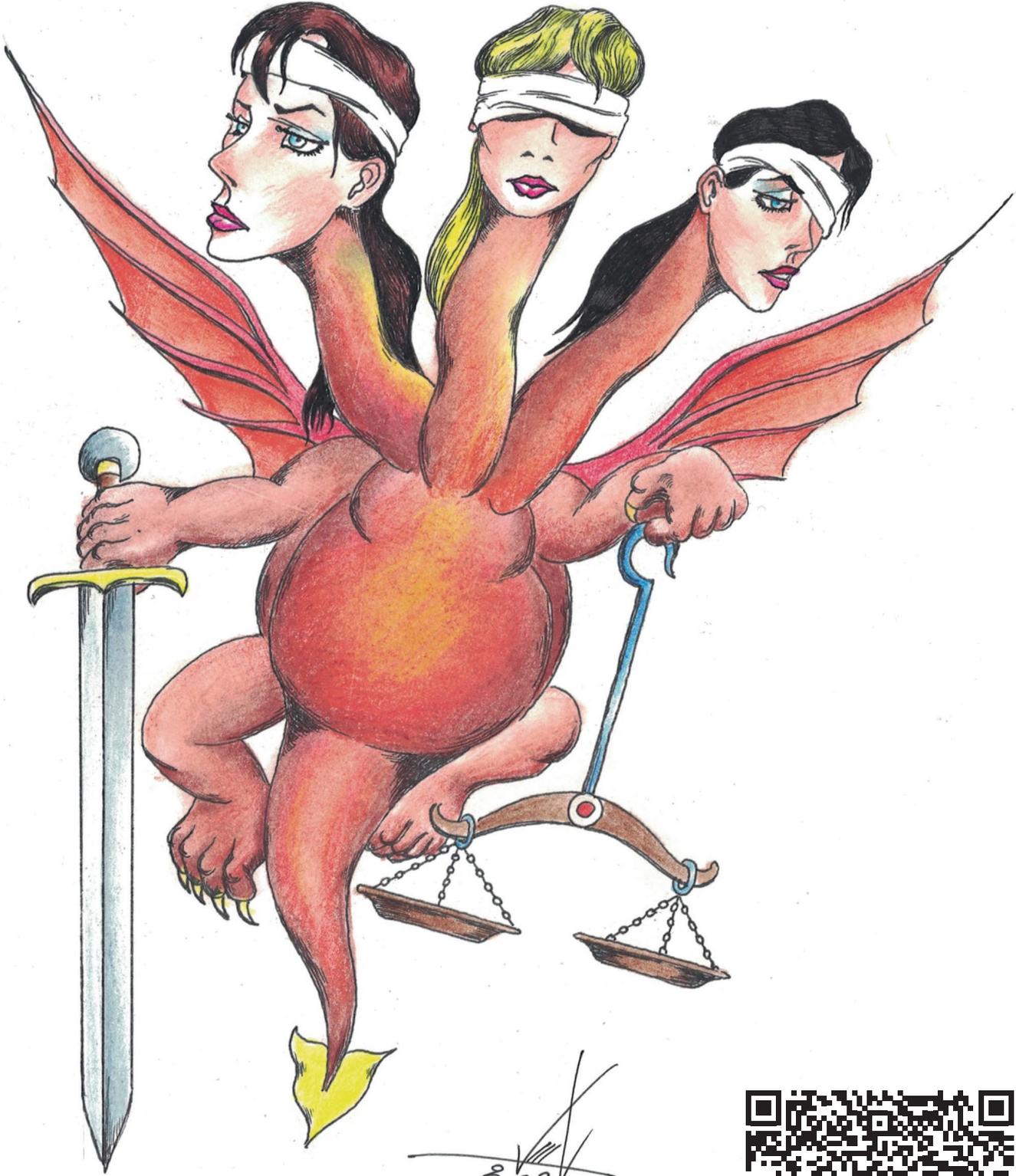


DEBT HOLDING



2021



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TO THE READER



Good day!

Dear reader, a generalized edition, consisting of two of my books written at different times—*Maxims of Recovery* and *Collection. HR and Processes*—is right here. The *Collection-Digest* includes the most informative and relevant chapters for a foreign audience, which, in my opinion, are useful for the collection market of any State and can be used as a tool for work regardless of the jurisdiction of the recoverer of the debtor. Cutting off some of the material from both books, I was guided by the famous Pareto principle “80/20”. In this case, I have interpreted this axiom as follows: a smaller part occurs in the individual country characteristics of the collection area, but the lion's share—on the general nomenclature and processes. As a result, I have ruled out the “Russian peculiarities”.

I have published my first book *Maxims of Recovery*, focusing on the general reader, for whom the topic of debt could be interesting in principle, such as gardening or cooking. In the process of writing it, I have proceeded from the fact that in any business, there are “snorkelers” and “divers”: those who are immersed in the problem of the expert area, and

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the rest—for whom it is relevant insofar as. *Collection. HR and Processes* is non-fiction of a different kind and for a different target audience. It was written for the reader who understands the intricacies of collection, for the one who teaches and prepares recoverers, hires call center operators and field specialists, and improves the qualifications of their teams. Separate chapters from *HR* are supplied with practical tasks for independent execution and additional training, which automatically turns the book also into a solutions manual.

In order to make a digest and translation of the book, I am motivated by the entry of DEBT HOLDING into foreign markets, as well as the desire to share the experience gained in the Russian business of collection and prevention of receivables. If Perpetuum Mobile exists, it is the debts of organizations and the population. The collector's task is not only to collect and to earn money for the creditor and shareholders. It is important to strive to help the debtor get back on its feet and to arrange the repayment schedule in such a way that it is acceptable to the recoverer and the “financially unfortunate person”. After all, it helps both karma and business.

Enjoy your useful reading!

Sincerely,

Nikolay Melnikov

DEBT HOLDING CEO

Part I. Maxims of Recovery

Why are we talking about Maslow?



A big ball under a juggler (let's imagine a circus performer as a debtor) is an anchor loan with a pledge—one that is dangerous and “must” not be paid. As a rule, this is a mortgage or auto loan (vehicles, for example, can be blocked remotely using GLONASS). The option is not excluded that this is an obligation without encumbrance, but sealed by “moral bounds” (a loan that relatives, friends took for you) or this debt is competently collected and it is in the pre-collection. As a whole, as the bankruptcy trustees say, this is the “senior debt”.

Balls in his hand are obligations that you manage to maintain, but with constant difficulties. Payments on them require gigantic efforts, which entails technical delays. In order to pay off such debts, it is often required to attract “payday loans”, to intercept “short sums” on the side.

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Balls in the air are something that does not fit into the Procrustean bed of the family budget. Such loans and borrowings more often than others become problematic, falling into a cession or an agency collection.

Most debtors serve their contractual relationship in exactly this way.

What drives and determines this approach and the priority?

In order to answer this question, let's take a look at the pyramid of the American scholar Abraham Maslow. In our opinion, he has described a person's approach to value priorities quite accurately. The debtor has a similar model of landmarks. Briefly, I will mention that Mr. Maslow believes that there is a certain hierarchy of human needs—from physical ones (at the bottom of the pyramid) to the needs of self-realization (at the top). The desire to meet these needs and makes us do this or that. The collector's task is to pour oil on Maslow's pyramid, but making the debtor “to slip” is much more difficult.

In order to carve out funds for payments, to prevent default, or to pay off the current debt—the household needs to reduce the consumer basket: to buy not meat, but cheap semi-finished products; to change your shirt not every quarter, but every six months; to reduce or to eliminate completely alcohol and tobacco. Other lines of the “regular” budget should be cut. The reality is that not many are capable of tightening their belts—that is why the debtor is ready to “drop some of the balls”. In simple terms, he/she prioritizes not in favor of a specific creditor, but towards personal needs.

Warren Buffet, whose fortune is estimated at more than \$100 billion, saves on breakfast and eats at MacDonal'd's during the downturn. Unlike the “Oracle of Omaha”, people are eager to spend and to consume not only during the period of growth, but also during an obvious recession, as well as to quite cynically determine where to pay and where else one will suffer.

Let's look at the situation in housing services and utilities. The polls carried out show that of all the “housing” services, the consumer considers communications, the Internet, and electricity to be the most important to repayment. And that is only because if he/she does not pay for them, these services will be limited and disabled. Second, these are heat and water. After all, these are “tactile” benefits that a person feels physically. But consumers have no desire to pay for “upkeep, repair, and maintenance of housing”. People are convinced that this service is simply not provided to them (in full or not in full). Because not everyone knows that resource workers supply heat and water only to the facility and the internal communications through which the resource enters the apartments are monetized by utilities just in the “unpopular” line of payments. Perhaps this is also due to the fact that since Soviet times, housing services and utilities were generally considered to be almost a gift from above. All these examples indicate only one thing: the familiar “Priority Pyramid” is working in the area of payments for obligations.

The same approach works in B2B as well. Businesses pay the most painful bills first.

- Wage fund. Failures to pay are fraught with interference from the Prosecutor's Office, the Labor Inspectorate, and the institution of a criminal case.
- Taxes. Non-payment threatens to block accounts, which, in fact, paralyzes the company's activities.

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- Communication. Non-payment “suspends” and blocks communication channels with counterparties.

But business partners, as it is impudently assumed, can tolerate. After all, they often have nothing to “ban” you. Thus, we prove that the priority of choice is not emotions, but a logically balanced decision.

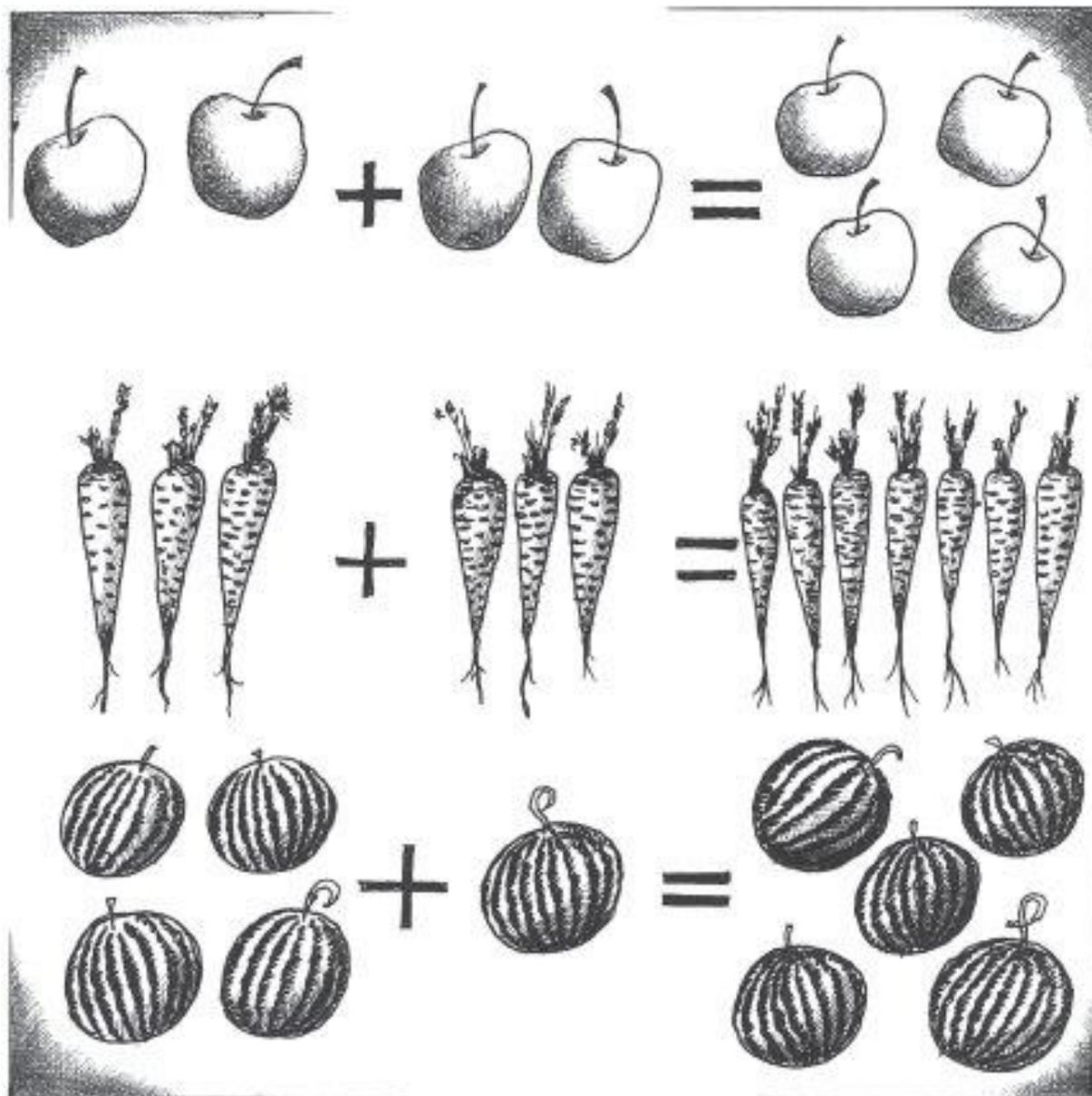
All obligations can be conditionally divided into “primary” and “secondary”.

“Primary” obligations:

- a) cancellation of bail bonds (otherwise, they will be tried, the pledge will be collected and sold at the auction);
- b) cancellation of “disconnected” services;
- c) cancellation of obligations bound by “moral bounds”;
- d) cancellation of obligations for which there may be problems with government agencies;
- e) cancellation of obligations that are actively and competently collected.

“Secondary” obligations:

- a) obligations that have to be repaid due to the limitations of their own needs;
- b) obligations for which there is no collection (*including those for which there are no enforcement actions by the bailiffs);
- c) obligations for housing services and utilities. This type of debt always “loses” the loan one. Since Soviet times, many people have a strong thought in their heads that this “can wait or they can not pay for it at all”.



This simple test was given to me by a psychologist when I was a student. The test clearly shows that people tend to see mistakes in everything first and only then (if they notice) the advantages of others.

I am sure that many of you will pay attention to the incorrect solution of the second example, but no one will note the correctness of the sums of the first and third.

The fact that recoverer is an exploiter and collection is evil has become a real sociocultural meme of our time. No one will deny that, unfortunately, the market is hunted by “parasites” (the so-called “gangster collection”). However, equating the professional community indiscriminately is tantamount to banning all public catering, if suddenly someone is poisoned by the station's fast food.

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It is easy to hear in the information field that collectors go bankrupt and take away “honestly acquired” without any reason. Well, first of all, the grounds are usually legal. In any civilized country, there have long been fairly clear “can” and “can’t” in relation to the debtor. Second, we have no right to consume happiness without producing it. In my opinion, this is a “consumer TAO” for each of us. As the well-known lawyer M.A. Korkunov said, “Everything that a person has the right is allowed, but not everything that a person has the right to”.

