

# The Collector Chronicle

NORTH AMERICAN RECOVERY

April 2013

Utah's Collection Authority

## LAST MONTH'S PRIZE

The lucky winner of our client prize for March is Utah Physicians Care Centers. We have been collecting for them for 16 years and will be sending Meloni a \$100 gift certificate to City Creek shopping center.

Congratulations and enjoy!!



## THIS MONTH'S PRIZE

This month we will be giving away a gift certificate to Fleming's. Each client who sends new accounts during the month of April will have their name entered into a drawing. At the end of the month we'll draw a name and, if it's yours, you'll win the gift certificate.

***Don't miss out on your chance to win;  
send new accounts in April!  
Good luck!!***

**F**  
*Fleming's*

## THE DYNAMICS OF A COLLECTION CALL

(PART I)

BY DAVID J. SAXTON

PRESIDENT, NORTH AMERICAN RECOVERY

A collection call is an interesting thing. When done correctly, both the debtor and collector feel good about the encounter. Debtors experience a feeling of relief and satisfaction: Relief because they don't have to wonder who's calling every time the phone rings. Satisfaction because they are closer to finally paying one of their outstanding debts. The collector feels good because they are experiencing success in their job. However, if one small thing goes wrong, it can be very upsetting; not only for the debtor but for the collector as well.

Most collectors in our industry don't truly understand what's going on when they make a collection call. It's not their fault—they simply haven't received the necessary training. Our collectors, however, receive extensive training on the psychology behind a call, and this training helps them understand what they are doing, *why* they are doing it, and why it works so well. This month I wanted to break down a collection call for you and talk about the methods we use to collect an account and why they work so well.

A successful collection call starts with the collector's attitude. If a collector has a positive attitude about themselves, our client, and the debtor, they will have a successful call. Once a collector develops the ability to approach each call with a positive attitude, they can be confident that no matter what the debtor says, the bill is owed and needs to be paid.

This idea may sound strange, but almost every debtor tells a collector they don't owe the bill or they shouldn't have to pay. The reasons are many—and debtors can be very convincing—so a collector must be prepared for any excuse. Most collectors in our industry struggle with this concept. They tend to believe the debtor and it kills their results. We help our collectors avoid this mistake by requiring a debtor to provide written documentation proving his or her claim before we stop our collection efforts.

Taking this approach virtually eliminates frivolous claims. It comes down to this: If the collector is going to believe everything a debtor says, he or she might as well not even make the collection call. It's unfortunate that we have to take this approach, but if we didn't, our results would be terrible.

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The next part of a collection call is the single most important. It is how the collector sounds (their tone of voice) when speaking to a debtor. A collector must have a confident, firm, professional tone without sounding arrogant. We don't want to offend the debtor. We are adamant that our collectors be respectful and communicate in a professional manner. However, a collector must still sound confident and firm or the debtor won't take the situation, or the collector, seriously. It's also very important that a collector is formal in their approach because if they sound friendly, the debtor will try to take advantage of the situation.

Now that we understand what a collector's attitude should be, and how he or she should sound, it's time to call the debtor. When we make the initial call (and all subsequent calls for that matter) it's important that a collector uses the debtor's full name, including their middle name (not just the middle initial) if we have it. Why is this so important? It usually triggers a unique memory in people that gives us a distinct psychological advantage. What am I referring to? Well, remember back to when you were a very young child. If one of your parents wanted to speak to you about a very serious subject, how would they address you? If they were anything like my Mom, they used your FULL name. I always knew my Mom meant business when I heard, "David Joseph Saxton, come here!" That's exactly the feeling we want to convey to a debtor.

After we confirm we have the right person, by firmly stating his full name, we tell the debtor about the bill and ask him a very simple and straight-forward question: "Do you intend to pay?" (Not those exact words but that's the idea.) This may sound strange, but here is why we do this. We give the debtor an opportunity to indicate his intentions, so we don't waste time talking to someone who isn't going to pay no matter what we say. Most of the time they answer with "yes," but sometimes it's "no." When their answer is "no" it makes more sense to sue the debtor and garnish his wages instead of trying to convince him to pay.

When a debtor says he does want to pay, we explain that he must pay the debt in full by a certain date. This

deadline is another important distinction because in today's society, everyone pays everything by making "monthly payments." We've taken a different approach. We always expect that every account should, and will, be paid in full. NO MONTHLY PAYMENTS. (Except for a few rare instances or if a client requests it) We've discovered over the years that if a debtor was truly serious about making monthly payments, they would have made those payments to you. While we don't allow monthly payments, we do realize that most debtors won't have enough money available to pay their bill in full. So what do we do then? Well, I'll tell you all about it in next month's newsletter. ☺ Sorry to make you wait a full month, but I promise it will be worth it. Have a great month!

## KIND WORDS

We are currently updating some of our website content and two of our employees sent along the following testimonials about working here. We wanted to share them with our clients this month. Have a great month!

"Working at NAR has opened my eyes to how an agency should be run. I have been extremely impressed with comments from employees in all departments regarding how Dave takes care of us. Client Service and Support are what NAR thrives to excel at in every aspect of the business. It is a pleasure to be involved with an agency that cares so much about clients, employees, debtors and everyone NAR works with."

-Darcy R., Salesman

"No matter how difficult a situation becomes, I can always count on Justin's help and guidance to resolve the issue professionally and with tact. I take great comfort in knowing I have a very knowledgeable Supervisor who is equipped to handle any situation."

-Patrick B., Collector



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1600 W 2200 S Ste 410 West Valley City, Utah 84119

801-364-0777 • Fax: 801-364-0784

[www.North-American-Recovery.com](http://www.North-American-Recovery.com)