

board (you'll learn more about this incredibly versatile tool in the next chapter) is a great way to broadcast your coaching far and wide; a "Tip of the Day" is a fun way to teach. Write a pithy word of wisdom on your grease board and then don't say anything about it. Collectors love to talk, and this at least will give them something worthwhile to talk about. Encourage collectors to submit their own "Tip of the Day" for maximum "buy-in" on this program.

Your internal e-mail program can be used the same way, either for general coaching or for specific spontaneous coaching. If you're sending a "morning greeting" to your staff by e-mail (also discussed in the next chapter), use it to coach for issues specific to the time of month, or to the recent batches of new business, or to the dialer campaigns you'll be running that day.

Many computer systems provide a "log-in" message that the collection manager can define for his collectors. This is nothing more than a brief "how do you do" that appears on the collector's screen when he accesses the computer system in the morning. Broadcast a general tip, or tailor individual collectors' messages with a friendly reminder about their Action Plans. Short and sweet does it: something like "Don't forget to call NSF's," or "Use abbreviations when you document accounts."

### **I'm Warning You**

Sometimes coaching doesn't have the desired effect. When you perceive that a collector's performance failures have continued despite coaching, or you observe him violating a policy or mucking up a procedure that he knows or should know, it's time for the more formal—and more formidable—counseling. Counseling can take one of three forms: the Action Plan, the verbal warning, or the written reprimand. Counseling offers an employee the opportunity to correct an unacceptable failure or behavior while making a permanent record of your attempt to fix it.

#### ***Definition: Counseling***

*An Action Plan, a verbal warning, or a written reprimand designed to offer an employee a chance to improve or change a behavior while creating a permanent record.*

### **Come Up with a Plan**

For performance failures, the next step is the specific Action Plan. Here, one narrow aspect of performance is isolated and measured quantitatively over a period of time. It's a means of focusing a collector's attention on one specific task that needs improvement, providing a reliable measurement of success or failure, and documenting the additional training he's receiving.

First, find one specific performance area that's critical to the failure. For reducing NSF's, this may be a failure to qualify postdated checks. For negotiating, it might be a failure to gather Full and Complete information. Create a written training tool that addresses the technique for succeeding in

that performance area. Then devise a simple, irrefutable, quantitative measurement that you can use to determine whether or not the collector's employing the technique and whether her results are improving. Create the Action Plan by writing down the specific problem as you see it (backed up with documentary evidence of the problem), the technique you're offering the collector to fix it (attach the training tool as a separate sheet), the timeframe over which you'll be measuring improvement, the means you'll be using to measure that improvement, and what results will denote success.

***General Principle: Constructing Action Plans***

*An Action Plan is designed to correct a specific failure with a specific technique in a specific period of time, and its success or failure is determined by a specific measurement. Be sure that your Action Plans include all of the following in writing:*

1. *A statement of the specific problem backed up with documentary evidence.*
2. *A training tool outlining the specific technique for success in that particular area.*
3. *A specific timeframe over which improvement will be measured.*
4. *A specific measurement that will be used to determine whether or not the technique is being applied.*

Bring the collector to your desk with her supervisor, another manager, or a representative from HR present. State the problem to her calmly, show her the documentary evidence you've gathered, and watch for her reaction. If she tries to hand you the "I didn't know" excuse, remind her of her previous coaching, and express disappointment that she didn't remember it.

Tell her that you've created a tool that will help her keep from making the same mistake again. Read the action plan to her aloud. Ask if there are any questions on what's expected. Emphasize that this is not a discipline, only a training tool, and that there won't be any progressive discipline provided there aren't any more failures in this area.

Then go over the training document with her in full detail. Explain the process you're demonstrating step-by-step, and make sure there are no questions. Tell her when and how frequent follow-up will be, and let her know that you believe in her ability to learn this process. Make sure she signs both the Action Plan and the training document, and ensure she has a copy of both. Encourage her to go to her supervisor or to you with questions about the process she's learning or how she's being measured, and send her on her merry way. Then document it all in a memo-to-file.

You've accomplished several objectives here. You've made the collector aware of a serious problem with her performance, you've let her know that failure won't be tolerated any more, you've given her specific training to help her solve the problem, a specific measurement to assess whether she's following that training, and a deadline for mastery. If the Action Plan's

successful, you'll have improved a staff member having trouble; she may even become more inclined to follow her coaching, if only to avoid future Action Plans. If the Action Plan fails, and your collector refuses to 'learn the lesson', you can easily substantiate efforts to avoid progressive discipline and justify a series of steps that could lead to termination.