It is reasonable to characterize the third thesis with the saying “charity begins at home”. There is such a pose in sex—69. It is worth exchanging places for the creditor and the debtor, as—“voila”! It is not without reason that ones say that those who lend have a better memory than those who borrow. After all, the debtor's forgetfulness can be regarded by the recoverer as a disrespectful attitude to the work of the creditor invested in the goods or services for which the debt was formed.

Therefore, it is very important and correct to never jump to conclusions and to know which side of the barricade you are on. Debtors tend to self-flagellate. For example, the victims of a foreign exchange mortgage imagined themselves to be the most important and prudent, taking a loan in dollars or euros at a rate below the market ruble one. But when the rate jumped sharply, everyone was guilty (the State, the Central Bank, banks, collectors), but not they were.

I have come across many metaphors about the collector as a participant in the economic process. Most of all, however, I like the concept of “antibiotic”—the remedy that should be used carefully, selectively, under supervision, and strictly according to the prescription. After all, when the debtor does not count, this bears negative consequences for other participants in the civil turnover. Some cultural scholars see problems of low payment discipline in our socialist past, but what about the United States, where the level of debt burden is extremely high? Most likely, the grain of the problems is the same everywhere—financial infantilism, lack of fear of the consequences. In the eyes of the debtor, the collector is “the fiend of hell and the embodiment of this fear and punishment”. How else can you explain the farce when the debtor is stopped at the border and not allowed abroad? Not checking your debts before departure is a huge risk of ruining your vacation for yourself and your loved ones. Just imagine yourself in such a situation! The recoverer and the bailiffs remain guilty here, and “unconscious incompetence”, in the debtor's opinion, has nothing to do with it.

For some debtors, not paying bills has become a kind of sport. Cheating and avoiding punishment in the most subtle way possible is cool. Thus, a kind of double standard is formed. When nothing threatens us, we scream abusively that cops and politicians are bastards and it would be better if they all kill each other. However, just a little, touch us with misfortune—we run to the mayor's office and the police and hope for justice. As it is fashionable to call it now, we are driven by cognitive dissonance. It's the same with debt.

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This is the pose 69 in action. If we are in debt, the collectors are bloodsuckers. If you owe us—then you are the saviors.

And yet, despite all the obviousness of the role of recoverer in the ecosystem of any economy, the collector's meme continues to be endowed with purely negative connotations. Mental germs and viruses are desperately climbing out of all media gaps.

We are convinced from the same television screen that the collectors are evil, and after the “commercial break”, they say that debts must be paid on time. Populism creates an environment of legal nihilism and dislike for the creditor (like a taking hand). Although as a “giving hand”, it suits everyone and in everything. In general, “indulgence” is a phenomenon of Russian reality. In the provinces, this phenomenon is especially common in the utilities. Management companies reason as follows, “Tenants do not pay us for maintenance and repairs—we will save on cleaning the entrances”. “They don’t wash our floors—and I won’t pay (and if I do, then last of all), but we will wash on the floor ourselves,” an informal group of residents makes a decision. And they wash themselves. As a result, “their” 4-5% of non-repayment of the total amount of debt is formed from nothing. And the collectors are to blame for the general summary, being, in fact, the “executive power” in resolving the issue of collection.

People do not want to be a party to the conflict. Although this concerns them more than directly. The escapism is the most common type of debtor's behavior. Most of them prefer to just hide, pretending that the problem does not exist. That is why I do not believe in the institution of mediation in the foreseeable future, at least, in Russia.

And the point here is not even that collection is a specific kind of business. Here, at least, restore the temples—ones will say the estimate was overestimated, illegal immigrants were hired, etc. Such is the human nature...

The Themis, the Goddess of divine law and order, is depicted in a bandage for a reason. The ancient Greeks endowed her with objectivity in making any decisions, regardless of who is being judged (a rich man – a poor man, a man – a woman, an official – a simple worker). There is no empathy, bias, or attachment. It is the same as loaders unloading boxes. As the lawyers say, “No offense—it's just our job”.

Only a small part of the population considers the recoverer to be the “health care provider of the economy”. If they say about bailiffs that they “do not work well” (this is exactly the reputation of the department), then they talk about the collectors they say that they are “bandits”. A lot has played a role here: echoes of the 90s, parasites of the market, and the information background created by the media, and the current crisis state of the economy. Alas, this is the current meme!

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Russian business is a daily puzzle about ten horses in nine stables. How to fit the expenditure side into the budget? The primary source of all future problems begins in the fact that by launching a business, a sole proprietor predicts an extremely positive outcome and growth dynamics, but not a negative scenario. Whether a freelancer, a self-employed, a sole proprietor, or a director of LLC—he/she often does not have a “B” plan.

In business, a collector meme has the same characteristics as a collection in B2C. However, it has some peculiarities. The collector is perceived as a competitor, as an invader of what was acquired by back-breaking labor, as a destroyer of cells of society (companies, where living people work; they receive salaries and feed their families). If in B2C part of the problem of delays in obligations is associated with the loss of work, non-payment of wages, then in B2B, this is almost 100% a consequence of a chain of non-payments. This is the domino effect. Moreover, each subsequent link is indifferent to the problems of the previous soldering. Unfortunately, when the chain is restored, the debtor does not always pay off the debt. In times of trouble, many change the priority of payments (see chapter “Why are we talking about Maslow?”). Knowing people and “what is money?”, it is not difficult to explain it.

Debtor businessmen often echo, “Put yourself in our place”, which begs the question, “If you start making a profit, will you share what you have acquired?” The answer, of course, is no. Otherwise, it turns out some kind of “financial homosexuality”: everything in common—use it. After that, the following question is adequate, “If you are not ready to share the profit, then why should someone share your risks with you?” Alas, the second task always hangs open, and the collectors are still to blame. Having a reasonable (although not always) appetite for risk, a business does not make reserves, does not form a safety cushion, even when it is working for profit. Everything begins to eat up an irrepressible desire to have the attributes of great success: expensive leather furniture for the office, a cool car, a staff overage (a separate department is created for each problem without looking back). Such things often do not correspond to the “balance status” (I call the balance status the objective capabilities of an entrepreneur, taking into account his/her real income). As the saying goes, “a good show-off is more expensive than money”. But the problem is that the buzz of life is not bought from profit, but from working capital (thereby depleting the business) or, even worse, in debt.

“Oh, get you, loss after loss!” Shakespeare exclaimed. The profit falls and becomes not fattening, but the passion to live independently and in a big way remains. As they say, no pants, but a hat. Anti-crisis management has not been implemented, there is no experience in organizing it. And now there is nothing to pay the bills with, and the businessman has not learned how to take off his hat. Most often, the work begins with other people's money. And then recoverers appear, demanding debt repayment. As a result, there is a default and a negative image of the collector.

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Debt is a litmus test of how a business is conducted, how true and correct the moves are. The less debt in your business, the more a collector for you is not a recoverer, but a pipe with shit inside.

This is the current meme!

We are all very dependent on money. The thickness of our wallet affects:

- how we spend our time;
- where we live;
- what we drive;
- how we rest;
- which university our children enter.

But there is one important addition: any thing that can be measured in money can be measured in the time spent earning it. That is, buying a loaf of bread or a new iPhone, we can say that this thing (for example) is worth three hours of our life. Indeed, it is really as difficult to touch \$, €, or R as it is to an hour or cm³. Money is an abstract unit of measurement. And if money is just a ruler, then what exactly is it measuring? The answer is simple: debt.

It turns out that the expression “time is money” is quite literal. Each person is in a hurry to live and in a hurry to feel. One microfinance company made an interesting comparison between microloans and taxi services. For what reason do we catch a taxi and pay 5-7 times more for it than for public transport? Because we urgently need to be in time somewhere, and we are ready to buy time by paying exorbitant prices. The same is the story with quick money. People want to live and to be here and now. Therefore, the loan becomes a panacea for them. The possibility of saving is not even considered. Society is accustomed to solving its questions and problems by borrowing. Without thinking “at the entrance” that the lending mechanism involves two sides: the provision of resources and their return. Essentially, households are spending their future income. But if today we cannot pay our bills, then why does it seem to us that we can do it tomorrow?

Thomas Naylor (co-authored with J. De Graaf and D. Vann) has a wonderful book *Affluenza: The All-Consuming Epidemic*. The book consists of three parts: “Symptoms”, “Causes”, and “Treatment”. The term “affluenza syndrome” is explained as “a painful, contagious, socially transmitted state of satiety, debt burden, state of anxiety and emptiness, which is the result of a stubborn pursuit of new and new acquisitions”. The disease is aggravated by the fact that “lasts” on credit. From which it follows that the concept of “honestly acquired” in this context is very relative.

Some people justify their aggressive lending by accumulating all kinds of bonuses and miles, various cashback and loyalty points. Thus, they supposedly compensate for the interest on the loan.

But don't think that a credit card is a free Food Stamp Benefit. Bankers cannot be fooled. People have always been viewed by financial tycoons as a cash crop to be reaped. But millions of flies cannot be wrong! Families and singles, men and women, students and retirees rush to borrow and engage in shopping therapy. “If you started to shop, then it's DEBT HOLDING. Debts as Growth Points.

no use to be greedy,” they joke. And they continue to turn the spindle of meaningless consumption.

Aggressive advertising imposes stereotypical excesses. People tend to emulate billionaires and spend a lot more than they earn. An interesting case study: Parker Brothers prints more bills for the game Monopoly than the FRS issues actual paper money. About \$30 billion annually! If the game is a sublimation, then from tossing money like a drunken sailor, in reality, we are held back only by our credit rating and the quality of credit history.

All this eventually turns into a giant magic skin. The amount used is multiplying, and the time and opportunities to service the debt are becoming smaller. Bankruptcy risks are on the rise.

The saddest thing about all of this is that money doesn't make us truly happy. The material should grow from the spiritual. Unrestrained consumption pushes many families to make debts, and conflicts that arise against this background lead to divorce. Children are less and less seeing their parents, who are busy making money. This is how life goes on.

Earn. Keep. Increase. All this is absolutely correct. But, “as the Rostov thief said, overkill is dangerous in everything”. Bad financial habits lead to waste. Ideally, loan commitments should motivate you to work more efficiently. But we are like hungry children at the buffet. Credits act on us like a sudden enrichment effect. Credits act on us like a sudden enrichment effect. I call it Macaulay Culkin’s Syndrome. Having earned (in the case of ordinary people, by taking a debt) in a short time, a huge amount of money, he was not ready for them and went into all the hard.

You can take the girl out of the village, but you cannot take the village out of the girl. Is there really such a disease as “credit addiction?” Is there a real mania to take, to take, to take—to buy, to buy, to buy? Are people again ready to plunge into the abyss of debts in order to consume after the ordeals and claims from the collectors and bailiffs?

Apparently, this is the nature of mankind...

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Ones say that prostitutes make good wives. I am sincerely surprised when a customer thinks that the multiple processing of one debtor by different companies is an unambiguous drawback!

Firstly, it is not a fact that they worked well.

Secondly, it means that the position was kept in “tension” all this time.

The task of the extreme collection agency in the chain is to become the final mile, in short, to motivate the actual performance to pay off the debt.

The conclusion is simple, and it is that not every “bad debt” is impossible to collect, but any debt can become one. Debt management is a very multifaceted process. Therefore, an increasing number of companies and individuals are transferring problem debts to professional collectors. In general terms, it is appropriate to describe the collection as “collecting” debts using advanced technologies in the field of psychology, law, programming, automation at the pre-trial and judicial stage of collection, including enforcement proceedings.

And yet, the key difference between a collection specialist and an ordinary person/company is that a professional in his/her field notices unobvious things. What is invisible to the creditor “off the street”, the professional sees, knows, and he/she is able to monetize.

Previously, clients were afraid to transfer the debt to recoverers only because they themselves were afraid of collectors. However, the exponential growth of debt and the decriminalization of the industry “forced” banks, utilities, and other corporations to reconsider their view of things.

So, all foreclosure is divided into B2B and B2C. There is an internal and external collection. As a rule, enclave security services are created on the basis of banks, since the painful consequences of loans in the form of debt are their main target. Outsourcing to the creditor is usually done by private detectives, legal bureaus, and professional collection companies. If the debt is in the envelope of enforcement proceedings, then, depending on the jurisdiction, there are also private bailiffs.

The decisive feature of the collector is the ability to organize “conveyor collection” and work cases at the stages of out-of-court collection. It is generally accepted that single and unique cases are the destiny of exclusively lawyers and solitary lawyers, although, in my opinion, this judgment is not entirely fair. If the collection company has delivered not only mass (conveyor) collection, but also corporate disputes and coercion, then the collector can be effective here as well. It all depends on the skills of the performers and the accumulated practice, as well as the creativity of the company.

So, what are the pros of hiring a collection company? Here are the main ones:

- increasing the efficiency of collection through the use of collection technologies and specially trained personnel;
- no need to build up internal staff;
- relatively low cost of services;

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- the possibility of establishing payment based on the amount of collected funds;
- factor of additional pressure on the debtor;
- solving the problem of territorial remoteness of the debtor;
- withdrawal from the blow of the company's management, legal department, sales department, accounting department (all the more so provided that the counterparty has yet to work further);
- conveyor (“taking out the brain” to as many people as possible in one unit of time);
- removal of creditors' reputational risks, the third person effect;
- the ability to kiss frogs (collectors know how to work and tolerate malicious and unpleasant people in normal working mode);
- work not only on the collection of existing debts, but also at the stages of prevention, maintenance of pre-collection;
- application of not only the judicial and legal concept of collection, but also the negotiation and psychological one.

The main goal of the collector is to implement the so-called “Shapoklyak’s Method”. Since childhood, we all know this fabulous character of Eduard Uspensky, who could not live a day so as not to remind of herself.

The strategy and tactical impact of collection is built in such a way that the individual life of each debtor becomes as complicated as possible and that everything reminds him/her of an overdue obligation. The use of debt collection tools is like the process when a magician sticks rapiers into an iron box with an assistant at different angles. In the end, collection is a shift the blame to someone else's shoulders, a kind of revenge of the creditor against the offender-debtor, and sometimes, the last hope to return at least something, because even a mangy sheep is good for a little wool.

Once the head of the banking giant Herman Gref said, “If we do not give you a loan, we will help you”. The president of Sberbank makes it clear that many people, by their desire to borrow, doom themselves to a future default.

The personal data of the majority of applicants ahead of the curve does not paint a rosy picture. Competent scoring, thoughtful underwriting, good verification at the start cut off the majority of future problem borrowers.

However, the greed of some financial tycoons shuffles the cards. And the point is not that sometimes bankers underestimate risks. On the contrary, especially state-owned banks, at the suggestion of the authorities, on the eve of major holidays (New Year, May holidays, gender dates) are beginning to more actively stimulate demand for their products. While lending to the economy, they sometimes deliberately turn a blind eye to the “insignificant shortcomings” of the borrower.

