

November

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Collection News



Chapman Financial Services, Inc.

Professional Collections since 1930

316 N. 4th Street
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“When the economy gets TUFF, the SMART posture for the Future.”

Ok, so it doesn't rhyme or even sound catchy, but you get the point! The economy is in a re_____. I won't use “that word” but we need to face the fact- it is tough out there. If you don't believe me just look at you're A/R or ask your front end collectors. Your personnel will tell you that they are hearing: “Well, I can pay my rent this month or I can buy food and gas or I can pay my medical bill.” Wow, that is “tuff” and you can probably relate to what they are saying.

Consider this. A Kaiser Family Foundation poll, conducted in April, found that 28 percent of Americans reported that they or their families had had a serious problem paying health insurance or medical bills because of changes in the economy. In addition, data from the Commonwealth Fund puts 41 percent of working-age adults - 72 million people -- as having medical debt or having a problem paying medical bills. This is up from 34 percent or 58 million people in 2005.

So, what do you do? Prioritize! Yes, prioritize your outstanding bad debt. How? You need to maximize your front end collections and make payment arrangements that consumers will hopefully stick with. If they default, ask yourself: “How much time (time equals money) should I invest in trying to collect from people who either don't want to pay or are unable to pay at this time?”

In order to properly answer that question, you first need to know what it costs you to have someone prepare a statement, mailing costs, as well as the cost of making follow up calls. As an example, approximate your employee's time (including wages and benefits) at \$15.00 / hour; keep in mind that the average person can work about 100 accounts on a good day. Your costs would be employee wages of \$15 per hour, that's \$1.20 per call, and then add in postage, invoices & envelopes for approximately an additional \$0.75. That adds up in a hurry! Then look at the account. Let's say it is in the \$25-\$50 range. How many calls and mailings can you do before it becomes cost prohibitive to

continue to work the account? Especially, if you consider the fact that many of these accounts will likely end up in collections anyway, after all the time and money that you have expended. Remember today's economy and you will quickly be able to answer that question. You may realize that you may not be using your time and money in a cost efficient manner.

What is the alternative? Well, especially in today's economy, it might be better to posture for the future. How? First set some guide lines on front end collections so you know when to turn your accounts over to CFS, therefore, minimizing your costs and maximizing beneficial use of your employee's time. Yes, the amount of money you could save by not chasing those who can't or don't want to pay will more than justify collection costs by letting CFS do the work for you. We need to face the fact that the economy is bad but what goes down (like our current economy) will go back up. When the economy reverses, your bad debt that is in collections will turn into needed income in the near future.

We here at CFS are also posturing for the future by investing in the latest technology, such as our **48 line predictive – voice to speech Auto-Dialer**. CFS's dialer is capable of making as many as **20,000 calls per day**. The dialer is capable of leaving a voice mail for consumers to contact our collectors, or allows a consumer to push a button and be immediately connected with their assigned collector. This enables CFS collectors to make many more contacts daily than agencies without dialers.

We have also implemented **Account Collectability Scoring** which allows most new accounts to be scored. This score predicts the collect-ability of an account before it ever goes to a collector. The score gives current address, phone number, available credit, the number of credit cards, and available lines of credit on each. In addition, the score gives mortgage balances and equity available, as well as information on liens, if a consumer is deceased, and bankruptcy information. This information populates in the account screen and is readily available for our collectors' use.

These are some of the many latest cutting edge tools and technology that assist CFS to recoup the most Net Back to our clients now, and to Posture us for an even more successful future.



Remote Client Access saves time and money

Contact our office today and ask for more information and/or your access information.

Internet Access is available and will save you time, and money along with giving you **24-7 Real-Time** access to your accounts including referral of accounts via "Account Placement" for individual placements or via "File Upload" for entire files of accounts, with prior mapping having been completed.

Remote Access allows instant access to your accounts individually so that you can check progress, status, balance and even report a direct payment on-line while in the account. You can view and print Client Debtor Status Reports, Trust Invoices, and Acknowledgments, from the "Client Reports" menu and from the Client Statistics option you and

Visit our web site @ www.chapmanfs.com for additional information and let us know how we can serve you better.

print Client Stats Reports and Client Actuarials. In order to take advantage of Remote Client Access, you will need Internet Explorer access and passwords issued by Chapman Financial Services, Inc. Please contact us at your convenience for further information or to establish access. Contact Dan @ 208-664-8671 or Rich @ 509-998-8092.

CFS Holiday Schedule

OUR OFFICES WILL BE CLOSED ON THURSDAY

11/27/08 FOR THANKSGIVING.

WE WILL CLOSE AT NOON ON 12/24/08 FOR CHRISTMAS AND RE-OPEN ON FRIDAY

12/26/08.

WE WILL BE CLOSED ON 1/1/09 FOR NEW YEARS DAY.

HAPPY HOLIDAYS!



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Chapman Financial Services invites you to join us in supporting our troops.

Many of our employees and clients have already donated to our troops and we collect and mail these much appreciated packages to our troops. Here is a list of desirable items.



Jerky, Calling Cards, Jolly Ranchers and other Hard Candies, Individual Crystal Light Packages, Gum, Baby Wipes, Shampoo, Deodorant (unscented), Sunflower Seeds, Nut of all kinds (They want the protein), Breakfast Bars (nothing that melts easily), Magazines (nothing racy), Chapstick and Carmax.

Your items can be delivered to either of our offices or ask Dan or Rich to pick them up when in your area:



United we stand.

We commend and recognize many of our employees and clients for their contributions including, Dr. Kurt Pettelin, Dr. Michael Bloom, Dr. Roger Roth, Dr. David Souviner, Today's Dental, Twin-Cities Radiology, Lewis-Clark Radiology, Paine Hamblin, Pend Oreille Veterinary, Valley Young People's Clinic, A-1 Animal Care, Runge Furniture, Mountain View Veterinarian, Bonner Physical Therapy, Dr. Tim Penberthy, and Bonner General Hospital.