-19. Your customers or their customers may have had a great product or service and lots of other things going in their favor but were obliged to close their doors in an effort to stop the spread of the virus. Some of our customers will manage to get through the crisis and some will re-open, struggle for a time and ultimately fail. Some may never re-open their doors again.

It is funny, I don't mean 'ha ha' funny, but 'interestingly funny' that the customers who were straight arrows in the past, never missing a payment, somehow manage to struggle and scrape together the full payment or pretty close to it. Others, those who were always a day late and a dollar short, even in the best of times, almost seem joyful to have a new excuse they can use.

In my book, 'Paid in Full', I shared a collection philosophy that does not change, does not falter, even during the difficult and unique challenge of COVID-19.

“We believe it is in the best interest of our firm, as well as our customers, that payment be made according to the agreed to terms. We will contact and follow up with our customers, dealing with them in an open and diplomatic manner to ensure they understand and adhere to those terms. When there have been changes in customer’s environment, we are willing to negotiate and work with them to find



solutions acceptable to both parties. Should we encounter a customer who refuses to negotiate in good faith – as will happen on occasion – we will proceed with any and all effective collection efforts.”

During the COVID-19 challenge, I recommend the ACE method of working with your commercial customers, even if they have been obliged to close the doors of their business.

Ask:

Always start off with a clear, eloquent and assertive request for full payment. Never assume, no matter what their business, that they should not be prepared to make the full payment due. Yes, of course we will negotiate and take less, but always negotiate down from the full amount due today. Those with less experience might contact a customer and ask for ‘something’ on the account.

Cut the Cards:

Some customers may use COVID-19 as just another reason to pay you later. But even for our good customers, remember the adage that you can trust the dealer, but cut the cards. “Geoff, I appreciate what you are telling me about your main customer not having paid you, but I’m sure you understand we will have to conduct some verification.” Even if it is a landlord who says he’s not being paid by his tenants, we will need to perform some due diligence.

Eligibility:

The federal governments of most countries are offering financial support during COVID-19, not only to individuals but to small,

medium and sometimes, large organizations. You cannot assume your customer is aware of taking advantage of the assistance, you may need to point some of them in the right direction and others you have to take by the hand and almost walk them thru the door of government financial opportunity. (There's another door opening, eh?)

Stretch and Settle:

We always want to be thinking one step ahead. The start, as we have stressed here and in other chapters, is the full payment, today. Work your way down from the full amount due. Be strong. You Are the guardian at the gate, the defenders at the Alamo, the valiant few at Rourke's Drift, the lone Soviet tank during the battle of Rageinia, you get the idea. Don't let the effects of the virus force us to take less than we deserve and can successfully negotiate with our customers.

The only alternative, beyond full bankruptcy and never getting paid, may be to stretch out the delinquency over several months, hey, maybe even a year? How can you keep the customer going, maybe agree to hold off actions and looking for the past due as long and they buy from you on a COD basis? Naturally enough, you prefer to have COD plus a percentage on the past due amount, but at the very least – if they are still in business and want to stay that way, they need to work with you too. Like we try to say, "We're all in this together, eh?"

Draw Your Line in the Sand:

In different times, months or years B.C. (Before Covid) perhaps 60 or 90 days past due may have been the time in some organizations where legal action might be taken, goods seized if possible or an account assigned to a third party. The time frame will change but you will want to know your policies, your bottom line – this far, no more, before you speak with customers.

We don't want to take what we are sure may be considered hard-nosed and unsympathetic actions but may need to ensure our customers are aware of the consequences of non-payment and not

working with us. They need to know, the customer, that what is not going to work is our accepting a statement like, “Hey, it’s the virus and things are difficult. We can’t pay you know and the only thing for you to do is wait until maybe there is a vaccine and a few months later, when this is all over and we return to normal, we can talk.”

They need to know: ***That ain’t gonna’ happen.***

It was the best of times, it was the worst of times

Charles Dickens, in his novel, “A Tale of Two Cities”, describes the period as: “It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness”, much like today.

On the television news, not long ago, I heard a young doctor telling her interviewer that she had to tell her husband just a few nights before, that she might not make it, may not survive sessions in the ICU ward that were filling up with COVID-19 patients. She wanted him to know, and to pass along to her young children, how much she loved them.