The problem of a part of the delays lies in predatory details and features. Their main features are as follows:

- The difference between the declared “advertising” loan rate and the effective “contractual” rate. Imposing the services (*those without which the bank simply does not approve the credit); the preposition “from”, as a result of which the “television tariff” is overgrown with additional percentage points. All this increases the final cost of borrowing for a person and makes payments prohibitive.
- The contractual framework in the “strong side” format. The position of the borrower is not capable of influencing in any way the change in the structure and terms of the agreement. In fact, by signing a deal, the creditor is forcing the counterpart to a form and a content of the agreement that is beneficial only for himself/herself, neglecting the interests of the client.
- A revolving model of increasing the amount on a credit card without additional checking the current state of the borrower. That is, the bank, seeing that the client pays on its credit card on time, within the framework of its own development program, increases the available limit for this particular borrower. Although it is possible that this person is already deep in a hole in debt for his/her other obligations, and he/she pays this bank for the reason of priority known only to him/her.
- Some microloan companies, in pursuit of a client and big bucks, issue loans, according to the principle “the main thing is to get into a fight, and then we’ll see”, that is, already initially assuming a high level of delinquency in order to build up a solid debt portfolio for the future. The business model of such structures is not built on long-term relationships with disciplined payers, but on the desire to drive into debt as many people as possible who are desperate to take a “normal” credit.

For most creditors, the borrower at the start of a relationship is sweet, good, and loved one. As soon as he/she falls into the category of debtors, the epithets are immediately

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replaced by the opposite ones. In other words, creditors often nurture “future Hitlers” themselves. Both are always to blame!



Customizing a debt portfolio is like a patchwork quilt. Each group of debt obligations has its own color, age, period of origin, potential for collection.

In the section “Skip tracing”, we talked about “How do we search?” and “Where are we looking for?” “What are we looking for?”—this is a large array of data on a particular person, obligations, summarizing and systematizing into the so-called Big Data.

The classic data are as follows:

- Full name.
- Date of birth.
- Telephone numbers.
- Actual place of residence. Place of residence registration.
- Availability of assets.
- Places of frequent presence.
- Interest, hobby.
- The presence of obligations of the debtor unknown to the recoverer.

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- The presence of contracts (generating profit in the future). For B2B.
- The debtor's presence in public and political associations.

At the same time, it is possible to segment a unit of analysis by “unusual” parameters.

Autograph (graphology):

- The signature (its slope, “structure”, size) can tell a lot about a person. The autograph is extracted from a copy of the passport and/or the original credit contract/loan agreement. Relevant for individual debts (vip-collection).

Face (physiognomy):

- Analysis of the debtor's photo viewed: the shape of the nose, chin, neck, eye size. It can help to better understand the psychological profile of the debtor. Relevant for individual debts (vip-collection).

Astrological sign (astrology):

- A significant share of the debt portfolios is held by women. You can easily find out whether the fair sex belongs to one or another astrological sign by the date of birth (questionnaire, data of the loan agreement, copy of the passport). Relevant for mass mailing to debtors on massive debts.

The more data is collected about the debtor, the more in-depth study is possible in relation to a specific debt obligation. The information collected is invaluable in helping to build individual strategies when working with a debtor.

KPI in collection

8

Key Performance Indicators (KPI)—a list of key indicators that reflect and measure the efficiency of the collection company, its divisions and individual employees.

Anything that is not measurable is incalculable. If you don't measure, you don't control. Depending on the goals and objectives, each definition has its own reference points.

For example, in assignment transactions, the following are important:

- ROI – map compliance (compliance with a given indicator).
- IRR of the debt portfolio (compliance with a given indicator).

In matters of restructuring (set of tools):

- Comparison of the debts that was paid and not paid on time, according to the Agreement.
- Average amount of debt write-off (in rubles, as a percentage of the total amount of debt) for the Compensation for release from obligation technology.

Soft-collection (verbal)

- The number of calls to landline numbers/mobile numbers (out of the total call volume in percentage terms).

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- The number of calls marked “The subscriber you have called is not available”.
- The number of calls marked “Unanswered call”.
- The number of calls marked “The phone conversation has taken place”.
- The number of calls marked “The answer—the refusal to communicate”.
- The number of calls marked “The call was dropped by the subscriber”.
- The number of promised payments received.
- The number of successful contacts on the Telephonogram technology.
- Average negotiation time with the debtor.
- The number of contacts using video communication devices.

Soft-collection (non-verbal)

- The number of returned letters marked “Not reached the addressee”.
- The number of replies from the debtor to SMS messages, messages on social networks.
- The number of return contacts (call to the call center) from the debtor with a link to the received letter, SMS, message in social networks.
- The number of promised payments received (with reference to the warning through non-verbal signals).

Hard-collection

- The number of notes “Visa to the door”.
- The number of “The conversation has taken place” marks.
- The number of promised payments received.

Legal-collection

- The percentage of negative and positive decisions in the courts.
- The number of claims filed from the total number and volume to be brought.
- The amount of paid state fees.

Middle-collection

- The amount of funds collected as a result of the presentation of writs of execution to bailiffs.
- The amount of writs of execution/the number of writs of execution for which the execution was terminated due to the impossibility of collection.
- The amount of funds collected, according to the writ of execution presented independently at the place of work of the debtor.

Field-collection

- The number of visits with bailiffs for the period (month, quarter, year).
- Nomenclature of distrained property.

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Sales/bidding

- The nomenclature of property left to the recoverer to repay the debt.
- Nomenclature of property that cannot be sold left to the debtor.
- The amount of debt paid off through the sale of distrained property.

In addition to private KPIs, there are also indicators that are classic for each sector of the economy:

- Revenue.
- Profit/loss (before and after taxation).
- The total amount of collected funds for the period (month, quarter, year).
- The amount of collected funds per one employee of the company (including management and line staff). ROI of staff.
- The cost price and gross costs of using each technology/tool in the context of the entire company and individual portfolios.

It should be noted that building a scorecard is not a one-time job. It requires constant improvement in the context of changes in business and legislation.

The system of key indicators shows the manager what is really important for evaluating the process, in contrast to various reporting systems, which include a lot of incomprehensible and unnecessary data for management. KPIs (regardless of level and affiliation) should be carefully analyzed and “influence” business processes; otherwise, they do not make sense. It is important not to slip into empty statistics for a tick from the decision tree needed for business analytics and enrichment.

The structure of the collection company. Ecosystem

Describing the structure of a collection company, it is impossible to swoop in an unambiguous ideal model. The architecture of the entire ecosystem depends on the specifics of the portfolio (geography, composition, volume in money and positions, availability of collateral), auxiliary business units, and cross-cases.

Mono-offices/branch network:

In the case of a mono-office, the company centrally manages all processes. There are no offline representation offices in regions and regional agglomerations. Unfortunately, customers are of the opinion that if there are many physical headquarters, then the company is more solid and intelligent. In the tender documents, a significant number of points are assigned for the presence of an extensive network of offices. If you ask a client, “Why?”, then the answer always sounds like this, “The management believes that this is more reliable”. There is no other reasoning.

In fact, offline is an additional cost: the cost of maintaining space, personnel, related costs, which ultimately fall on the cost of collection services. This format is relevant only if the company has large volumes of paperwork directly with debtors in a particular location or conducts regular transactions with end buyers for the sale of pledged and distrained property.

It is possible to open offices in separate locations, but with an eye to solving HR problems. For example, a company comes from a regional center, and in its city, it cannot build an IT department or a sales department. In such cases, it is possible to launch a separate office in other cities, but with the implementation of narrow tasks and competencies in them.

It is also important to open offices as a part of the launch of law firms specializing in disputes in arbitration and courts of general jurisdiction. But this is not quite the format of a classic collection agency.

Legal staff:

- lawyers for the organization of legal proceedings;
- lawyers for support of enforcement proceedings;
- corporate debt lawyers;
- it is possible to divide into lawyers, according to branches of knowledge and competencies (bankruptcy, inheritance law, allocation of marital shares, work with the arrest of shares in a business, etc.).

Call center

- Most collection companies are moving the line staff of the call center from the capital to the regions or even individual provinces and depressed cities. This makes it possible to get better returns for less money, since people in the periphery hold on to their jobs more tightly. Or, for example, in our company, a call center is generally built, according to the home office model. High-speed Internet, well-functioning IP

telephony, recording and controlling negotiations, the ability to go to Skype with any operator in real time and to solve a work issue online—all this makes the process cheaper and does not make the processes more complicated.

Hard-collection

- A priori, this is a work in the “field”. Field recoverers, in principle, have nothing to sit in the office for. The entire document flow is organized using a logistics company and the Internet. The printout of claims for presentation (claims are formed by the staff of the central office) is carried out on home PCs and on the printer of the field collector.

Coordinating Managers

- Office-based line staff. Their key features are as follows:
 - copying, scanning of incoming documents from courts, bailiffs, other departments;
 - packing paper claims (packer functions);
 - sorting information in the program for accounting for debt obligations (provided that there are no automated parsers).

Skip Manager

- Collection, control, analysis of information obtained by parsing open sources.
- Collection, control, analysis of information obtained by an alternative method of collecting information from open sources.

Management

- General/Executive Directorate.
- Financial-Economic Directorate (including accounting).
- Directorate for Legal and Corporate Affairs.
- Development Directorate (sales, commercial issues).
- Directorate for a methodology of business processes and internal procedures.
- IT Directorate.
- Human Resources Directorate.
- Collection Directorate (management team senior mentor managers in the legal department, call center, hard-collection, coordinating managers, skip).
- Advertising and Marketing Directorate.

Team building

- An interesting option for “rallying” the team can be a situation when each employee has acquired debt obligations to his/her credit. This is not a share in the business (this is not always useful and appropriate), but it motivates you to work better and more decently, which, of course, is a big bonus for the beneficiary.

Soft-collection (non-verbal).

Tools set. Life hacks

By “non-verbal” soft-collection, we mean all methods and tools of remote collection without exception, where there is no “voice component”, that is, those messages to the debtor (legal representative/surety) where the addressee can read/see/smell (!), but not hear.

In accordance with current legislation, all contacts with the debtor should be carried out in his/her native language. The number and format of contacts are strictly regulated. Soft in the general collection system plays the role of a quantitative and qualitative increase in pressure on the debtor. In some cases, this is a kind of support “from the air” to the hard, legal, middle, and even field stages.

The non-verbal collection is the most independent source of communication. You can be almost 100% sure that even without giving a “here-now” contact back, the debtor will read the message.

Letter

- Paying attention to the color of the envelope. It should be, if not a flashy color, then at least stand out in the general volume of correspondence.
- On the envelope, you can write a large inscription “collection agency”.
- You can experiment with the original address of the sender (a prerequisite is the legitimacy of a legal entity in relation to a specific item). Our experience shows that debtors react more sharply to letters from provincial cities and republics of the Caucasus.
- Do not try to be too original in the text of the letter. It does not work! Proverbs and sayings, parables about “New Year without debts” is a passed stage. On the contrary, the more seriousness and casuistry the text of the letter is, the better it will be. Or focus on economic benefits (offer of compensation, interest-free installments with a revocation of the writ of execution).
- If the software allows, then it is better to “coin” a design letter with a good layout, for example, with a specific title in the upper corner of A4 sheet. It would be nice to have a frame, to use creative design elements.

Messengers/SMS

- It doesn't matter Viber or WhatsApp—all messengers (outside of social networks) are tied to a mobile number, so you can use them only if you know the Debtor's phone number.

- It is better to write (as in a letter) succinctly and to the point, not to make it too “heavy”, because “brevity is the soul of wit”—this is precisely said about working in instant messengers.
- Messengers linked to social media accounts are no different from non-network formats. The rules for working in them are the same. It is forbidden to publish about his/her debts in the debtor's feed. Unless there are cases when collection agencies are openly and intentionally added to the Debtor as a friend. This “knight's move” works like a culture shock, but one shouldn't pin high hopes on such a step.
- You should definitely have an avatar of a collection agency with a logo.

E-mail

- In the era of instant messengers, e-mail is not widespread, but (if you have an address) it has some advantages. Such messages acquire weight and a more official narrative in the eyes of the recipient.
- You should send an e-mail with a delivery receipt and a read receipt.
- There are risks that e-mail from unknown addresses will automatically go to spam.
- Be sure to have a collection agency avatar with a logo.

Telegraph message

- It is rarely used. It can be used as a creative tool. The popularity of the telegraph message came to naught after it was prohibited by law from publicly spreading about the debts of an individual.
- Alternatively (taking into account the observance of the legal framework), this technology is quite viable and, in my opinion, underestimated.

In relation to B2B debtors, there are such instruments as:

- Sending a fax.
- Recording on the company's website or on a social network account (B2B prohibitions related to B2C do not apply).
- An entry in the book of complaints and suggestions (provided that hard-work was done).

Soft-collection (non-verbal) takes an important part in the overall system of organizing the collection of overdue debts.

Soft-collection (verbal). Tools set. Life hacks

As the saying goes, you can't do anything by talking. The stereotypical opinion that a telephone collector is a talking head with rude vocabulary is becoming a thing of the past. By verbal soft, we mean any contact with the debtor (legal representative/surety), where there is a voice component.

Methods of contact with the debtor:

Call

- Classics of the genre. Until now, there are differences of opinion on what to consider as a contact in work with a debtor. Some are sure that this is any (even minimal in terms of the amount of time) form of the dialogue that has taken place. Others believe that it is enough to consider the debtor's answer to the telephone receiver as a contact when making a call. However, calling a debtor is one of the most cost-effective technologies. In modern call centers, no one has been dialing the debtor's number manually for a long time. The software has a built-in auto-dialer that switches the first (next) responding addressee to the free (first released) call center operator.

The following call statuses are considered and highlighted:

- ✓ the conversation has taken place;
- ✓ unanswered call;
- ✓ the subscriber you have called is not available (mute buzzer).

In the first case, the operator's task is to negotiate and, as in the hard-collection option, to update the debt and to collect as much of the necessary information about the debtor as possible. There is also a sense in the “unanswered call” status. If the debtor does not answer, then almost 100% he/she sees the incoming call, associates it with his/her debt (that is, he/she is aware of who is calling him/her and for what reason,), but for obvious reasons he/she does not want to talk, which does not mean the lack of motivation in his/her “silent” to pay off the debt. Plus, there is an additional profit in the fact that such calls can be made countless times (after all, until the contact has taken place, it is not counted as a quota fulfilled according to the law).