<p><b>Action Plan</b> <b>Christina Reyes</b></p>	<p><b>Manager: Chris Coelho</b> <b>Date: 12/15/2006</b></p>
<p><b>Qualifying Postdated Checks:</b></p> <p>Christina's NSF ratio has been far higher than the average and well outside her target for two months. In October, Christina's percentage of NSF checks (dollars returned to dollars collected) was 12.5%. In November, it reached 14.7%. Christina's NSF target is 7% or less.</p> <p>A review of Christina's large payments over October and November reveal that she took several very large postdated checks that were returned NSF. No Full and Complete information is documented on any of these accounts, no source of funds is identified, and there was no follow up on any of these accounts between the debtor contact when the check was taken and when it was returned by the bank. These account numbers are 143245, 163321, 90274, 133234, 178943, 101067, and 103467.</p> <p>Christina received initial training on all of these topics during her first two weeks with the Company. In addition, she received additional coaching on them from me and from her supervisor. To reinforce these proficiencies, a training memo has been attached to this Action Plan for Christina.</p> <p>During January, we'll review all accounts on which Christina takes new postdated checks for the following information:</p> <ol style="list-style-type: none"> <li>1. <b>Full and Complete information:</b> additional phone numbers, addresses, place of employment, real property, equity, bank, and this same information for the debtor's spouse. If the debtor refuses to give this information, Christina will be required to get a supervisor to verify this.</li> <li>2. <b>Source of Funds:</b> the means by which the debtor will be making the check good: whether through a payroll deposit or other specific source.</li> <li>3. <b>Follow Up Attempts:</b> with the debtor three days before the check is scheduled to run and with the bank for verification on the date of the check.</li> </ol> <p>Christina's supervisor will create a report of her new postdated check accounts and we'll review them together on 12/8, 12/15, 12/22, and 12/29. Only 100% compliance with all of the above criteria will be considered a success.</p>	
<p>Collector: _____ Date: _____                  Manager: _____ Date: _____</p>	

The previous page shows you a sample Action Plan designed to train a collector on steps to reduce the risk of NSF checks. Note that the plan cites the failure quantitatively, comparing the collector's NSF ratios to an established company standard. It's also clear that this isn't the first time the collector's been taught this material (of course, there would be signed documents from her training period to substantiate this). It also includes specific criteria by which the collector's progress will be judged (the presence of Full and Complete Information on the account, a specific source of funds, and evidence of follow up attempts with the debtor and with the bank). It notes when the collector's file will be reviewed for compliance with the Action Plan and also sets a bar for success - 100% compliance. Below is a sample of a training document that would accompany the Action Plan.

**Training Topic: Qualifying Postdated Checks**

A bad check never paid anybody's bill. When you accept a check from a debtor and that check is returned from his bank as non-sufficient funds, or NSF, there's a big cost to the company—and to you. That's why we require all collectors to keep their NSF ratio - that's the number of gross dollars that come back NSF in a month divided by the total number of gross dollars collected on a file for that month—to 7% or under. For example, if you collect \$20,000 gross, you should have no more than \$1,400 returned NSF.

When taking postdated checks of any size, always be sure that you're qualifying the check—that means doing everything you can to make sure the check's going to be good and not returned NSF.

First, make sure you've got all the Full and Complete information: all the telephone numbers and addresses for the debtor, his place of employment and income, whether he owns property and how much equity he has in it, where he banks, and all of the same information for his spouse. This will make it easier for you to reach him, which will make him less likely to offer you a bad check.

Second, make sure that you've identified the source of funds. Where's the money coming from? If the debtor's postdating a check, it means he doesn't have the money today, but will on a certain date. Make sure the debtor can tell you where the money's coming from on that date—in other words what, specifically, you're waiting for. Otherwise the check's likely to bounce.

Third, call the debtor three days before the check is scheduled to run to remind him that he has a bank deposit to make. Let him know that you intend to run his check and that you expect it to be good. Call the bank on the day the check is scheduled to run to verify that funds for the check are available on that account. If not, call the debtor back immediately.

Follow all of these steps on each and every postdated check you take. This will prevent debtors from stalling for time with bad checks, reduce the office's paperwork and expense, and help you keep your NSF ratio to 7% or less as required by the Company.

Collector: \_\_\_\_\_ Date: \_\_\_\_\_