

Special Challenges for the Small Agency: Solutions for Surviving and Thriving in Today's Economy

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Today's Topics

- The Current Economy
- Creating a Roadmap for Success
- Tactics for Surviving & Thriving
- When the Going Gets Tough – Other Options?
- Q&A

The Current Economy

- Economic indicators
- More volume; decreased liquidation rates
- Unemployment continues to rise
- Debt portfolio prices have declined dramatically
- The bailouts and stimulus plans are causing uncertainty

Creating a Roadmap for Success

- Essential first step: create an action plan
- Set your strategy:
In recession - grow, stay the course, or contract?
- Take a hard look at your P&L

Tactics for Surviving and Thriving

- Streamline Your Team
 - Collectors – eliminate under-performers
 - Management and sales staff

- Improve Operational Efficiency
 - Technology investment
 - Re-focus liquidation strategy
 - Divest or expand satellite offices
 - Consider near-shore/off-shore JV/partnerships

Tactics for Surviving and Thriving

- Cutting Clients that are Not Profitable
 - P&L by client/site/personnel
 - Determining your profit margin
 - Develop client forecast models

- Improve Good Client Base
 - For credit card servicers – be top-tier agency (you don't always need to be #1)
 - Increasing need from debt buyers – what volume to accept and what to turn away
 - Growth sectors; government, healthcare, commercial

Tactics for Surviving and Thriving

- Work the Right Accounts
 - Segmentation strategies
 - Analytics tools
 - Track liquidation rates
 - Process management

- Consider Service Innovations
 - Expand to first-party/outsourcing capabilities – credit grantors want to stop the bleeding faster!

Tactics for Surviving and Thriving

- Evaluate Marketing and Advertising
 - Track results for ROI determination, use only best channels
 - What is working? What isn't?
 - Using the web

- Improve Sales
 - If your sales people are not meeting expectations, fix it or cut the cord
 - Opportunities in credit card markets as agencies in distress go under

When The Going Gets Tough – Other Options?

- Industry buyers are interested in mergers & acquisitions
- Buyer criteria
- Key value drivers

Q&A

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