In a situation where the subscriber is not available, there is a high probability that the debtor has changed the phone number (the option of being included in the “black list” is also possible, but given that the collection company has hundreds of phone numbers, the version with a change of SIM card is more plausible). In this perspective, this alignment promises the risks of getting the “old debtor's number” on the new owner, which makes collection using the Call technology impossible. There are cunning debtors who introduce themselves as other people. However, this is a completely different story and it is almost impossible to test a lie. Certainly,

there are cool cases (the so-called speech analytics) that, using artificial intelligence (a phonetic analysis), like a polygraph, draw a conclusion about a person's real intentions to make a payment, to commit deliberate deception, and to evade payment.

Telephonogram

- This is a call to the place of work and the relatives of the debtor with the transfer of a specific message to the addressee (*, of course, taking into account the requirements of the current legislation on non-disclosure of information about the debt). For example, you can say, “Please tell me that Ivan Ivanovich was asked to call back from the collection agency”. Such a script does not violate the law on non-disclosure of information about the debt, but it hits the target, clearly communicating what message was planned to be transferred.

Video call

- There are cases of communication with the debtor using Skype. Certainly, this is a big plus in negotiations, but it is impossible without the consent of both parties. I would call this Remote Hard technology.

Autoinformer

- An automated variation of the “Broken record” technique of influencing the debtor. Key goal: saving on personnel and manpower. Or filling the vacuum, if there are not enough specialists at the moment, and collection cannot be suspended. Secondly, if the debtor realizes that there is a robot on the other end of the line, and not a person, there is a possibility that he/she will listen to the message to the end. Not all people are willing and ready to enter into dialogue in order to receive information.

Automatic answer-back equipment/Voice message

- Such a case also takes place. It is hard to disagree that most of us rarely listen to voice messages linked to a phone call. Certainly, a “voice mail” in Viber or WhatsApp is another matter. They will definitely open it and take into account what has been said. This is where you can “play” with voice timbres. If suddenly the call route is directed to a landline phone, where there is “good old automatic answer-back equipment”, then this will also be tapped with a high degree of probability.

Call center operator job arrangement

- Comfortable, ergonomic headset.
- High-quality IT telephony, Internet connection.
- Large work monitor, easy on the eyes.

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- The presence of a cheat sheet with a “conversation plan with the debtor” (which reflects the key scripts and hidden pitfalls).
- Negative response protocol.
- Regular issuance of the requirements specification.

Key recommendations

- It is not recommended to make a call in the afternoon, since after eating food, a person develops a physiological defense.
- It is recommended to bring the time of payment of the debt to certain dates (the New Year’s Day, the end of a week or a month, a birthday of the debtor).
- It is necessary to cut off the debtor's speculations, due to which the latter seeks to delay payment: speculation on their own problems (“now is a difficult time”, delayed wages, etc.); speculation on relationships (“we are all human”, “put yourself in my place”). A departure from the topic (various forms of “moving out” from the conversation about the debt); speculation on children (I am a father/mother of two children, etc.).
- **F**or it was found, however cherries might abound, they disappeared by stealth and guile, so mouths they stopt with song, not fruit”—the fact that the call center operator must constantly say something is fundamentally wrong. First, it is fraught with burnout; secondly, the information received should be entered into the software in a high-quality manner and prepared for the next call. It is important to strive to increase not only and somewhat quantitative, but also qualitative indicators of the work of call center operators.

By hard-collection, we mean interactions with the debtor (legal representative/surety), where a personal meeting took place.

A personal visit to the debtor is conventionally divided into two formats:

- Hard home—a personal visit to the debtor/surety (legal representative) at the place of residence/place of residence registration by a specialist of the collection company.
- Hard work—a personal visit to the debtor/surety (legal representative) at the place of work by a specialist of the collection company.

Main goals

- Collection of information, facts about the debtor (phone number, place of work, financial situation, servicing bank).
- Debt update (reminder of the debt, agreeing on the schedule and maturity dates).
- Placing information under the viral collection case implementation.

Risks and Cons

- There is a high likelihood of defamation and provocations on the part of the debtor (which, in conditions of regular legal uncertainty, can harm business).
- The high cost of technology. Possible incommensurability of cost and return.
- Collection of incorrect, fake data. Debtors can simply lie.
- Lack of intelligible professional standards and “talent pool”.
- High risk of staff turnover. For most hard-specialists, such work is a “train station” in anticipation of something more calm and office.
- Criminal risks (receipt of cash by field recovery specialists to pay off debt; violation of the law by collectors).
- Corrupt practices. Bribery of collectors by debtors (rollback of a smaller amount in relation to the amount of debt in exchange for forgery of information regarding the debtor).
- The introduction of deliberately false information about the visit by the collectors.

Formats/simulation of off-site collection

- Issuance of the “Requirements Specification” of the visit plan.
- In addition to the “Requirements Specification”, issuance of the “History of work” with the debtor (including at the soft, hard stages—if already carried out, as well as legal, middle, field ones).
- Well-thought-out logistics (territorial coordination of visits, taking into account the presence of a registration address and an address of actual residence). It should

be noted that debts on utility bills are logistically more compact. So, the quota of visits for them should be more serious.

- Hiring hard-specialists on a fixed-term contract in the staff to perform tasks for specific projects of one-time content.
- Use of a single and paired visit format. The experience shows that collection in tandem is better from all sides (security, KPI of negotiations, the possibility of implementing the case “good – evil cop”, interchangeability of employees in the event of a dropout of one of them). As a “partner” (but solely for the purpose of protection and moral support), you can use a physical escort by an employee of a security company.
- Proof of the site visit (photo of the house, entrance, staircase, debtor's apartment). Sometimes, in order to determine the status of the debtor's residence, the collectors make a note in the records from the neighbors or enter data on the state of the electric meter (* if the disk is spinning, then the debtor lives here); indicate the presence of the Internet, cable TV, a neat balcony, curtains on the windows, etc.
- For a more accurate calculation of fuel consumption, removing the risk of damage to the collector car and logistic mobility, off-site collection can be organized using car-sharing transport. This is especially true in the million cities.
- In the event of an arrest of vehicles, the collector should have information about a vehicle carrier service (a partner company) and parking addresses.
- If hard is carried out in a province (cities with up to 10-15 thousand population), then it is more correct to hire a specialist from neighboring territories. This will help remove the risks of corruption and excessive empathy, as well as avoid nepotism.

Hard-collector ammunition

- Documentation (“Requirements Specification”, “History of work”, “Reporting table”).
- Certificate of employment.
- Voice recorder.
- Tablet (subject to entering data on an electronic medium).
- Shocker.
- Dog deterrent.
- Video camera.
- Video recorder (for recording individual meetings).
- Printed claims.

Debt sight

- Claims, as a rule, correspond to the form and content of the “non-verbal soft-collection”.
- Speech scripts and negotiation techniques are basically identical to the “verbal soft-collection” format.
- Availability of a negative response protocol.
- Implementation of the case “Visa to the door”. It is applied if the debtor is not at home when visiting. The collector makes a handwritten inscription on the claim: “Pay! We will come regularly!”, “Next time expect a visit with a bailiff” or another (if available) well-developed visa script. The purpose of the “Visa to the door” is to make it clear to the debtor that at the time of his/her absence it was the collector (!) who visited his/her place of residence and not the representative of a post office or a courier. This is an important psychological lever, as it makes the debtor understand that he/she was simply “lucky” not to meet with the collector and the visit of the recoverer could be repeated at any time. Thus, even without finding his/her counterpart at the time of the visit, hard carries a functional load and performs his/her task.

Litigation is the most “non-creative” area in the collection industry. The State has clearly defined the methods and frameworks for debt collection. This applies to both B2B and B2C segments. However, here you can also consider individual observations and solutions.

Partial payment of state fees

State fees are not cheap. Especially when it comes to large claims multiplied by a huge number of cases. At the same time, it is rather difficult to predict in most cases whether the debtor will pay by the court decision. Hence, there are risks to “bury” a part of the funds in a fee on those cases where monetization is not very promising. Therefore, a partial payment of up to 50% of the required value of the state fee is practiced. In the event that the obligation is extinguished, then the risks in a particular case are reduced, and the remaining part quickly wakes up.

Pros of a dispute

If the debtor is bristling and he/she continues to siphon energy, time, and money from the creditor, this is certainly not the best outcome. Nevertheless, this development of events suggests that the person/organization has something to lose. Perhaps the debtor is simply playing for time. Still, a revocation of a court order or an appeal is an indicator of future payment potential.

The legal impact on the debtor

It is generally accepted that legal in collection plays its primary “biological” role and no other. As a first approximation, yes, but this is not entirely true.

- The “Pre-trial claim” stage. This is not quite a classic soft. This letter sends a specific message about the unequivocal intention of the recoverer to sue the debtor.
- The “Writ” stage is a kind of state soft. It confirms the inevitability of future litigation.
- The “Attending the court session” stage. Quite often, especially at the stage of the writ proceedings, a person does not go to court in order to defend his/her rights and interests. However, in the case of visiting the court and participating in the process, the debtor finally forms an understanding of the seriousness of the situation.
- The “Writ of execution” stage. In principle, this is the ultimate goal of legal as an instrument of collection.

Despite all the conservatism of the legal instrument, in addition to its classical role, it has an important psychological functionality that the recoverer can take into account when working with debt. Entering the Legal stage, the recoverer receives a part of the payments, even “without crossing the threshold of the court”.

Digitization. Kolibry-IS

Throughout its life, a tree changes its natural structure: it takes root, branches give offsets. Likewise, a decision tree is a continuously growing organism. The changing market environment and the legal environment force us to react. It is impossible to demand from a business the results of a combine, giving out a plow as a production tool.

Kolibry-IS is a corporate author's IT solution for automating the collection's business processes with the possibility of a flexible approach and taking into account the current interests and tasks of the company. We spend a lot of time, effort, and money on its development. And this process is continuous.

Kolibry-IS includes sections and modules. Let's consider the main ones.

1. Section of interaction with counterparties:

- Built-in CRM system of the Sales Department (the incoming information is instantly transferred to the work of other departments).
- Automatic reporting of data on the work done by the program and employees.
- Counterparty's personal account.

2. Parsing section:

- Automation of requests to the websites of government agencies (cyclic processing in order to obtain new and update old information on debtors).
- Automation of collecting information from social networks.

3. Data storage and processing section:

- Analysis of data with their further structuring.
- Accounting for debt obligations, regardless of the number of attributes and current customization.
- Automatic distribution/execution of tasks, taking into account the jurisdiction of the information.
- Exposing the Requirements Specification based on available and incoming information about debtors.

4. Section of legal proceedings:

- Automation of filling out forms of documents in court (taking into account jurisdiction and territoriality).

5. Section for interaction with bailiffs:

- Automation of interaction with the personal account of the party of enforcement proceedings (sending applications, complaints, inquiries).

6. Debtor interaction section:

- Organization of recording of negotiations.

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- Making calls via IP telephony.
- Automation of the formation of call statuses.
- Function of mass mailing of messages, letters, SMS, messages to social network accounts.
- Control over activities to meet the requirements of FZ-230.

7. Task control section:

- Automation of control over the actions performed in relation to debtors (all the main work is performed by the program, minimization of the human factor).
- Quotas for employee tasks.

8. Other functional:

- Kolibry-IS makes it possible to “fasten” the business logic of related projects associated with the storage of information on debt obligations.
- Kolibry-IS has the ability to flexibly revise, according to current tasks.
- Kolibry-IS is reliably protected from interactions and attacks of third parties with the aim of stealing information and harming the interests of the company, customers, and debtors.

PR and GR collection

The media is the fourth estate. Information troops can serve both in B2C and B2B collection.

Indeed, as Nassim Taleb rightly noted, “Financial troubles can be more demoralizing than war”. “Consider the fact that financial losses and the accompanying humiliation can lead to suicide, but war does not,” he wrote.

Various models of “information bombing” are used.

- Black PR. Spread of facts discrediting the debtor's business. The information should not be fake, but it should be balanced on the brink of a foul.
- Journalistic investigations using the opinion of experts from the industry in which the debtor is employed, government agencies, third parties.
- Coverage of the trial if the debtor goes through the legal stage. A step-by-step description of the essence of the case and the position of the defendant.
- Coverage of a raid with bailiffs for the purpose of arrest or inventory of the debtor's property.
- Press releases about the current position of the debtor in the market (fines from regulatory authorities, courts of other plaintiffs, etc.).

In B2C, PR tasks are performed by ordinary media that produce specialized, mass, and, in some places, populist content. Plots about the “collection lawlessness” partly play into the hands of the entire industry. Bogeyman stories put in the debtor's subconscious the idea that “the collector is unpleasant, it is a problem, it is nerves, it depends on who else you run into”.

Television feeds the debtor with real stories; TV, newspapers like the *Crime World*—with scary stories. The audience is told the facts about the debtors. Given that the story has no subjunctive mood, people take everything seriously and project what they see and read onto their problems and situation.

Different specialists and theorists put the following cases into the concept of “GR collection”:

- Involvement of representatives of relevant government departments in solving the debt problem of the enterprise.
- Organization of pickets and rallies near the office/trade building of the debtor's company.
- Leaking information about the unfairness of the debtor his/her counterparties and investors.
- Creation of a “brainwashing” center within the business structure of the debtor's company. Collecting inside information about the debtor by the forces of the fifth column.

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PR and GR technologies (if the ultimate target is a raider capture) set as their main goal not to drown the debtor's business, but to make him/her more accommodating, to make him/her go into dialogue and to begin to resolve the accumulated issues. It is not for nothing that some experts call PR and GR collection the “legalized blackmail”.

If you want to defeat the enemy—study him. In a sense, the debtor is the enemy of the recoverer. In the Middle Ages, Aesculapius deliberately infected themselves in order to test the effectiveness of the invented medicine. In the context of debt collection, it is safe to say that the best enemy of drug addiction is a former drug addict. The author of this book owed a lot and at one time, he went through all the “circles of the collector hell”, except perhaps for bankruptcy. Without exception, I know all the life hacks and excuses of a debtor who, for whatever reason, cannot or does not want to pay.

However, all people are not the same. Researchers identify economic, cultural-and-educational, geographic, demographic, behavioral characteristics and classifications of debtors.

It became interesting and important for us to feel the current trend of the debtor's attitude to his/her obligation and the degree of influence of various technologies on his/her motivation to pay. Thus, we have launched a “vacancy” of “Debtor-polygraph”.

In exchange for 100% debt cancellation, we asked some debtors on our bank portfolios to answer the following test questions:

Inventory

1. If you won the lottery an amount equal to your debt, how much would you pay to pay off the debt?
2. Are you not paying utility bills just because you are not satisfied with the quality of the service?
3. When you took out a credit (a loan), did you have a clear plan for repaying your obligation?
4. Would such a restrictive measure as a “travel ban” affect the debt repayment provided that you are not going abroad in the short term?
5. Would such a restrictive measure as “prohibition of registration actions on a real estate object” affect the debt repayment provided that you are not going to carry out transactions with this real estate object in the short term?
6. Would such a restrictive measure as “prohibition of registration actions on a vehicle” affect the debt repayment provided that you are not going to carry out transactions with the vehicle in the short term?
7. If there was a guarantor for your debt and the retention of money began from him/her, would this speed up your debt repayment?
8. Do you agree that “all debtors want to repay the debt, but there is always not enough money for something else”?
9. Please rate on a five-point scale the value for the debtor of the fact of public dissemination of information about his/her bankruptcy.
10. Do you agree that the majority of debtors believe that the bank and/or MFO have deceived them by issuing a credit/loan?

