

What do you get for your contingency fee?

Other than collections, what do you get from your collection agency?

*By Phillip W. Duff, President and Founder,
Lighthouse Consulting & Asset Management, Inc.*

Agency fees

If you outsource debt to a collection agency or attorney what do you get for the fees you pay them? First and foremost, you get the remaining monies collected minus the contingency fee, monthly reporting and an occasional dinner provided by the agency salesman. That's it, you can do your best to influence the agency to put their best collectors on your portfolio or ask for specialized reporting in order to better evaluate the agencies performance but it ends there.

Some companies audit the agencies quarterly or annually in order to review the actual steps used to collect the portfolio and then make suggestions to the agency of other processes but they have little influence in the agencies overall policies. If the auditor is not happy with the agencies work standards he will likely place the portfolio somewhere else rather than try to get the agency to change their business processes.

How do you impose your will on the agency to work the portfolio according to your strategy?

In most cases the agency is given work standards to follow and are audited on this scale. And most agencies are able to rate 90% on the audits performed on the portfolios placed. But the auditor is only able to influence some of the processes used by the agency and has little or no further influence, they cannot pick the collectors or collection managers, they have little influence on the processes used to collect money or the money spent by the agency to get better results.

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I have managed agencies that did not score well on my audits and still outperformed their competition. My first thought was that this did not speak well for my work standards but in deeper auditing I realized it was all about the collectors skills not the standards I had created.

The front line

Just as in a war the front line collectors are the ones who make the difference in liquidation rates. The collectors and more importantly their managers are the ones who interact with your debtors and make this a profitable venture. It is not the quality of the paper, the letter sent, the dialer or the work standards it comes down to the collectors skills when the debtor is on the phone.

With the same training and work standards one agencies collectors will out perform their competition and it is due to the managers influence on those collectors daily.

So how do you profit from this knowledge?

If you are in a traditional relationship with your agency it is hard to influence your salesman or client liaison to make personnel changes on your portfolio. Your salesman or liaison work for the agency and have only limited influence on the business processes. Your requests for better personnel is useless as you have no way to evaluate the personnel. The bottom line is the best you can do is to try to align yourself with a agency that has your same views and hope they use their best personnel.

If you can place enough business to be the agencies number one client there is a better chance of having influence but also of having your eggs in the wrong basket. Most agencies are diligent to not have any one client that consists of most of their income and can influence their business practices.

What if you could have more influence over the agencies you work with what if your salesman would demand the best personnel? What if you could have a salesman that would perform monthly audits for you and make site visits to the agency with the purpose of increasing liquidation rates? What if you could spend hours finding and auditing possible agencies before you placed the business there? Do you think this would increase your liquidation rates and decrease your need to change agencies so often while reducing your time to manage the

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Lighthouse Beacon Alert

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Portfolio?

Well Lighthouse can do all that for you, we have researched and audited the best agencies in the industry and will act as your liaison for the agency while providing auditing and personnel placement of the agency. Lighthouse will provide this service for free as the agency will compensate us based on the liquidation of the portfolio. The difference is we have several clients and more mass and have the ability to place with more than one agency unlike your current salesman/liaison.

Because we have pre qualified the agency and have made arrangements to be part of the process we can help you pick, manage and audit your agencies for free and be able to work with you to get the best from the agencies you use.

Call us or email us for more information about this program.

Call 877.819.1962 X.2

info@lighthouseconsultinginc.com

What are your concerns about the debt collection and purchase industries?

Lighthouse Consulting is interested in finding out what you as a business owner or employee are thinking about in reference to the industry? We would like to hear from you and find out what's on your mind.

Please send us an email and inform us issues you would like to see addressed in the Beacon Alert. Please send an email to info@lighthouseconsultinginc.com with your thoughts on purchase pricing, industry standards, technology, collection techniques, regulations, associations, people in the industry and anything that concerns you or your organization. Let us hear from you soon!



Portfolio Spotlight

- Mixed credit card file available by state. Seconds and thirds short chain of title.
- \$360K of Providian debt in CA consists of 125 accounts and late 2002 and early 2003 CO dates. Great file for a small agency. Cheap.....
- Household GM card available by state at 12 or 24 months from CO and one agency. There is a monthly flow available in some states.
- Metris 24 month from CO and one agency available by state

If you are interested in one of these portfolios please call Phillip W. Duff at 877.819.1962 or at phil@lighthouseconsultinginc.com



Lighthouse Consulting has many buyers eager to bid on your portfolios. We can get the price you're asking for! Contact us at 877.819.1962 ext.2 or Phillip W. Duff can always be reached at his cellular number 904-347-5901.

Lighthouse Consulting can help you sell your portfolio!