

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

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Today's Topics

- Outlook: Planning for What's Next
- 10 Tactics for Surviving & Thriving
- Q&A



Outlook: Planning for What's Next

- Decreasing charge-offs now; fewer placements later
 - Seeing decreased volumes from credit card issuers to agency network
- Jobless recovery : Unemployment going down slowly
- Increased regulation
- Economy still in flux; make tough decisions now
- Recent election – What does it mean to our industry?



10 Tactics for Surviving and Thriving

1. Develop Short and a Long Term Action Plan for 2011
 - Create your playbook
 - Quarterly goals/initiatives
 - Financial plan (monthly budget vs. actual results)
 - Run your business like you're in "crisis mode"
2. Streamline Your Team
 - Collectors – eliminate under-performers
 - Measure profit by collector
 - Management and sales staff



10 Tactics for Surviving and Thriving

3. Improve Operational Efficiency
 - SAS70, PPMS, PCI, ISO
 - Technology investment
 - Re-focus liquidation strategy

4. Cut Clients that are Not Profitable
 - P&L by client/site/personnel
 - Determine your profit margin
 - Develop client forecast models



10 Tactics for Surviving and Thriving

5. Improve Good Client Base

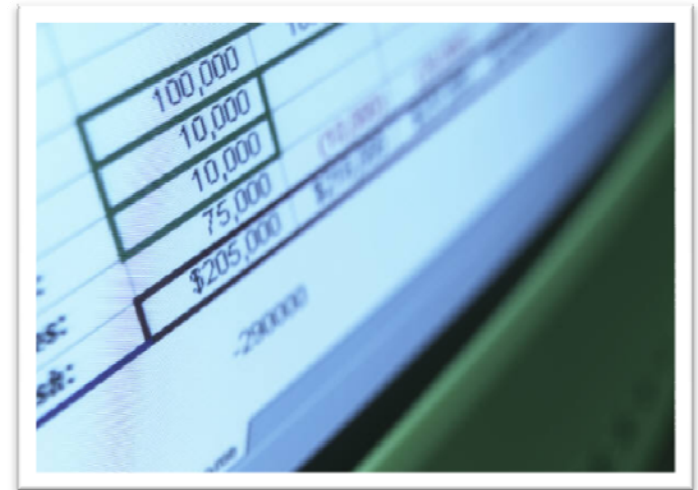
- For credit card servicers – be top-tier agency (you don't always need to be #1)
- Be wary of first-party projects in financial services
- Increasing need from debt buyers – what volume to accept and what to turn away
- Legal collections - growth area
- Growth sectors; government, healthcare, commercial (less fee rate compression vs. credit card)



10 Tactics for Surviving and Thriving

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

7. Consider Service Innovations
 - Unbundled services
 - Partnering with other agencies
 - Purchasing debt



10 Tactics for Surviving and Thriving

8. Evaluate Marketing and Advertising
 - Track results for ROI determination, use only best channels
 - What is working? What isn't?
 - Conferences, which ones to go to?

9. Improve Sales
 - If your sales people are not meeting expectations, fix it or cut the cord
 - Focus them – create monthly targets/goals

10. Last and most important – Be Compliant!
 - Control your environment

Q&A



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