11. Do you agree with the following priority for the importance of payments:
 - payment for electricity,
 - payment for water,
 - payment for heat/water heating,
 - repair and maintenance of housing.
12. Do you agree with the following priority of the importance of household spending:
 - food/medicine,
 - clothes,
 - entertainment,
 - payment of overdue debt obligations.
13. If you were offered to buy goods in specific stores (at similar market prices), where a part of the interest from the purchase in the form of cashback would be written off as debt repayment, would you agree?
14. Please evaluate on a five-point scale the impact on the decision to pay off the debt of a visit to the debtor at the place of residence by a representative of the collection agency.
15. Please evaluate on a five-point scale the impact on the decision to pay off the debt of receiving a letter of claim sent to the debtor by post.
16. Please evaluate on a five-point scale the impact on the decision to pay off the debt of a visit to the debtor at the place of work by a representative of the collection agency.
17. Does the geography of the sender of the claim letter affect the decision to pay off the debt as soon as possible?
18. Please evaluate on a five-point scale the impact on the decision to pay off the debt of visiting the debtor by the bailiffs (without arranging the seizure of property).
19. Please evaluate on a five-point scale the impact on the decision to pay off the debt of the arrest of the debtor's vehicle by the Federal Bailiff Service and placing it in an impound.
20. Do you trust anti-collection companies?
21. Please evaluate on a five-point scale the impact on the decision to pay off the debt of the purchase of your debt by a third party.
22. Does the specific smell emanating from the claim letter affect the decision to pay off the debt?
23. If you found out that you won a foreign tour, but you have a restriction on leaving the country, would you pay off the debt?
24. Please name, in your opinion, the most effective motive for the debtor to pay off the debt.
25. Please evaluate on a five-point scale the impact on the decision to pay off the debt of the recoverer's deduction of a part of the debt paid to charity.

26. Is the restructuring agreement more often “real help” or is it “an excuse not to pay for some more time”?

27. Would you disclose your place of work and phone number to the person conducting the case study or marketing survey?

*28. Are “bogeyman stories” about the possibility of attracting (fraud, malicious evasion of payment of accounts payable) a real argument for paying off arrears for you?

29. Is the opinion of colleagues, friends, relatives, acquaintances, and like-minded people important for you to make a decision on debt repayment?

30. You were offered to write off a part of the debt through compensation. Are you ready to use hidden resources that you were not ready to use to pay off debt before: a sell property, a refinance?

31. If you had any five desires, where would you want to pay back all debts once and for all?

32. Does the color, font, and visual design of the paper claim affect you?

33. Do people believe in the horoscope and “their stone” and can this influence the decision to pay the debt?

34. Do you discuss the issue of debt in the family council? If yes, then, in your opinion, does this provide additional incentives for debt repayment?

35. Does the opinion of a religious leader influence the decision to pay off the debt?

36. Would calls at the place of work influence the decision to pay off the debt?

37. Is it possible to convince the debtor to pay off the debt over the phone?

38. Is it possible to convince the debtor through social networks to pay off the debt?

39. Do you know about the opportunities that 230-FZ *On the Protection of the Rights and Legitimate Interests of Individuals in the Implementation of Activities for the Return of Overdue Debts* provides you?

40. Do you agree with the statement that first of all, they pay those “whom they fear and who demand more than others” and those “with whom you do not want to mess things up”?

The received answers give an understanding of the prospects of approaches, strengthening of a particular technology and tool.

*The clause is based on the format used in the jurisdiction of the Russian Federation.

Charity and collection

Two commoners approach the priest. The first one asks:

- Father, can I smoke while I pray?
- No, you can't!

The second one asks:

- Father, may I pray while I smoke?
- Yes, you can!

This parable is representative and demonstrates a different approach to the same matter. History textbooks tell how in the daytime Ivan the Terrible killed people with the hands of the oprichniks, and in the evenings, he bruised his forehead in the church. If the collector, in essence, is a bad person (he achieves his goal by illegal methods, threats, and violence), and in the evening, he is an exemplary family man, then this is a two-faced Janus. In such matters, there can be no binary approach: yes—no. A person must always be the “same”. When a monster brings donations, it buys an indulgence for itself. No more...

It's another matter if the collection company finances charity. The deduction of a fixed percentage of all collected funds is, firstly, a good PR tool, and, secondly, it gives an increase in collection.

The collector's image will have a negative connotation for a very long time (if not always). Therefore, for the “orderlies of the economy”—it is, in fact, a constant payment on the Hamburg reckoning.

The involvement of the second party to the transaction—the debtor—in the charity process is also important in organizing collection mechanisms. For example, a case is practiced with an indication of a specific charity event/campaign given by a collection company or a creditor.

In the message, the debtor (from this format of the message, all claims should be excluded) is informed about the deduction of a part of the payment in favor of an orphanage or a church. Naturally, the organizer should first conclude a written agreement with the object of charity. With a high probability, a person will become more loyal to debt repayment. Indeed, if charity is a theft on the contrary, and religions have always ranked non-payers as thieves, then the level of social responsibility of a separate customized category of citizens will increase.

It is interesting for the reader to tell in a nutshell about the #PAYFOROTHER project. The author of “UBER to Help Debtors” (as he himself positioned it) intended to introduce a mechanism for the repayment of debts by third parties for other people. As one of the parties, it was supposed to involve the Russian Orthodox Church (ROCh) with the assignment of the function of checking (verifying) a difficult situation and the good faith of debtors in respect of whom there is enforcement proceedings. According to the author of the project, the Russian Orthodox Church would receive a new and modern mechanism for its constant assistance to those in need, and for debtors, there would be a chance to get rid of debt and problems associated with it.

Collectors and creditors would benefit from PR and “bad debt” repayment.

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Charity is of two types: “from the heart”, when the art patron does not disclose his/her name, and commercialized. The second case involves the achievement of specific business interests through assistance. Both options are needed by a society, as their result is help to those in need.

Debt and “moral bounds”

If you believe the theory of six degrees of separation, then all people in the world are “friends”, and, as they say, if you want to lose a friend—lend him/her money... On the other hand, the stronger the friendship, the more accurate the calculation. And vice versa: the more accurate the calculation, the stronger the friendship.

The specifics of debt collection from relatives, close friends, acquaintances, and co-workers have been little studied. Perhaps because it is not customary to talk about it out loud, as there is a risk of being branded as a cynical and ignoble person. The texture of human relationships is complex and multifaceted. On the one hand, the surety and the pledge “go together”. Hence, it turns out that by attracting someone as a surety, people use each other as goods and money. For the creditor, the format of “moral bounds” is interesting not only for its legal perspectives and opportunities. It's also a message that one wallet is good and two is better. There is an understanding that the debtor is not alone, but he/she is in tandem.

In the context of a surety, it is important for the recoverer to understand the answers to the following questions:

- Did the guarantor take a part of the funds from the Creditor for his/her own needs, while not officially being a co-borrower?
- Does the guarantor have family ties with the debtor?
- Do the debtor and the guarantor live in the same geographic area?

Let's look at the different options for “connectedness” between debtors and their close associates, as well as leverage.

Family

- The age criterion is very important when dealing with debtors. Young people require a special approach. These include borrowers under 27 years of age. Most of these people are registered and/or even continue to live with their parents. Consequently, the collection obligations are highly likely to become the property of the family council. It is important that the problem becomes the common conscience of the family, the debt is discussed regularly and with partiality, and the debtor is reprimanded for his/her irresponsibility. The topic of days in arrears should be elevated to the highest priority. As a result, not only the daughter or son, but the household as a whole should begin to pay off the debt.
- At the same time, more and more often the family ignores the debt of their “problem family member”. And the point is not even that relatives are constrained in money—the problem lies deeper. Thus, the older generation teaches the young to be independent.
- There are also marginal cells. Once, presenting a debt for utilities, our company ran into a family of the following composition: he, she, their common son, his mother, her new husband. They all lived in one 2-room apartment with an area of about

60m². Their bills for the apartment were divided, someone paid regularly, someone lived in debt. It goes without saying, there can be no question of any “moral bounds” and mutual understanding in such situations.

Heirs

- There are cases when the heirs, without even entering into an inheritance (since there was nothing in the hereditary mass), repaid the debtor's obligations to the creditor. Their motivation was to “cleanse” the bright name of the deceased. But this is rather an exception, only to prove the rule. And the rule is that under the condition of large debts and scanty assets (as a rule, this is real estate, which becomes the only housing for the heir), the heirs do not enter into law, and the debt “dies” along with the citizen. In such cases, there is a joke of black humor: “from him, alas, the Lord has already sought”.

At the same time, an increasingly extensive practice of legal in inheritance cases is being formed. The current state of the art of the problem lies in the absence of a clear and unambiguous legal position of the courts, for example, on an escheated property or on the allocation of a share of the deceased spouse from the common property.

Colleagues

- Much depends on the position of the Debtor in a particular organization. If he/she is a clerk and he/she is in good standing, it is likely that management will approve him/her of a small corporate loan. If the manager, then it is reasonable to play on the triggers of shame, “provoking” the debtor to think more seriously about his/her reputation. In any case, partners and colleagues have their own advantages in matters of surety and collection. After all, they are the ones who know when the debtor has a salary and what is its size.

During the Middle Ages, Catholic priests wore robes with buttons on the back. The dress could not be put on without the help of others. The moral bound in the collection serves as a bridging role between the recoverer and the debtor, and they are also a leverage for faster debt repayment.

“Gangster” collection. Causes and echoes

When the bandit and the victim get used to each other, the robbery turns into a render. Where there's smoke there's fire. This means that the shadow collection has a deeper reason than the criminals of the recoverer. The motherlode of evil lies in illegal lending to the poorest segments of the population. And, if Muhammad Yunus has received the Nobel Prize for his concept of financing low-income communities, the niche of “black microloans” is a profitable business in a semi-legal position, with an eye on 100% return by any means in case of delay in payment.

Distinctive features of the “gangster” collection:

- The recoverer does not accept the position of the debtor to “go to court”. He focuses on the “by one's own laws” principle.
- Absence of the recoverer in the register of professional collection agencies.
- The process of collection often develops into blackmail, compromising evidence, extortion, threats, insults.
- Illegal databases are used.
- “Shady” SIM cards issued for the marginalized or stolen are used.
- There is a willingness to take on debt collection even without an availability of documents confirming the debt.
- Vandalism (damage to apartment doors, keyholes, mailboxes) is used as a means of forcing payment of debts.
- A malicious violation of industry legislation (exceeding the limits on contacts with the debtor, public dissemination of information about the debtor, visiting the debtor in the hard-collection format under the guise of a “courier delivery” of a claim letter) is allowed.
- An illegal call center is being created.

As noted, the gray lending market is fertile the soil for this. After the tightening of legislation, many MFOs and MCCs withdraw into the shadows. The bait was the opportunity to get a loan “even with a bad credit history”. By issuing money to problem borrowers (without proper scoring, checking the place of work, calling a call center) at a high super-profitable interest, usurers immediately put the repayment of the loan on the line.

Professional recoverers, government agencies, self-fulfilling organizations have long agreed in a single position that it is black creditors who are casting a shadow over the civilized collection.

However, as Adam Smith wrote, as long as there is demand, there will be supply. This applies to both disbursements and refunds. This means that the existence of the hydra of extortion and blackmail is guaranteed.



According to the *Triggers* by Marshall Goldsmith and Mark Reiter, a trigger is any motivation, situation, that influences our behavior. The task of the recoverer is to play them back in a quality manner in order to monetize afterwards.

Life is given to us in sensations. Working with debtors remotely and in person, it is important for the employees of the collection company to remember that the debtor passes any message through himself/herself, using hearing, sight, smell, tactile contact. The emotions received as a result of the backlash should be directed towards the recoverer to scrap the supports that any debtor has: family, job, hobby, business. It is important to use the very trigger that will help to “wake up” the payer in each individual when working with supports.

Fear

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Fear sits in the head of every person. The genre of horror has taken root in the cinema because it accelerates adrenaline inside us—the “fear hormone”. The inevitability of “non-film” punishment is what the debtor needs to be pumped through in every message. Today, tomorrow, or in a year, the money will be returned, in accordance with the court's decision. Whether it will be a deduction from a salary, an arrest and an implementation of a pledge, a write-off through a surety, or its own will, but in the end, the debt will be paid off! The debtor must have a fear of the Law, the inevitability of its severity and execution. No one will frighten a person stronger than himself/herself.

Shame

Jennifer Jacket's book *In Is Shame Necessary?* is interesting as an aid for pumping the “shame” trigger. Personally, I pay off my debts because I am ashamed. I am ashamed in front of partners, in front of myself for my lack of self-sufficiency. For this, I work hard. As the saying goes, “Antoshka, dig potatoes until you give the money”. Shame is an underrated tool in collection.

Conscience

The slogan “Respect the work of the cleaning staff! Wipe your feet!” much more effective than the prohibitive “Do not smoke, do not litter!”. The debtor should be ashamed. It is more correct to correlate this case with the launch of the “Soft Charity”.

Dream

The desire to find peace, to be distracted from everything that oppresses and does not bring joy. To get out of the shackles of annoying problems. To shut down and to disconnect from anything that gives trouble. Become free and to “f... all of them”. The debtor should not only be treated and restricted in rights. It is important, in parallel to this whole complex of measures, to inspire him/her to action, to tone up optimism and to instill confidence that he/she will very soon get rid of his/her problems (an annoying collection). To achieve this, the debtor needs to repay the debts to a specific creditor, that is, to you.

Regardless of which trigger the recoverer focuses on in its work, it is important that the debtor party feels a win-win effect in their actions.

Word-of-mouth in the collection of utilities

21

How to manage collection in the public sector with the help of rumors and word of mouth? Viral marketing is one of the most productive tools for promoting goods and services. Can it help a collection agency?

