

participate in, and require your supervisors to do the same. Your staff will develop confidence and competence, and you will be called upon less and less.

There will be some collectors who get a little too used to having you around to pick up the pieces for them. That's not acceptable. The whole point of helping collectors with their revenue opportunities is to be able to count on them to do it themselves. If you notice that a collector is bringing the same issues to you over and over again, because he doesn't know how to negotiate, or control a call, or just say 'no' to a debtor request that's beyond the pale, then it's time for your coaching to take a written form. Coaching, counseling, and progressive discipline—and the fine art of the Action Plan—are covered in greater detail in chapter 9.

The collection manager's other responsibilities aren't important only to him. They're important to his superiors, too. No one's going to accept "I was busy getting the money" as an excuse for neglecting other responsibilities any more than you would. And the more you neglect other responsibilities, the less your team's going to generate in the long run. Remember that the revenue your team generates is a direct reflection of your own effectiveness. If you're a new manager, or were a collector for a long time, this may seem a bit paradoxical. But it isn't.

Think about it. You may have been the best collector on the planet, but you can't outcollect ten, or twenty, or thirty of them. This is especially true if you've made it your business to give them the tools they need to collect. In the next sections of this chapter, you'll learn what the other 'ingredients' of a solid collection manager are, and why they're critical to your revenue.

Want to stay in this business, and actually do something with it, actually achieve something? Then learn to do the *whole* job—not just the part of it that you like or understand the best.

Competency #1: Making the Most Of Collectors' Contacts

A collection manager takes his staff's calls when they need him to, but not just to get the money. He uses each revenue opportunity to provide coaching, ensure compliance, reconsider strategy, help develop collector confidence, and troubleshoot processes.

Keep their Noses to the Grindstone

Some managers think of production and revenue as the same thing. But there's a value in drawing a distinction. In a collection environment, *production* should be regarded as output—the number of calls a collector made or took, his talk time, and the number of work efforts he noted on his accounts. It's one of the collection manager's most important duties to see that the standards he's established for calls and work efforts are being met.

The uncomfortable truth is that being a collector is a challenging job. There's a lot of sitting in one place, performing rote work such as dialing numbers and leaving messages; there's a lot of stress, and one heck of a lot of

rejection. Most people find that extremely difficult to cope with, and will consciously or unconsciously 'steal' time so as to have to do less of it.

What's 'stealing' time? It's spending time unproductively. Repeated trips to the coffee machine or the restroom, idle chit-chat, 'working the floor' (my name for walking around and talking about nothing with other people who should also be working), personal calls, shuffling papers or dusting photographs are all means collectors use to try to break the monotony. There are hundreds of ways for a collector to waste time.

And you can't really blame them. After all, one of the reasons you sought a promotion was to escape the drudgery of the daily collector routine, isn't it? Sure it is.

But you can't let chaos rule the day. A collection manager establishes production standards that serve to keep his staff busy, and looks to alleviate the drudgery in other ways, especially through contests, motivational techniques, and through management style. You'll learn more about measuring production in the next chapter, and about motivating for improved production and results in chapter 10.

Competency #2: Maintaining Production Standards

A collection manager determines what acceptable call volumes, phone times, and work efforts are and ensures his staff are meeting the minimum requirements every day.

Crunch the Numbers

A collection manager works with numbers a lot. An awful lot. Numbers should be like a second language to the collection manager, who should be able to gather fairly sophisticated ideas just from looking at certain kinds of reports. If you're not a 'numbers person,' have no fear—the next chapter will give you what you need to get started.

A collection manager should be well aware of every aspect of each of member of his staff's performance every day. Generating these numbers is usually the collection manager's first task of the morning, and reviewing them thoroughly is his second. The collection manager will typically arrive in the office at least half an hour to an hour early each day just so that he can perform these duties in peace and quiet before his staff arrives.

But revenue numbers are only part of the analysis. Other figures are just as important, and frequently, even more enlightening. These include postdated check figures, promises, percentage of Month-to-Date goal, and many others. The next chapter will guide you through each of the important revenue-related metrics you'll need to review for each member of your staff every morning.

A good collection manager does much more analysis than just his own people's numbers. He also tracks his department's, the company's, and the competition's results from month to month and from year to year. This gives him an idea of how he's doing personally and how his company's doing

competitively. It informs him as to the peak times of the year for his particular business, since the debtor-obligation cycle affects each kind of receivable differently. And it helps him set realistic and useful goals.

