

## 'Work your files and avoid your trials.'

### *Getting the most out of your law firm*

By **Stuart Wolpoff, Chairman, Independence Receivables Corporation, Gaithersburg, MD**

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In this article, I am going to cover a topic that is not going to be popular with many attorneys. It will not be popular because I am going to recommend that you, the boss, take them out of their comfort zone to make more revenue for the organization. The first premise is that almost no one goes to law school and wants to become a collection attorney when they pass the bar. Most people that go to law school have visions of grandeur when they enter and by the time they leave have a belief that they will be the first person to make partner in a year.

Most lawyers believe that they have one job to do and that is to protect the client's best interest.

While this is very true, they often forget that they must figure out how to create revenue for their employer as well. Since most collection firms do not bill hourly it is sometimes difficult to monetize an attorneys time. **Well, I have the secret and Lighthouse Consulting has asked me to share it.** Lawyers for collection firms must be told by management that they are not going to be great trial lawyers, or great transactional lawyers, but plain old bill collectors. That is right, bill collectors. While collectors and paralegals are a great source of collection revenue, your lawyers are actually the best.

We had great success in retraining our lawyers to stop thinking about the law, and start thinking about collecting money.

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Some them did not like it and some of them felt that asking for money was beneath them, but in the end, the ones that adopted our theories were profitable for us and also generated bonus income for themselves that was totally unexpected.

Let's begin with the training necessary to change the mindset of the attorney. We asked all of our attorneys sit through our collector training and then through our negotiation training. **While some resisted, resistance was futile if they wanted to keep their job.** We even made them take a test at the end of the training to see if they understood what they learned.

During the collector training, they learned how to ask probing questions, how to take those answers and ask more questions. They learned how to negotiate for better payment terms and how to get larger down payments. The most important training piece for the attorneys was how to watch people face to face (like in court) to know when they were not being truthful and being able to respectfully call them on it.

Once the lawyers had passed this part of their training, they were ready to get on the phones and collect. YES, I said it, COLLECT. Every contested case that was in the attorneys work load was called by the attorney. The call was made whether the debtor was represented by council or pro se. This call was a very smooth, customer friendly call where the attorney was told to probe for the actual reason the case was contested. They asked whether the case could be SETTLED, they asked for payment arrangements or a consent judgment. I took this idea from a dear friend of mine in Michigan who always told me, **"Work your files and avoid your trials."** [Continued on Page Two](#)

### **Beacon Buyers and Sellers Alert!**

On page two we have a one agency portfolio of Utility bills

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We were amazed how simple a source of money this was for the firm. Can you imagine, we had collectors call for months, we sued the debtor, we served the debtor and we got no money at all. All of a sudden, the attorney calls the debtor and he gets a down payment and monthly arrangements. **Wow!!!! Money may grow on trees.**

Now I am a realist and I realize that not every call will end positively and sometimes debtors will ignore calls or hang up, even as the court date fast approaches. So, we found more ways to take our training and get money for the firm with the attorney as our delivery vehicle.

When our attorneys went to court, they took pads of forms that we had printed that asked for demographic information on each debtor that appeared in court. The attorney was trained to give the pad of paper to each debtor that showed up and ask them to fill out the information before they talked to them so that the attorney could better understand the debtor's financial situation.

The form asked for the same demographic information that our collectors were required to ask in their scripted conversation with the debtor over the phone. (I covered this topic in my last article) Once the debtor had the form filled out, the attorney reviewed it and began to negotiate with the debtor for terms, a settlement or payment in full. With demographic data in hand, our attorney had the power to turn down bad deals and continue on with the trial knowing where the debtor worked, where they live and where they banked. The information made the judgment worth almost as much as the payment the attorney did not get.

We also had our attorney trained to ask for payments with consent judgments on the court house steps so that their time in court was very limited and they could get back to the office to make more calls to more contested cases to collect more money.

Let me give you a real example that we had happen over and over and over to our attorneys. Debtor gets served and sends in contested notice to the court. Our attorney begins to call the debtor 30 days before the court date, no return call. The attorney sends a letter to the debtor asking them to call before the court date so that the attorney can better understand their dispute, no reply. The court date comes and the debtor is there ready to go. Our attorney hands the debtor the pre printed pad and says, "Fill this out and when let's discuss your situation."

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## Portfolio Spotlight

- Portfolio of electric bills that are one agency and average 600 days from DLP and \$10M in face
- \$3.5M CA portfolio of credit cards that is 14-16 months from charge off and have a very short chain of title
- We need State specific debt to sell
- Several OOS portfolios available
- DDA files that are fresh or one agency
- We have buyers waiting for you portfolio just call us today for more info.


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The form gets filled out and the debtor makes a deal with the attorney and hands him/her a check as a good faith payment. **WOW!!!! An attorney collected a debt!!!!** Well, they did more than that. The attorney actually got a totally filled out demographic form that has phone numbers, bank information and employer information as well. The attorney got a check and a promise of future payments. The attorney got enough information to attach another asset if the debtor breaks the deal.....seems simple doesn't it?

We paid our attorneys well, but we paid them bonuses if they got the form completely filled out in court. We paid them additional for making a deal with the debtor in court and we paid them extra if they also got check or cash from the debtor and brought it back to the office. This program was so successful that we took this show on the road and trained all of our contract attorneys how to do this too. We got great information that we never had and we also got payments a lot quicker and in larger amounts then ever thought. **We would have contests with our attorneys for largest collection day in court**, largest single payment in court, most filled out demographic forms in a week, or month and so on and so on. **Although it sounds simple to create a program like this, remember that attorneys are a different animals then your normal collector and will take more time to get used to the idea of having to work differently. Give it time, it will work.**



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## How can I create a program like this?

Lighthouse Consulting asked Stuart Wolpoff to share this information with you in order for you to understand there are many ways to collect money and there are many processes that may be more efficient than your current processes.

Lighthouse Consulting can help you to attain maximum success within the collection industry and we can unlock potential value that can be concealed by meager operating practices or procedures or overlooked opportunities.

Give us a call and we will tell you how we can increase your profits even in this economy.

Call Phillip Duff at 904 687-1687 today.

## Lighthouse Consulting has many approved vendors that can help you save money or improve collections!

- FDCPA Lists**— provides a list of debtors that are filing lawsuits against collection agents
- High Cotton**— a letter vendor that can reduce your costs
- Latitude Software**— a software package designed for the big and small collections agents
- One-Click Data**— a skip vendor that is out performing the competition at reduced costs
- Blitz Recovery**— a collection agency in Puerto Rico
- Infinity**— a collection agency with experience in Utilities and working with debt buyers
- Andreu & Palma**— a law firm in south Florida that is performing well on all Florida debt
- PRC**— a collection agency based in North Carolina that works medical and debt buyer portfolios
- Many buyers and sellers**— we also represent large and small buyers and sellers of debt portfolios.