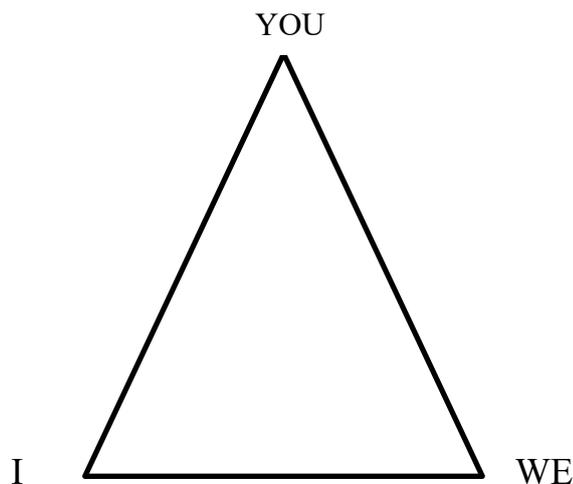
The specificity of debts for utilities in their “territorial” grouping. It is the high density that makes it possible to implement the tool of “viral information movement” among the debtors of one house or a management company. The collector's arsenal and aid include the following:

- information boards at the entrance halls;
- stands inside the entrance halls;

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- human resources (gatekeeper, house manager, representative of the management company).

Fig.1 – Word-of-mouth marketing benchmarks



“You” is the apex responsible for disseminating information among debtors.

- They must hate you.
- You have to give them a reason to talk.
- You must make it easy to discuss you.

“I” is the apex that picks up your message and launches it to the masses along the chain.

“We” is the mass that reacts to your message.

Let’s take a look at a collection case on key word-of-mouth nodes.

1. **Speakers:** who is the first (!) to tell about what may happen, he/she will throw the message to the masses.
 - Here it is reasonable to use the senior responsible for the house, the senior responsible for the house on the entrance hall, the chairman of the management company.
2. **Topics:** what will the speakers talk about?
 - To install stoppers on the toilet without visiting the debtor's apartment. To create the illusion of a kind of a “lottery”. Which of the debtors is less fortunate and who will become the dumb bunny is a mystery. The masses must torment themselves with conjectures.
3. **Tools:** how to help disseminate information?
 - It is possible to involve the house managers or the senior responsible at the entrance, “caring” residents (including disciplined payers).
4. **Participation:** how to “launch” information into work and to monetize it?

- It is necessary to develop special scripts for the call center, to provide the call center with the task of conducting parallel information support of this action, telling the debtors about it. Also, the campaign of viral marketing can be supplemented with the launch of the soft-non-verbal one.

5. **Tracking:** what do people say about you?

- The goal you want to achieve for people to start paying. However, if you achieve an effect when some residents (disciplined payers) fear that negligent owners may harm their interests (*even if this never happens), that is good. In the army, if one breaks the order, then the whole company runs. As a result, the culprit has a very hard time.

In order to ignite the fire of rumors and hearsay, you can use the direct mail resource with a link to the defaulters' apartments (without specifying personal data and the amount of debt). In the mailboxes of leaseholders, place information brochures on how the real estate objects where the debtors live are serviced (insufficiently frequent cleaning of the local area, minor repairs are carried out less often, etc.).

The network effect is easier to achieve if the utility company has a single information resource (a corporate media, a site with good traffic, a mobile app for cross-selling).

Creativity (from the English. Creative) is the ability and willingness to create fundamentally new ideas that deviate from traditional thinking patterns. Despite its “natural” conservatism, the industry is looking for new ways and, what is important, finds them.

Let's take a look at some of the cases we know:

- **Ringtones.**

The call center operators make a huge number of phone calls every day. It is necessary to collect data on the name of ringtones playing from debtors for an incoming call.

This information can help in compiling a psychological profile of the debtor. You can also apply unusual melodies to the outgoing signal (which, in turn, hears the debtor). For example, chanson, heavy metal, or chillout.

- **Video messages.**

Using emoji in text messages. In the materials of American courts, emoji are increasingly appearing (as a sign that has a semantic meaning for the addressee). No decisional law has yet emerged. However, despite the growing importance of emoji in modern communication, one of the main problems of accepting them for use as a tool of influence remains the question of their interpretation: the same symbol can have completely different meanings depending on the context. Moreover, the same emoji can be perceived differently, even depending on the operating system—for example, a smiling emoticon in early versions of Android is often interpreted by people as a negative one, in contrast to analogues on other platforms (for example, IOS). It is also relevant to consider the use of MMS and GIF. Non-standard videos and animations attract attention and they are highly likely to be viewed and accepted by the debtor.

- **Paper soft.**

This is the use of the debtor's photo in the paper version of the claim. The goal is to create an additional psychological impact on the debtor. Seeing his/her photo on paper demanding the repayment of the debt, a person can associate such a message with the “near-state” dossier format, which certainly plays into the hands of the recoverer. Also, if it is hard and there is a photo of the doors of the debtor's apartment, then this image can also be applied. Recently, non-verbal soft in pictures (the use of comics and provocative drawings) has been gaining popularity.

We have developed and implemented a case with the use of odors in working with our debtors. We use aromatic substances in our work with the debtors. The aromatic composition is applied to the written notice, which is sealed in an envelope. Due to this, the conversion from using the soft-collection increases. The key task of the “odorological

element” is to cut into the memory of the debtor, to remind of oneself for a longer time than an ordinary letter, to “push” the debtor with its pretentiousness and extravagance.

- **Gift.**

In parallel with the presentation of the paper claim, the field collectors give the debtor a disc with a video presentation. The video content about how you can pay off the debt and what it is fraught with. There are options for using the 25 frame technique and NLP in such solutions. The duration of the video is 1-2 minutes.

- **Postal parcel.**

This technology is more of a retro instrument. Sending a parcel to the debtor (with a receipt at the post office) with bread crumbs and warm socks inside, thereby hinting at a possible criminal prosecution of the debtor.

- **Marketing classics.**

Implementation of the “99” rule in collection. The debtor is invited to pay/write off such an amount of debt so that the balance remains in repayment/payment with the figure from USD 99 at the end. As is commonly believed in classical marketing, it is this combination of “digits – c.u.” identified by the debtor as the least significant and, for “unexplained reasons”, motivates to act.

- **Verbal soft.**

The ability to integrate a voice modulator into the work of a call center operator. Then the same script can be submitted in a variety of phonetic palette.

You can not pay for utility services, for a credit or a loan agreement, delay, go into periodic default, and skimp on the creditor. However, it is physically impossible not to satisfy natural needs (to eat, to be treated, to buy essential goods, to dress).

Therefore, if the recoverer does not have the opportunity to isolate a share from the debtor's income, then it is necessary to integrate into the structure of his/her expenses.

This case is relevant for small “checks”: utilities, “payday loan”, interest compensation, and “financial sanctions” on bank loans.

Life cycle

- A debt collection contract has been signed between the collector and the creditor. Or it may be an agreement for factoring of receivables.
- An exclusive partnership agreement has been concluded between the collector and the cashback service. The operator of the cashback service is affiliated with the collector.
- The cashback service has partnership agreements with the maximum number of merchants (shops, pharmacies, services) in a specific location; online stores, partner marketplace. The cashback service is constantly expanding and building up its partner network.
- As a part of an exclusive partnership agreement, the collector forms a special communication channel with users (a debtor, a payer). Through this communication channel, the user is informed about the possibilities of the cashback service and the benefits it provides.
- The accumulated cashback is automatically (based on the results of a calendar month) debited to pay off the debt of a particular creditor (a group of creditors); or on account of payment of the current payment, according to the schedule.

Cashback structure:

- Cashback is charged at the rate of the equivalent of 1 c.u. (one conventional unit).
- Cashback is accrued using QR technology.
- Registration in the system is carried out on the service website or by downloading a mobile app in the App Store and Google Play.
- There is a referral program among all registered users of the cashback service.
- There is a referral program among all registered users of the cashback service. Cashback has an “outgoing” and “incoming” option, that is, cashback can both be charged and accepted by merchants (cashback partners) for payment. Thus, cashback is versatile.

Bits and atoms are the unification of the physical and virtual world. Integration into the debtor's expenses system using a marketing tool and e-commerce mechanisms gives an unconditional advantage in working with problematic obligations and their prevention.

The development of a compensation collection is a new trend in the collection of accounts receivable on small “bills”. Its essence boils down to creating a new economy of debt settlement, as well as breathing a new stream into a popular marketing tool.

The compensation collection is not mainstream yet. Its logic and concept are simple: people should spend more on their daily needs in order to pay their own debts.

In the chapter “Cashback and people”, we have considered the option of paying regular bills and debts using the accumulated amounts on partner discounts.

There is another option for creating an ecosystem. If a household is made a “traffic” of a friendly online platform (marketplace / online store). It is also important to launch the corresponding additional services.

If, according to the MTS model, the accumulated cashback on partner discounts is used to pay off debt/current payment and accruals, then an ecosystem appears.

Let's consider the implementation of the case using the example of a Management Company in the field of utilities. What does the company have? How are the processes organized?

- Additional income from an available asset — household database (LEADs).
- The ability to compensate for the costs and losses of the core business at the expense of the resulting “passing” profit.
- Increased loyalty of households to the company (added value is created).
- With each order, the household receives a progressive bonus, which is used to pay off the current accrual or the accumulated debt.
- Placement of a case-box based on the offices of the management company for the collection of purchased goods.

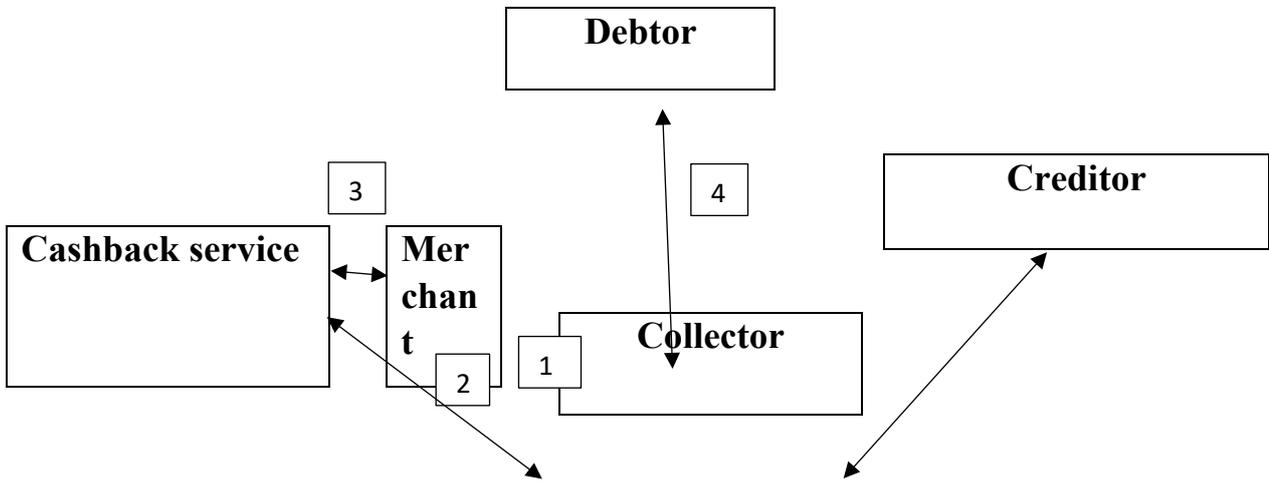
Site options and formats

- Marketplace for a wide range of products from China (analogous to Joom, Pandao).
- Online store format (narrow/wide assortment matrix). In this case, it is important to focus on the possibilities of logistics and methods of issuing/delivering goods.
- Aggregator of the maximum list of services of a different industry nature:
 - ✓ “husband/wife for an hour” (solving everyday problems);
 - ✓ repair service;
 - ✓ digging gardens, chopping firewood.

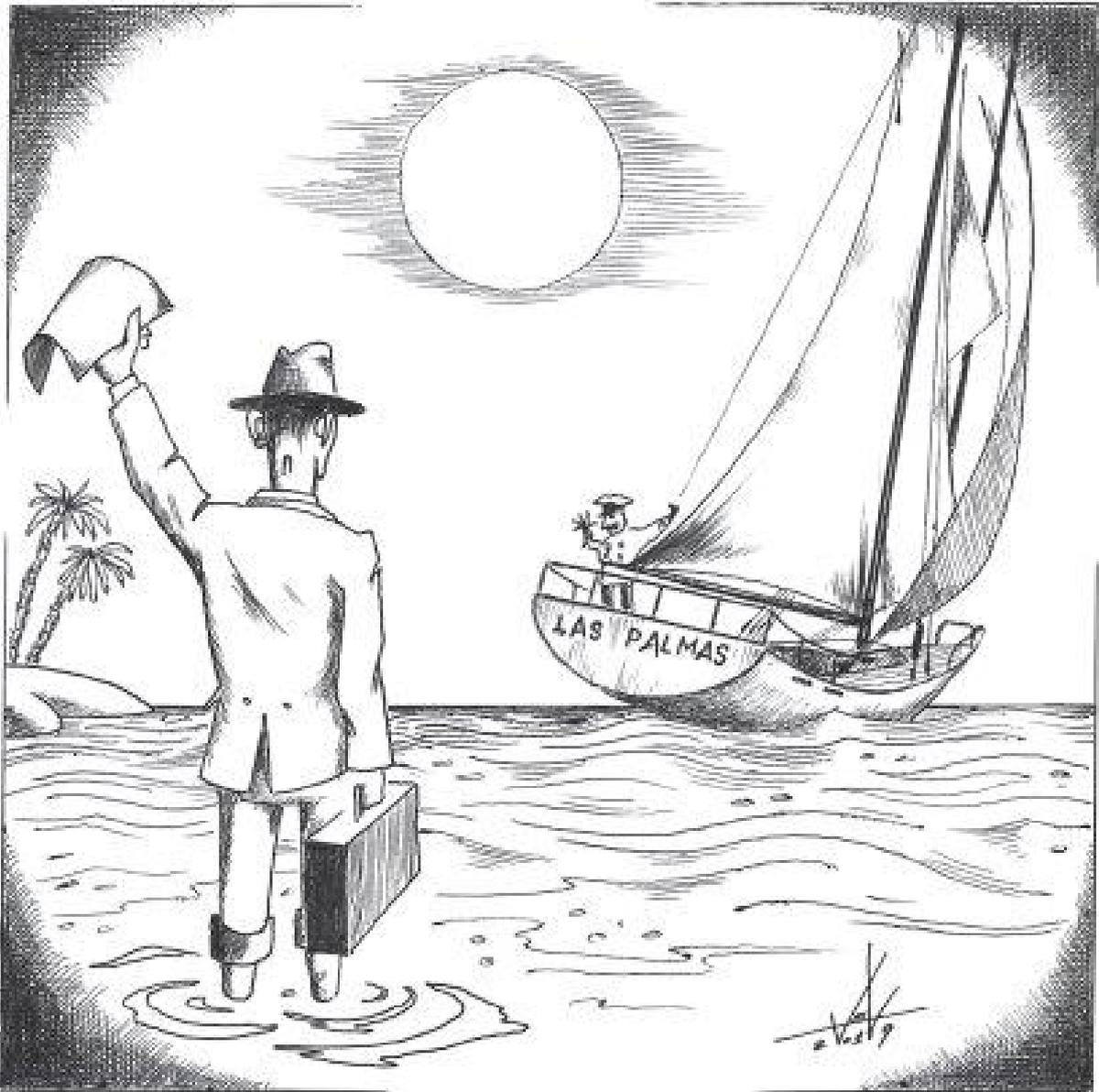
The site has a technical implementation in the form of a browser version and a mobile app. The support service is organized. A classic management and process approach has been introduced for such a business (according to industry standards).

