

2010 Collections Business Analysis Sample accounts and Dollars Outstanding

For Collection Agency Use

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This White Paper is available at (www.justpayontheweb.com/provider). ALL efforts in this document focus on maximizing your collections upon INITIAL receipt of the accounts as well as a treatment for lower balances in your normal collection activities.

The purpose of this White Paper is to look at the *Concept* and not the dollars or percentages collected.

This internet platform can be directly linked into your client's website if you are performing first party collections or can be used as an independent third party payment website for normal agency collections activities. Finally, it is an automated low cost supplement in harmony with your internal efforts.

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Three Requirements for Success:

- 1. Trap specific data “metrics” to measure the effectiveness of your efforts**
- 2. Apply 80% of your energy improving the earliest stages of the collection process by running parallel testing**
- 3. Apply 20% of your energy improving the normal collection cycle by running parallel testing**

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Requirement ONE

1. Trap specific data “metrics” to measure the effectiveness of your efforts

A key to improvement in your collections involves accurate measurement of both your current methods and the parallel testing of new approaches. If you don't know where you are how can you tell if you have improved? Many collection professionals hold fast to traditional methods for the wrong reasons. There is the pressure to keep the status quo.

However, the credit card companies and major credit grantors have been using internet platforms as a supplemental treatment for several years now. There are at least 4 vendors providing this type service to major creditors. They each involve significant capital investment as well as linkage to other major proprietary systems.

What is needed is an independent vendor that can provide the technology with no capital investment and at substantially lower operating costs than the existing major systems. This platform may be used as a link to your existing collection website but higher acceptance rates are much more likely if the site the debtor is sent to is truly an independent site with no risks of trapping information or planting any tracking software.

The reporting module should be able to track funds and transactions processed in detail to provide a clear comparison for you to pre-existing collection treatment for the same account selection criteria.

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Requirement TWO

2. Apply 80% of your energy improving the earliest stages of the collection process by running parallel testing

The greatest chance for collection of accounts occurs in the first 30 days of account assignment.

By using the flex-pay platform initially for all low to mid-size balances as a supplemental treatment, you will significantly improve your efforts. Remember, the scripting is always FDCPA compliant because you determine the text. The presentation of the information is consistently mirroring the talk-off of your best collection agent.

This service is available 24/7/52 and is in complete privacy with no debtor fear of abusive tactics.

The cost for the “discount two pay” is transaction based instead of percentage based offering you higher profitability per transaction with no costs for human resources, salary or bonus costs, office space, equipment, etc.

The best part is that you as an administrator can throttle the volume by varying the terms you will accept for the internet transactions. Should you get a massive new assignment of accounts or should you have a temporary shortage of agents, you can make the terms more generous until your internal systems can catch up. When running smoothly you can reduce the terms for internet payment pushing more traffic to the agents. You can also manage the volume by increasing or decreasing the balances of accounts opened to the internet option.

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Requirement THREE

3. Apply 20% of your energy improving the normal collections cycle by running parallel testing.

The normal collections cycle can be supplemented by using the Flex-Pay module for Charity Care/Hardship. Basically, the regular use of the Flex-Pay system involves using a series of settlement offers “acceptable for you” with varying terms and monthly payments. The system sets up a string of monthly ACH debits to allow the debtors flexibility that matches their ability to pay and still remit funds acceptable to you.

As an additional feature some families just don’t have the resources to pay on the account without a substantial discount offered. Rather than lose these payments from these families, the Flex-Pay Hardship Module forces the debtor to complete significant personal financial information in order for them to justify the special discount. You can make this process as easy or difficult as you like. A substantial number of families will initially attempt this process but at some point select the option to go back and accept the prior offer for them to pay.

If they provide all the information you require and the ratios demonstrate true hardship, then you can offer a generous discount and still earn some collection on the account balance.

Remember, as the administrator you can dynamically change the terms and discounts at any time to maximize your return on the accounts. You can even control which accounts are even given access to this part of the system.

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