Using the Daily Performance by Team Spreadsheet

Print out the Daily Performance by Team Spreadsheet and hold it in your hand. Feel its power. Gaze lovingly at its beauty and symmetry, and rest assured that it holds the information you need to solve many of your performance problems.

Collectors are going to look first at *In Hse*. In their minds, that's their number, the amount they've collected so far. You're going to see in a moment that that's not exactly the case. Next, collectors are going to take a look at *Daily*. They believe this tells them how much money they need to collect today and every remaining business day to hit their goal. Unfortunately, that's not exactly true, either.

The collection manager, however, is trained in analysis. Where collectors see only numbers, you see a picture. And that picture shows you exactly how you have to act to improve the performance of your teams.

In any analysis, the mind moves from the general to the specific, then back to the general again. With practice, you'll be able to learn a surprising amount about your own effectiveness (and the areas in which you need to improve) in little more than a glance. Go first to the general. Look first at the teams' *% MTD,* that is, the teams' percentagewise performance month-to-date against their goals.

		Goal	In Hse	Promsd	Total	MTD Goal	% MTD
Reid	**Totals:**	**$ 128,000**	**$ 125,504**	$ 27,115	$ 152,619	$ 115,200	**108.94%**
Stevens	**Totals:**	**$ 136,000**	**$ 105,942**	$ 47,616	$ 153,558	$ 122,400	**86.55%**

Reid's team is knocking it out. They're at better than 108% of month-to-date goal with two days (two of the biggest days of the month) to go. But Stevens' team is behind—only 86.55%. Reid's doing a better job than Stevens. Or is he?

Postdated Checks

What's the reason Reid's so far ahead? Move from the general to the specific. Look at Reid's people individually. How are they doing individually against their month-to-date goals?

It's not hard to see what's going on here. One of Reid's people, Collector 131 (Cole) is showing better than 169% *MTD*. Wow! She must be a heavy hitter!

Col #	Collector	MTD	PDC	PTP	PPA	In Hse	Promsd	Total	MTD Goal	% MTD
131	**Cole**	$ 11,861	$ 12,512	$ 721	$ 3,216	**$ 24,373**	$ 3,937	$ 28,310	$ 14,400	**169.26%**

Not necessarily. The mind moves in to the more specific. Look at Cole's *PDC* figure. Feel that sinking feeling in your gut yet? Cole's got $12,512 sitting

in her postdated checks; that's more than she's got in *MTD*, or posted money! With only two days left in the month, there's an excellent chance that:

1. Cole's got a few huge checks in that file dated for or about the end of the month, and
2. Some of those whoppers are going to be returned from the bank, non-sufficient funds or stop-payment.

I'll bet you feel that sinking feeling now.

Cole's postdated check file is a ticking time-bomb of "anti-money", just waiting to wreck Cole's—and Reid's—and *your*—results for the month.

A collector who allows many debtors to tender huge postdated checks (or any postdated checks for that matter) for dates very close to the end of the month isn't really controlling the negotiation. She's 'taking orders,' that is, providing service to the debtor rather than to your client. One can understand rookies doing this, but I've found that an alarming percentage of industry 'veterans' do exactly the same thing. It's the path of least resistance. It's easy. It's friendly.

But it's ineffective and a waste of time. And it is *not* negotiation.

And the supervisor who permits it is taking the path of least resistance, too. It's much easier to pat a collector on the back for accepting a big postdated check than probing the collector to see if he's doing it right. That supervisor isn't supervising—he's buddying up to the collector. He's not doing his job.

> ***General Principle: Big Postdated Checks and the Posting Cycle***
>
> *The chance of a postdated check being returned non-sufficient funds from the bank increases in direct proportion to its size and its proximity to the end of the posting cycle.*

There are techniques for "qualifying" postdated checks to minimize the risk of bouncers. We'll look more closely at these techniques in Chapter 12: the Art and Science of Debt Negotiation. For now, suffice it to say that Cole needs to be monitored and her file audited to find out why she's settling for rubber checks. And Reid needs to be reeducated, and possibly counseled, for letting Cole get away with it.

"Don't boast 'til it posts," veteran collectors will tell you. Veteran managers add another epithet: "don't cheer 'til it clears."

So Stevens is doing a better job than Reid, right? Don't count on it.

Looking at the *PDC* totals for the two groups, you'll see that they're pretty close to being the same; in fact, taken as a proportion of *In Hse* money, they're almost *exactly* the same.

As a manager, how would you feel about 23% of your In House money having sat in *PDC* all month and then posting in the last two days?

	Collector	Goal	MTD	PDC	PTP	PPA	In Hse
Reid	Totals:	$ 128,000	$ 97,028	$ 28,476	$ 11,519	$ 15,596	$ 125,504
Stevens	Totals:	$ 136,000	$ 80,347	$ 25,595	$ 32,611	$ 15,005	$ 105,942

Rather uncomfortable, probably. Make sure you don't spend that bonus check yet.

While Reid's certainly got a big issue on his hands with Cole's postdated check technique, Stevens has a *general* problem with letting staff off the hook on big postdates.

Oops! Looks like it's time for a little Supervisor Meeting. Remember, Reid and Stevens aren't working a file in this hypothetical environment. They can't offer excuses for a failure of this kind, nor can you blame yourself for delegating file reviews onto revenue-producing supervisors. Of course, there is a failing somewhere, either in training, or motivation, or in processes. And you *will* have to own that one, since those are among *your* key competencies. Before meeting with Reid and Stevens, it might be best to revisit your written criteria for file reviews and your own commitment "watching the watchers".