The main difference and uniqueness is the presence of a target audience and a specific communication channel. Essentially, households generate cross-selling “traffic”. The motivation for using is the reduction of regular payments or the repayment of debts. To do this, households need to regularly buy goods and services.

It should be noted that this format is successfully combined with the case described in the “Cashback and People” chapter.



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What debts are considered VIP?

Some experts link the concept of the “VIP debts” to the required amount of the debt required for criminal prosecution. Others refer to the VIP as the debt of public people and politicians, big businessmen. Someone generally calls VIP everything that is not built into the system of his/her personal understanding and perception of the amount of the debt. As they said in Ancient Rus, “everything over a thousand is darkness”. Others consider foreign receivables to be VIP debts. Often, VIP debts go alongside political orders or raiding attempts. At one time, a high-profile VIP debt was the trial in the case of Telman Ismailov, a former member of the Forbes list. As a result, he was declared a bankrupt and his property was auctioned off. But if you remember, it all started with the liquidation of the Cherkizovsky Market.

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At the same time, it is common for large debtors to have a fairly solid business and assets “behind them” (unless, of course, we are talking about one-day and garbage companies). Therefore, sometimes it is more correct not to milk the latter out of the problem structure, thereby bleeding it, but to apply rehabilitation measures and anti-crisis management. However, in the collection it is the top class, and it is rare.

Usually, the beneficiaries of VIP debts have a strong legal status and show balancing act miracles, avoiding debts (change of director, merger of business, change of registration address, etc.). The corporate structure of such companies is a 100% set of intricate cross-ownership schemes (including the use of offshore companies), matryoshka companies affiliated with each other.

As levers of pressure on VIP-debtors (in addition to legal instruments), the most effective cases are those related to the personality of the “subsidiary-responsible” person. Therefore, PR and GR tools are effective. It is reasonable to understand that a collector who does hard work on housing services and utilities is not suitable as a trouble-shooter (*a person who solves problems with VIP debts). Here you will need a negotiator of higher rank or an outsourcing attorney specializing in such matters.

Collection as a quest

Exotic tours have always been the most stable market in the tourism business. The so-called purism stands apart: walks through the slums of Mumbai, clochard tours (voluntary vagrancy, homelessness of wealthy people), excursions to Chernobyl. Despite all the seeming simplicity, these are not cheap entertainment. The organizers assure that after such a newfangled leisure, all the troubles in life seem to be vanished as if by magic, and everything makes sense in the head.

Is it possible to integrate debt collection into the tourism purism business model? Let's try to suggest a concept.

The essence of the quest is as follows:

1. Stages

- Soft-collection (telephone conversations).
- Hard-collection
- Field-collection

2. Format:

- The company officially formalizes the client on the full-time basis/concludes a fixed-term part-time employment contract.
- The client enters into a special agreement to provide him/her with a travel service.
- The client undergoes a short briefing and receives the “Requirements Specification” (the game plan).

3. Game plan:

- The client needs to call a specific number of debtors, negotiate. Using communication skills, find out the information of interest and withdraw it for payment.
- The client receives a visit card of debtors in the most depressed and problematic locations (marginals, dysfunctional families, inveterate defaulters).
- The client must track the location of the vehicle (take the “morning patrol”), arrange for the arrival of the bailiff, and evacuate the vehicle.

The purpose of the game: to collect the required amount of funds (the limit is set by the organizer).

4. Game organization options:

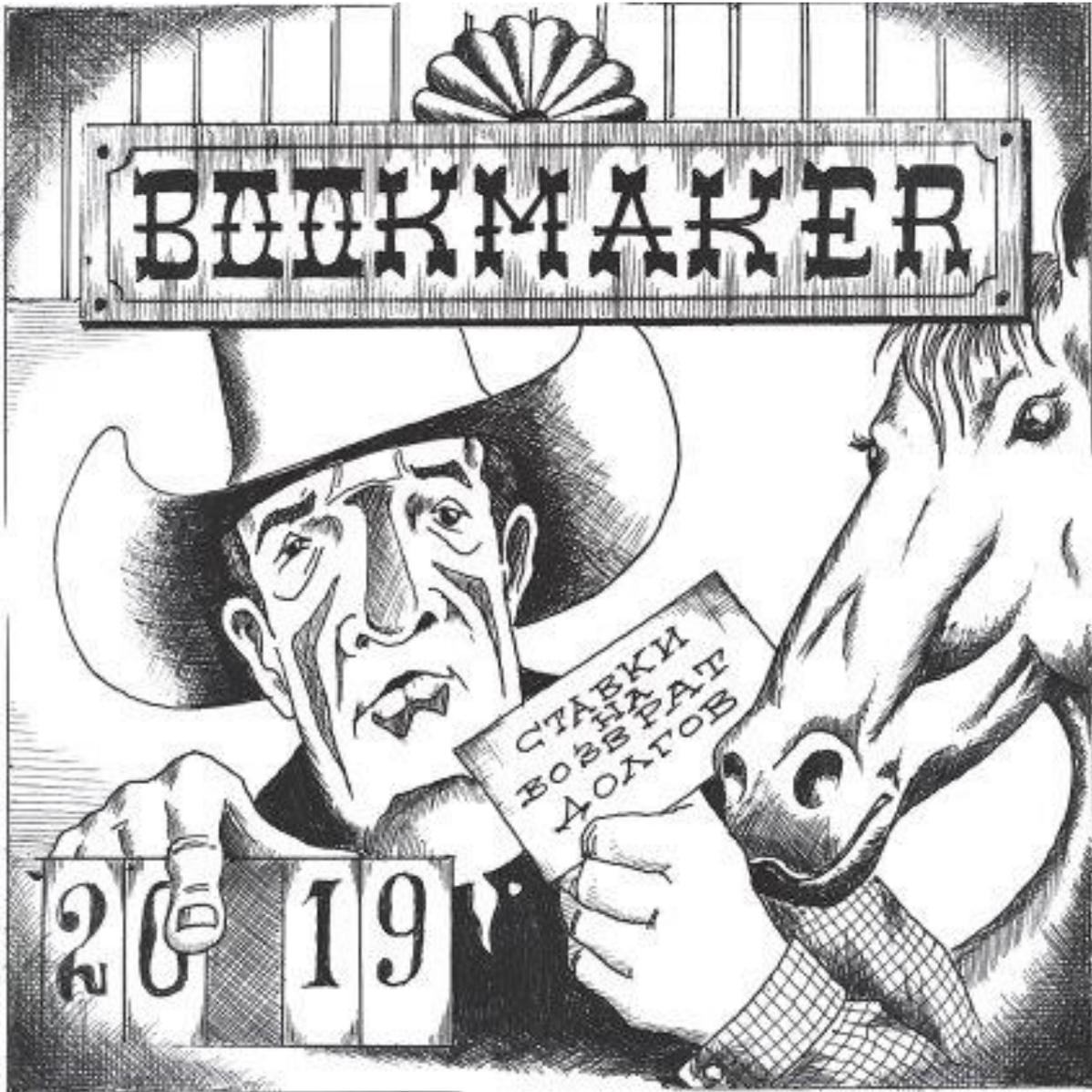
- “Single-handed sailing” (the client independently carries out Hard and Field-collection on his/her vehicle).
- “Pair work” (the client is accompanied by an experienced instructor-collector)
- Game period: 3/5/7 calendar days.

5. Summing up the game:

- In case of victory of the participant of the game (collection by the client of the limit of funds set by the organizer), the client receives the “Collector's Cup”.
- The client receives a certificate of completion of the “Collector” Quest Tour indicating the funds collected during the period of the Quest.
- The funds received from the client for the provision of travel services are distributed in the following directions:
 - payment for the services of the instructor-collector (including the cost of a business trip);
 - payment of direct costs for organizing the Quest Tour itself;
 - charity (funds are used to pay off debts of visited debtors).

6. The target audience. Cost.

- Wealthy tourists. Mostly young people. Focus on foreign tourists.
- The estimated cost of a weekly Quest Tour is \$1,000.



A person is prone to excitement. This passion is regularly sought by recoverers to monetize in the debt recovery form. The most primitive and well-known form is the drawing among the payers from among the debtors. As a trophy, the winner can receive a certificate to a beauty salon or an auto parts store, home appliances or electronics.

This approach is especially relevant for depressed cities, where the level of income often does not allow citizens to buy “luxurious little things in life”. Therefore, people are actively repaying (which, in their opinion, will inevitably happen) the debt in the hope of getting a prize.

According to the results of the announced action, the organizers (as a rule, this is the sector of utilities), by the method of random selection, determine the lucky one. Usually, in order to become a contender for a prize, the debtor is required to pay the debt in the minimum amount set by the organizer. As a result, this format of motivation becomes self-sufficient for the recoverer and it is a standard marketing campaign.

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The second option is the “mutual aid fund”. Every week all debtors send paid SMS (more than one message cannot be sent) to the number of the recoverer. The collected funds are distributed among 5-10 lucky ones and used to pay off their debt.

It is possible to form a “money box” by cutting off a fixed percentage from the amount of a regular payment. Only payers (all, except for debtors) participate in the monthly drawing. It is worth noting that the amount can accumulate quite impressive, which makes the case attractive and motivates to pay discipline.

In the B2B debt sector, there is (albeit extremely rare cases) experience in accepting bets on the return of specific debt obligations. Exotic bookmaking has already shown itself in high-profile litigation. For example, in 2011-2012, bookmakers in London accepted bets on the outcome of the trial of two Russian oligarchs—Roman Abramovich and Boris Berezovsky.

Thus, it is necessary to prepare a statistical checklist on the practice of a particular case, to provide a precedent database on the decisions received, and it is quite possible to make a case for making bets “if the court will lose—will not lose”, “if they collect debts—they will not recover”.

You can play the gambling card in collection, but taking into account the specifics of a jurisdiction, an industry, and a specific debt portfolio.

Leasing for placement of a debt portfolio

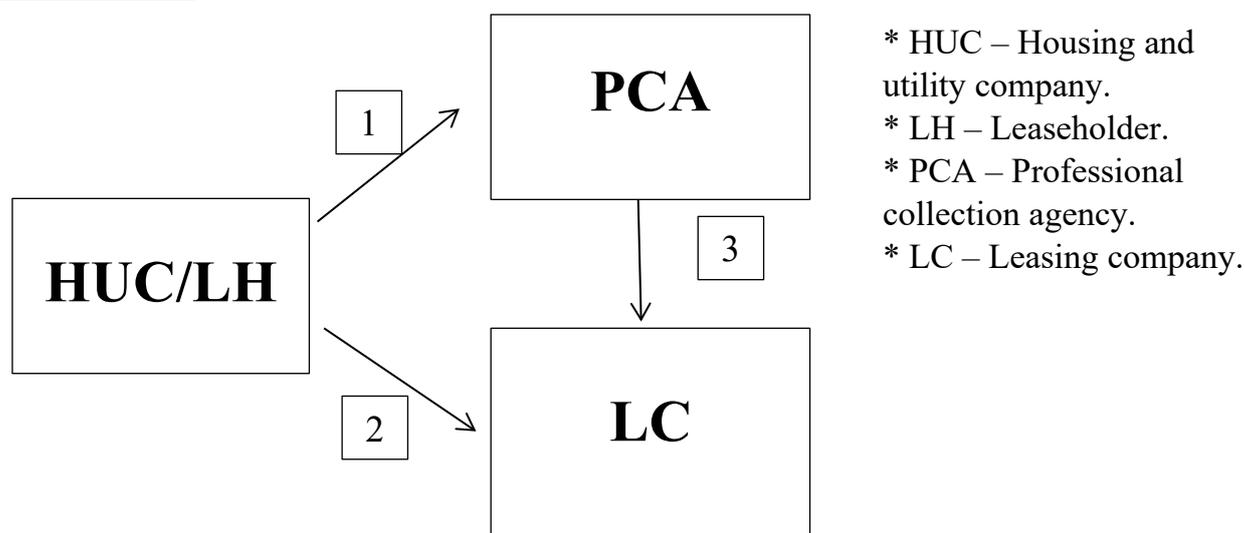
Utilities always need money “yesterday”. One of the costly items of the budget expenditure in housing services and utilities is the purchase of fixed assets in the form of movable property. Special equipment is needed all year round. In the winter, these are snow-removal equipment, in the summer—gully emptiers, sweepers, and much more.

There is a case (the name is in the title), which was tested by us in three constituent entities of Russia.

Debts are almost always a stumbling block in the implementation of investment programs in the utilities sector. The burden of accounts receivable makes it impossible to release resources for the purchase, and unprofitable reporting prevents funding from a credit.

In 2014-2015, one of the DEBT HOLDING companies has implemented an exclusive case. We have linked the economics of collection and leasing, essentially making the receivables convertible.

Cooperation scheme:



1. HUC enters into a debt collection agreement with the PCA.
2. HUC (a.k.a. the LH) enters into a contract for the supply of the Leased Item with the LC.
3. LC (affiliated with the PCA) enters into a cooperation and settlement agreement with the PCA.

Unlike classic leasing, the payment for the supplied equipment is carried out exclusively from the funds collected under the collection agreement.

Thus, the PCA is motivated to work as efficiently as possible in order to provide returns in favor of the affiliated LC.

The estimated possibility of the size of the leased asset correlates with the volume of the debt portfolio on the HUC balance sheet.

Cash assets received from debt obligations is distributed as follows:

1. Receipt: 1.000.000 c.u. (*conditionally).

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2. The PCA agency fee payment—15% (*conditionally).
3. Remaining: 850.000 c.u. Depending on the terms of the lease agreement, this amount is redistributed in established proportions. For example, under the terms of the agreement, the redistribution is 50-50. Thus, 50% (425,000 c.u.) goes towards the repayment of the leased asset, 50% (425,000 c.u.) remains at the disposal of the HUC.

Basic requirements for the HUC company/the Leaseholder:

1. The presence of a sufficient volume of accounts receivable (AR) to obtain the minimum amount of the leased asset (established by the LC).
2. AR should be awarded at the time of the conclusion of the lease agreement; or immediately transferred to the legal-collection.
3. AR should not have an expired statute of limitations.
4. AR should not be encumbered by a third party.
5. AR is pledged to the LC until settlement under the lease agreement.

In all other respects, the transaction complies with the criteria and rules of regulation of conventional leasing:

- VAT refund.
- Insurance.
- Regulation by the rules on financial leasing (leasing).
- The LH should not be in any of the stages of bankruptcy.