Many in the medical and other professions have given their lives, put their health and that of their families at risk. Thousands upon thousands of others have shared their time, put them selves, if not into serious danger, at least in the path of potential danger, to help others. They make me proud to be a member of our race.

On the other hand, how low can we go?

As soon as they announced that isolation and perhaps quarantines were going to be necessary, the store shelves in my town were empty of toilet paper. I’m not sure what that says about us, but I find it hard to believe Darwin would have awarded us any points for evolution. The sell out of hand sanitizers? Maybe. I noticed that a Danish store seemed to come up with the best solution. They offered one bottle for about \$4.00, two for \$95.00! Clever of them.

But hoarding could be put down to being selfish, but not necessarily evil. The next up on the list may be folks who could win the Mayor Vaughan award. He was the mayor of the fictional town of Amity in the movie “Jaws”. After the first attacks, when tourism was

threatened, he famously told the people “the beaches are open, the water is safe”, cue the shark music.

It seems in almost every city and country, there are people who have vied to win the Mayor Vaughanie award, right up to you know who.

What list will you be on? How about your company?

How we and the other members of our team work with our customers and clients during COVID-19 will say a great deal about us. Some of us have a direct say and we all have an influence. For me, I'd like to hear something along the lines of:

“They pestered me, wouldn’t let me go, got to the point where I almost told ‘em to take a long walk off a short plank, but they just kept coming back, calm like, working with me to come up with a solution when I didn’t think one was possible. Not sure I like them much, don’t think I’d want to have a coffee with them, but if I’m ever in a tough financial situation again, I sure want them in my corner.”

How about you?

What is your business?

I was speaking to my friend Louis this morning. “I truly believe,” he said, “we will come thru this stronger than before.” He is not alone in his thinking. It has been said that success is not build on success, it is built on failure. It is built on frustration. Sometimes, it is built on catastrophe.

If what you are doing right now is not working for you, what options do you have. Warren Buffet said the most important thing to do if you find yourself in a hole is to stop digging.

When was the last time you asked yourself, ‘What is my business?’ Was it before COVID-19?

Management consultant and author Peter Drucker said that getting the right answers was a matter of asking the right questions.

One of his best was, 'What is your business?' Followed closely by, "What is your business going to be?"

I seem to recall in his popular book, 'Management', Drucker talking about the time he was bought in to consult with a company who made cartons for a beer manufacturer. Early in an initial meeting, Drucker broke into an introductory talk by their president to ask, "What is your business?" The president paused, expecting perhaps that any consultant, particularly one as high-priced as Drucker, would have done some basic homework, at least read the brochures, slowly started to explain how they built beer cartons for..." Drucker held up a hand to stop him. "I disagree," Drucker said. "You are in the packaging business." It led to an 'ah ha' moment for the executive and the firm.

A third-party collection agency may believe they are in the 'financial recovery' business, to collect loans or debts of their clients. In truth, they are in the communications business. Even before COVID-19, many firms were finding their revenue was increasing based on customer contact as a first party or for other reasons, rather than for collections.

A good question is: "How, if collections is going to be so difficult over the next few months, can we maintain, perhaps even improve communications?"

I have a screw loose (Okay, maybe more than one.)

Did you ever take something apart and then when you put it back together, found there were one or two screws left over? Although I have heard of some people who figure they must have put it together better, because they used less parts, I'm not so sure and hesitate to toss them out, 'cause you never know', do you?

When I was stringing together the outline and notes for 'Panic Instructions' I found a few items 'left over'. Though I could not be sure where they would best fit, I could not bring myself to delete them or sentence to my writer's notebook.

Perhaps it is possible you have a home where they could contribute and lead a useful life?

- **Communicate – but not that much:**

This concerns your team, not the customer. It hurts if you're management, but they don't need a lot of the help you're trying to pass along. Give 'em the big picture and get out of the way.

- **It's a Marathon:**

Take a deep breath. COVID-19 will be with us for some time. Conserve energy and don't spend a lot of time buying up all the toilet paper.