So who in the groups is doing well with postdated checks?

Day 18 of 20

	Col #	Collector	Goal	MTD	PDC	PTP	PPA	In Hse
REID	103	Abelardo	$ 20,000	$ 14,268	$ 1,169	$ 2,284	$ 121	$ 15,437
	110	Baker	$ 10,000	$ 6,422	$ 4,722	$ 132	$ -	$ 11,144
	131	Cole	$ 16,000	$ 11,861	$ 12,512	$ 721	$ 3,216	$ 24,373
	141	Danson	$ 18,000	$ 16,274	$ 4,315	$ 1,236	$ 722	$ 20,589
	142	Eggleston	$ 10,000	$ 7,455	$ 122	$ 1,115	$ 5,316	$ 7,577
	143	Fatima	$ 18,000	$ 13,686	$ 786	$ 1,987	$ 1,561	$ 14,472
	145	Gutierrez	$ 18,000	$ 14,331	$ 2,348	$ 3,269	$ 2,678	$ 16,679
	146	Hopper	$ 18,000	$ 12,733	$ 2,502	$ 775	$ 1,982	$ 15,235
		Totals:	$ 128,000	$ 97,028	$ 28,476	$ 11,519	$ 15,596	$ 125,504
		Averages:	$ 16,000	$ 12,129	$ 3,560	$ 1,440	$ 1,950	$ 15,688
STEVENS	106	Ingles	$ 18,000	$ 12,333	$ 5,786	$ 129	$ 156	$ 18,119
	116	Johnson	$ 18,000	$ 16,736	$ 4,322	$ 19,887	$ 1,264	$ 21,058
	119	Kastel	$ 10,000	$ 5,325	$ 1,976	$ 1,235	$ 7,851	$ 7,301
	124	Lima	$ 18,000	$ 6,200	$ 2,267	$ 6,548	$ 1,265	$ 8,467
	126	Norton	$ 18,000	$ 10,115	$ 4,312	$ 1,852	$ 123	$ 14,427
	134	O'Reilly	$ 18,000	$ 13,618	$ 3,619	$ 1,369	$ 1,965	$ 17,237
	144	Parr	$ 18,000	$ 8,250	$ 3,125	$ 1,225	$ 1,394	$ 11,375
	151	Quiroga	$ 18,000	$ 7,770	$ 188	$ 366	$ 987	$ 7,958
		Totals:	$ 136,000	$ 80,347	$ 25,595	$ 32,611	$ 15,005	$ 105,942
		Averages:	$ 17,000	$ 10,043	$ 3,199	$ 4,076	$ 1,876	$ 13,243

Abelardo's got a handle on it. Less than 8% of his In House money is still sitting in *PDC*. And Fatima, and Quiroga. They must be good collectors, right?

Hold it right there, partner. Look at Quiroga's *MTD* number. He's only got $7770 on the books on day 18 of 20? His goal is $18,000 (which you assigned on the basis of tenure, right?) so he's been with you long enough to know his job. But his performance is roughly comparable with Eggleston's, whose $ 10,000 budget means he's much newer.

How long is this guy going to remain a rookie? As long as you let him, of course.

You're going to have to investigate the problem. In this case, the Daily Performance by Team can't give the diagnosis, only the symptom. But we'll explore another tool to help you drill down to the even more specific—the Collector Scorecard—in a later section.

Promises and PPAS

This is all fine and well, but where are your teams going to finish? Again moving from the general to the specific, we look first at *Run Rate*.

			Promsd	% MTD	% Goal	Projection	Run Rate	Daily
Reid	Totals:	$ 128,000	$ 27,115	108.94%	98.05%	$ 136,285	$ 163,400	$ 1,248
Stevens	Totals:	$ 136,000	$ 47,616	86.55%	77.90%	$ 114,869	$ 162,485	$ 15,029

It looks like Reid's team is on target to hit $163,400 for the month, about the same as Stevens' team, $162,485. So I guess that all things considered, the two supervisors are about equally strong. Aren't they?

Maybe not. All things haven't been considered yet.

Run rate is only part of the story. The collection manager has to look at the *Projection*, too. Remember that Run Rate factors in all *Promises* and *PPAs* as if they were certain to come in, while *Projection* discounts these factors entirely. Ideally, the collectors should finish somewhere between their *Projection* and the *Run Rate*, depending on how solid their *Promises* and *PPAs* are and how well they follow up on them.

Specifically, the collection manager is looking at the *difference* between the collectors' *Run Rate* and *Projection*. If that difference is great, especially towards the end of the month, there may be a lot of 'empty promises' propping up the *Run Rate.*

> ***General Principle: Empty Promises***
>
> *A great difference between* Run Rate *and* Projection*, especially as it gets later in the posting cycle, usually indicates that a collector or a team is taking a lot of promises that will never be kept.*

Compare the differences between *Run Rate* and *Projection* for the two teams. This difference is already calculated for you in the *Prmsd* column. Look at it. Reid's is $27,115. Stevens' is $47,616. And this is day 18 of 20! Whose team is promising up more garbage?

Moving now to the specific, we see three glaring problems on Stevens' team, namely Johnson, Kastel, and Lima. Each has enormous figures in *PTP* or *PPA*, especially for this time of the month. Can any inferences be drawn? Let's look at each in turn.