Knowing the particulars of how (and what) everyone in his staff is doing measured against several criteria will lead the collection manager to an understanding of where his weak areas are and how to correct them. Without this advantage, he's powerless to provide meaningful instruction to his staff, who will then have to either succeed or fail on their own. Now what kind of a manager allows *that* to happen?

Competency #3: Using Metrics to Improve Performance

A collection manager knows and uses all manner of performance metrics to isolate weak areas in individual collectors and to develop plans for improvement.

Be Nosy

Listening in on collectors' calls and reviewing the files they've noted are part and parcel of a collection manager's work. Significant time must be allotted daily to this task, as onerous as it may be. Just as working collectors' calls can provide training opportunities and reveal all manner of information about people and processes, so can monitoring calls and auditing files.

These activities give the collection manager direct insight into what's happening with his collectors' negotiations and with their inventory management techniques. This is where the collection manager can determine who's following up accounts properly, who's varying call times, who's gathering full and complete information, who's timing accounts out at appropriate intervals, who's calling their broken promises and reversed checks, who's giving their new business proper attention, and so on. Never underestimate the power of proper inventory management and negotiation to help produce results.

Frequent monitoring encourages compliance and thoughtful negotiation. There are two approaches to this activity: the "stroll and patrol" approach, where you walk the floor as you listen in, looking to take problem calls and turn them into money and training opportunities, and the more formal "grading" approach, where you work from a "phone monitor checklist" as you eavesdrop, grading compliance, negotiation, and other factors. You'll learn more about this technique in the next chapter.

Frequent auditing stimulates proper follow-up and documentation of accounts. And just as metrics can be used to isolate collector shortcomings, auditing and monitoring provide direct, indisputable evidence of potential areas for improvement.

The collection manager must develop an effective strategy for auditing. Among critical candidates are new business accounts, promises and broken promises, accounts recently marked skip or unable to locate and accounts marked as refusals to pay. Were all the skip steps actually followed? Did the

refusals receive a proper second voice? New postdated check accounts should be reviewed frequently, and very large ones daily. Accounts closed as settlement should be reviewed for compliance and intelligent negotiation. And of course, active accounts should be spot-checked for frequent and logical work efforts.

You won't be able to audit everything from every collector every day. Instead, choose the most important files (meaning "potential money" accounts) across the entire team, and the less important files (such as skips, actives, and refusals) for one or two collectors a day. Once you have a system for this and know exactly what to look for on each kind of account, there's no reason why you can't perform fifty or more file reviews (or "red-lines", as they're sometimes called in the industry) for every hour or so you allot for this.

Be on the lookout for recurring problems from specific collectors. That's where you get the most bang for your buck. Develop an action plan specific to the shortcoming and concentrate on reviewing those files in accordance with the action plan.

Keeping on top of auditing and monitoring also keeps you in touch with what's happening in your inventory and with your debtors. If the business you receive from a given client is progressively getting better (or worse), you'll know it immediately. If an economic downturn in a given part of the country is affecting liquidation, you'll notice. These factors can be helpful in adjusting your overall inventory management strategy, which you should do often.

Competency #4: Monitoring and File Reviews

A collection manager has his ears in his collectors' calls and his eyes on their inventory. By disciplining yourself to monitor calls and audit accounts daily, you get the benefit of improving collectors while keeping alert to changes in the inventory and the consumers.

There are collection environments where the "red-lining" of accounts is performed by unit supervisors (who typically also work a file, just as collectors do) rather than by collection managers themselves. If one collection manager has responsibility for thirty or forty collectors, some or all of these file reviews may be "farmed out" to the supervisors. But be aware that in almost every case, the supervisors don't have the same expertise or drive for excellence that managers have. Also, supervisors are seldom as ready to find fault with inferior work than collection managers are. It's not at all uncommon for supervisors to "forget" to do reviews, or to fail to grasp the essential problems in their redlines. Worse yet, they may not pick up on patterns of failure that can expose a collector's — or a team's — specific problems.

"*Quis custodiet ipsos custodes?*" , or "*Who watches the watchers?*" as Plato asks Socrates in *The Republic*. Even Socrates doesn't have a good answer. If you've delegated files review to your supervisors, be sure they're working from specific written guidelines for new business, promises, hots, skips, and other