- **Decide already!**

A video I saw a few days ago was of a man being asked, "Would you rather be quarantined in a room with A) Your wife and child, or", He interrupts and says "B" before hearing anything else. You will never have all the information you want. If you have enough to make a reasonable decision, make it and move on to the next problem.

All in this together?

The most powerful weapon in our arsenal against the negative effects of COVID-19 on our receivables is our ability to choose what concerns us, what we will stress about and to what degree and most importantly our own attitude.

An organization, or a country for that matter, may have some temporary success on their own. For long term success, the only kind that counts, we have been told by American author and minister, Edward Everett Hale, there is only one way for us to work:

Together – is one of the most inspiring words in the English Language.

- Coming together is a beginning
- Keeping together is progress
- Working together is success

This book was originally written in the early weeks and months of COVID-19. Maybe we did not see it coming, our vision this year may not have been 20/20, but if there is one thing our species is very good at, it is the ability to adapt. By the time you are reading this, I expect some of the chapters may be out of date or there is additional information that should have been included.

Check the website for updates. Also, be sure to share some techniques you have found successful and perhaps where you may have stubbed a toe. We learn from mistakes as well as success.

Tough times? It's already a bad couple of months and we may end up writing off this full year and maybe even the next one. I've a great physical and mental exercise for reducing stress, even one like dealing with COVID-19. Are you ready? Get up out of your chair, lift your shoulders as high as you can and then drop them back down. Maybe even say, 'So, what?' Truly a shrug in power.

I'll close with the words of Christopher Robin:

You are braver than
you believe, and
stronger than you
seem, and smarter
than you think.¹⁴

¹⁴ Yes, I know. The quote was used earlier in the book. Just seemed too good a fit not to use in both places.

Please accept our application for YOUR 'C' Team



You have never needed me more!

The travel and social distancing restrictions of COVID-19 will have a tremendous affect on the training business over the next few years. In addition, the demand for some products and services may decline.

Not so, the need for effective collection training – creating and maintaining a customer. That is where we come in.

We may not be able to visit with you in person over the next few months, but technology allows us to deliver the next best thing. Some of you may find that what is billed as the next best thing becomes your preference in the future. When one door opens, eh?

You will find some information and links on the following pages. You may find it a limited menu and you need not be worried about ordering À la carte – we can tailor as well as develop a program just for you and your team.

Products and Services:

1) [Books:](#)

- a) Paid In Full – The book on effective collection techniques. Hard copy and eBook.
- b) How Would Confucius Collect a Past-Due Invoice – How Would Donald Trump? – eBook.
- c) Sex, Lies & Negotiation Techniques – Hard copy and eBook.
- d) The Reluctant Collector - eBook

2) [Tips & Techniques for Collections:](#)

Free newsletter¹⁵, once or twice per month, containing some of the best collection and negotiation techniques. To sign up, [visit this link](#).

3) [SAGE Software for Excuses:](#)

Solving Answers, Generalizations & Excuses. The best product 'ever' to help you and your team overcome excuses. Fully editable by you. [Follow the link](#) and check the video.

¹⁵ Along with the tips, do we ever try to sell you something? 'Course we do.

4) [The CollectABILITY Index Assessment:](#)

One in five people are in the wrong job. Here is a chance to make better choices for collections. The result? Everybody's happy! [Find out more.](#)

5) [PACE Program:](#)

An on-line certification program, disciplines in consumer or commercial, includes 6 eBooks, ten modules, testing and assignments. May be completed in as little as one month or as long as six.

Students in Africa may choose the tailored 'SIMBA' PACE Program and the 'TIGER' PACE Program is offered for South East Asia.

6) Webinars:

A few public programs are offered via joint ventures. Tailored programs can also be delivered to your organization. [Please contact us for details.](#)

7) Policy & Procedures – Consulting:

We offer a wide range of services from initial review to more detailed consulting services. If interested, [let's talk.](#)

8) It's only Email!

Still sending out emails based on letters that were originally written by a credit manager long since retired? [We can help.](#)

While the demand for some products and services may decline during COVID-19, not so the need for collection training. That is where we come in.

We are not far away:

- Updates to this book
- Products and Services (including the Excuse Terminator)
- Links to other sites

Please visit:

www.incprocollect.com/panic