This funding model makes it possible for the HUC to painlessly prepare for tenders for housing management (if the condition for participation/winning is the presence of municipal equipment on the balance sheet); to be confident that the PCA will perform as efficiently as possible in its debt portfolio; to convert bad debts into a liquid asset with a minimal risk.

In the book *A Man in an Extreme Situation*, the debt and the danger of being owed are called the very “extreme situation”, only in the economic environment.

As a part of the Federal Bailiff Service Partnership Project, we gave lectures/seminars among teenagers (including troubled children and prosperous university students) on the topic of financial literacy. It was observed that the majority of students, regardless of social status, income level, and educational level, do not consider debt an extraordinary danger.

At the beginning of the lesson, we conducted an interactive part, asking the audience three questions:

Question 1:

Raise your hand, who of you owed money to someone, for example, for dinners at least once in your life.

Up to 90% of students responded with a wave of their hand.

Question 2:

Please describe the word “debt” with one of the following sentences:

- *Debt is bad.*
- *Debt is like a corn. Nothing good, but you can live.*
- *Debt is okay, because most people have it.*

The answers were divided in the proportion: 49%/30%/30%

Question 3:

Would you take a credit if your own funds were not enough, but would you have such an opportunity? Do you need a credit to buy the desired gadget?

The answer was 75-80% yes.

As expected, it was found that adolescents have a consumer outlook on things, which, as we know, turns into a way of life with age. As money begins to run short in adulthood, the deficit hole is plugged by credits. The latter, as you know, turn from pupae into butterflies (read “delay”, “debts”, “problems”).

Personally, I saw two problems in the reasons for such results. First, as Leo Tolstoy wrote, “The upbringing of children begins with the re-education of themselves”. Teenagers, who are already smart and socialized people, see the influence of credits and dependence on them through the example of their family and society. It seems to them that a credit helps to realize a dream, but this, alas, is an illusion. Awareness comes when there are problems with debt servicing.

Second, as Robert Kiyosaki said, “Many people are poor just because they were not told about debt at school”. It is worth adding to the words of the guru that we were also not told about credit hygiene and how not to accumulate debt.

That is why, within the framework of the lecture, we have tried to focus on the following topics:

1. The main types of crediting to individuals.
2. How to get credited correctly and without mistakes.
3. “Secret of 7 envelopes: Or how to properly plan your personal budget” interactive.
4. Types of “commercial” debts.

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5. Types of “public” debts.
6. The basics of dealing with a creditor in the event of a delay.
7. The basics of interacting with collectors in the event of delays.
8. Basics of interaction with bailiffs.

In my opinion, the key motive of the lessons on financial literacy should be the postulate: “You need to earn money for a beautiful life, not borrow, borrowing without measure and calculation”.

At lectures on the history of world civilizations at the institute, the lecturer told us how primitive people, in order to jump around the fire with other members of the community at night, had to prove themselves during the day, for example, to fill up a mammoth or to stock up on firewood.

In modern terms, to create a GDP is to manufacture a product (to earn), and only then to celebrate (to consume).

The ability to plan and to manage the budget creates a healthy ecosystem in the economy, forms “quality” youth. Certainly, this is a national-scale and political narrative. That is why a large number of programs aimed at promoting financial literacy are being created and launched today. However, most of them are cracking a nut with a steam hammer. Although, in our opinion, a more targeted approach is needed.

*The chapter is formed on the basis of the experience and cases of the Russian Federation.

Personally, I do not believe in the sincerity of the owner of the *Be Healthy!* pharmacy. Perhaps this is his mission, but still, if no one gets sick, he will go broke. How and on what do collection agencies make money? How can you provide production capacity with new contracts? How to promote the collection business and to properly motivate the collection agency on the part of the customer?

Revenue side

- It is rather difficult to conclude an agency agreement in collection. The development department, as a classic department, is almost unnecessary here. Cold sales are almost useless like to “use a sledgehammer to crack a nut”. It makes sense to call in the following directions:
 - companies that are monopolists in their location (housing and utility services)—a specific city;
 - companies occupying a leading position in the market (housing and utility services) in their region, district, State;
 - deputies for housing and utility services of the city administration (as a rule, PIDs work there—persons influencing the decision, and if the housing and utility services company is municipal, then DMs are decision-makers);
 - MFOs and MCCs. These companies rarely place tenders, so pinpoint calls will be relevant here;
 - banks, leasing, telecom and factoring organizations, basically find partners on a tender basis;
 - to rationally apply cold dialing to search for clients in the Corporate-collection business area; here it makes sense to outsource this option to professional call centers, for whom routine dialing is a profession.
- Assignment agreements.

Certainly, buying your own portfolios is the basis that creates a margin of safety for the collection company. However, in order to cultivate this approach, it is necessary to have an investment resource (preferably not borrowed, so that the profit is not eaten by bank interest). The attraction of external investments into the assignment is described in detail in the chapter “Assignment. Investment methods. Hidden pitfalls”.
- Creation of MFO/MCC, pawnshop.

Quite often, everything comes from just the opposite. Microcredit companies are transforming their legal departments into the security services and later collection agencies. However, another option is also possible. Having gotten a hang of the collection and risk assessment, start a company for issuing short money at a usurious interest.
- Opening a business in the field of public utilities.

Here, as with microfinance, everything has to “go its own way”. Given that many utility companies die from an overwhelming burden of debt, it is important (critically) to rebuild this part of the customer experience. If the “last mile” issue is resolved, then we can think about entering this complex, but, with competent management, very profitable business, followed by collection from our own structure.

- Anti-collection agency.

Yes, yes! Exactly! IT companies that develop antivirus products themselves produce viruses, which are then sold to the market for protection. Knowing the intricacies of working with the debtor and having a base of “potential clients”, the activities are carried out to protect against collector competitors and sometimes, under the “shelter” of a separate legal entity and from themselves.

Collection agency promotion

- Cold sales.
- Participation in tenders.
- Placement of advertisements and PR materials in the industry publications.
- Working with government agencies. GR.
- Participation in conferences, round tables as an industry expert.
- Placement of billboards within walking distance from the branches of the Federal Bailiff Service.
- Internet promotion.

Collection agency motivation

In the chapter “KPI in collection”, we have reviewed the main indicators analyzed in the collection. It is reasonable to understand that a collection business is not much different from other types of entrepreneurial activity in terms of basic KPIs: revenue, profitability, profit/loss, net assets. In the collection sector, the cost-versus-price model is more likely to be applied, since there is no clearly established cost of services in the market. Therefore, if a client in the housing and utility sector is ready to pay only x%, then, at least, here you crack, but you will have to make a profit and to work with the cost of expenses, starting from this value.

A progressive payout model is often used. The amount of collection is tied to the percentage of motivation. For example, a monthly table for a bank collection might look like this:

Up to 0.6%	17%
From 0.6% to 1%	21%
from 1% and more	25%

Certain types of services and technologies are paid at an increased rate:

- arrest and sale of a vehicle;
- arrest and sale of the real estate object;
- bankruptcy;
- collection from the heir.

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It is very important not to become a cobbler's wife who goes unshod. Cases are not excluded when clients do not pay with the recoverer, make fake reports, hide the payments. This is especially true of the housing and utility sector. As in any other business, in the collection sector, you need to know and to understand the economics of one transaction and to be able to make money on everything.

Guarantees and control

There is a restaurant in the USA where the rule is: “If you do not like our food, then you can not pay for it”. Business owners attribute their know-how to the fact that this marketing ploy motivates them to cook even better and to serve even better.

This technique has been adopted by many modern manufacturers and sellers. Does it effective in the collection business? I know firsthand that customers are “eternally” unhappy and want more. However, what guarantees do today's market participants provide? A guerrilla poll of collection companies has shown that none. They give exclusively, and at best, forecasts, but de jure commitments.

We in our company are ready to provide the client with the following control and guarantee mechanisms:

1. Financial (monetary) guarantee of the company.
 - The Agent returns to the Principal the amount that he/she could not collect during the term of the contract based on the results of the expired period under the agreement. For example, a financial (monetary) guarantee for a portfolio of 100 c.u. (rubles) is 25 c.u. (rubles) for a period of 12 months. The Agent was able to collect only 23.5 c.u. (rubles) in favor of the customer. Total difference: 1.5 c.u. (* this amount is the cash payment under the financial guarantee). If the “guarantee fee” is collected in full, no payments will be made.
2. Leasing for placement of a debt portfolio (for more details see “Leasing for placement of a debt portfolio”).
 - Transfer from the lessor of the leased asset to the leaseholder. Payment for the leased asset is made exclusively from the funds collected by the Agent (collection company affiliated to the lessor) from the client's debt portfolio.
3. Personal guarantee of the owners of the company as security for the “guarantee fee”.
 - The mechanism for working with the “guarantee fee” is identical to the “financial guarantee”. In addition to the obligations of the company (Agent), the surety of the business owners is added.
4. Broadcast of the work of the call center, the hard field-collection, online operators in the Periscope network.
5. Factoring of accounts receivable (for more details see “Factoring of accounts receivable”).

Franchising perspectives in collection

What does a franchise give?

- Official right to use the franchiser's trademark.
- Time-tested methodology, business processes, cases adapted to the location of the franchiser's business.
- Unique proprietary software, or an exclusive right to it.
- Know-how, unique selling proposition.
- Comprehensive support at all stages of the partnership.

Unfortunately, there are no successful franchise projects in the field of debt collection today, at least, those for which one would like to pay a lumpsum payment and to deduct royalties. The few franchises that are pushing the market are weak and they are not unique. It seems that the calculation is being made for the sale to an inexperienced startuper who will fall for the “big numbers effect” (*after all, billions of dollars are spinning in the debt sphere).

Let's take a closer look at each item of a high-quality franchise in the collection:

1. **Brand.**

The collection company should have a reputation for making money; its portfolio should have strong contracts with market leaders; the brand name should be rotated on the Web and be heard by the community. It is critical that the franchiser's brand “opens the door” to a startup when it looks for new customers. However, in fairness, it should be noted that sales in the collection are extremely (!) rare and difficult.

2. **Business processes.**

A “well-trodden track” is required. Clear hierarchical structure; understanding the ratio “rate—task quota—KPI—money”; processes should be end-to-end; each instrument of collection (soft, hard, legal, middle, field) should have its own resources. A methodology for evaluating cession portfolios is required.

3. **Information system (software).**

The franchiser should have ready-made (tested in the real battle) software. IS should be able to enter the franchisee system and its portfolios; cover the whole range of tasks for instruments (soft, hard, legal, middle, field); be integrated with government agencies (parsing); automate the entire routine and linear functions as much as possible; be flexible for new solutions (*taking into account the possible entry of the franchisee into foreign jurisdictions).

4. **Know-how.**

It is necessary to have unique life hacks in the background of the collector-franchiser, opportunities to give more than just a standard (albeit well-trained) set of pre-trial and legal tools. The better the ecosystem around the collection business, the more valuable the franchise. There should be a prospect to do cross-selling based on the debt database; a set of mediation solutions that give the debtor alternative options for repaying receivables; the maximum list of things that will help the client to differentiate himself/herself from competitors and increase collection.

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5. Controlling and Consulting.

The collection business is very conservative. Although the legislation changes, but still not often. As in classic franchising, support at all stages is important. Essentially, a franchiser is an eternal mentor.

If everything is more or less clear with the franchisee, then the question, why is it to the franchise seller, remains open.

There are three arguments “for”:

1. Due to the investments of the franchisee, the total debt portfolio is obtained. If you tie royalties to the return, then, in fact, the franchiser sits down on the collection rate of his/her ward, which is certainly beneficial.
2. The franchise provides an exponential growth, which means that brand awareness is growing, and this is free marketing.
3. Partners increase the capitalization of the franchiser, which makes it more attractive and sustainable for investors. If the main business suddenly sags, the franchisee's replenishment will not let die. Joint purchases make it easier to enter interesting tenders.

I'm a hopeless perfectionist! I love the parable of the quarry workers. The mass that works without enthusiasm says that it is crushing stones. And one builder, doing the same thing, says that "he is building a temple". This is the same activity with a different worldview. That is why I thought for a long time how to combine business with my interests.

As a result, I settled on the so-called "hundred days": to achieve the maximum quantity and quality of results in a short period of time.

Goals of the "hundred days"

The goals are mesmerizing! At the university, we are taught to work on course projects and diplomas through goal-setting. In management, it is "describing measurable results in the future". Nobody canceled SMART planning yet. Another thing is that unlike the classic monthly, quarterly and annual goals, I also have goals broken down into a hundred-day time frame.

The rule of "small steps"

Fast is slow without interruption. The elephant should be eaten piece by piece. It is very important to break down the goal (for example, to achieve a specific volume of the debt portfolio) into segments and be sure to monitor their implementation. Anything that is not measurable is incalculable.

Diary of "hundred days"

Accounting and control. The "hundred days" is a conscious attention and control over the results. Mindfulness and productivity are inseparable concepts. Mandatory recording of achievements and failures. Analysis. Findings.

The questions are more important than answers

Being engaged in freewriting, I ask myself questions. Within the allotted time, I record the answer. Below is an example of questions for the collection "hundred days":

- How does work affect your personal life, family, hobbies? What imprint does it have on communication with loved ones?
- How does the right "work-family" dividing range help improve business?

Freewriting

Freewriting is one of the important components of any "hundred day". In the corporate blog, I have more than once laid out the results of my freewriting. Freewriting technique helps me find interesting associations, metaphors, and analogies for the collection topic. This, in turn, motivates new ideas for business and "forces" to be creative. In order to improve the base, I read *Rice Storm* by Michael Michalko and *Freewriting. A Modern Technique for Finding Creative Solutions* by Mark Levy.

For example, I am looking for meanings for the development of individual strategies. Recently, it is this collection tool that has brought the main profit. I use painting as hints. The painting "Bathing the Red Horse" is written in the eclectic style: a mixture of heterogeneous, incompatible, internally unrelated. We will try a "chaotic" approach in

working with debt obligations, use illogical moves, “signal” about debt in the most unexpected places.

Gamification

As a child, I played “Stock Exchange” and “Monopoly”. As a part of freewriting, I made sketches of the Collector board game. I heard that NAPCA already has something like that. Such cases train the mind and help to look for new ideas for business development. Or, for example, I do the “weaving” of the brain with affirmations, the composition of puzzles, logical problems about the collection. Once I wrote the phrase “Debts must be repaid!” on a blank sheet of paper 50 times. It levers up.

Black Swans and “Antifragility”

The author of both terms is Nobel laureate Nassim Taleb. A black swan in a collection can be a sudden piece of legislation that complicates the real work. “You can't run away from black swans,” Taleb writes. In such cases, it is important to apply the rule of antifragility. Look for the pluses in the minuses, extract only the best from “whatever is being done, is being done for the better”. Most organizations have seriously turned to the possibilities of legislation, thought about the performance of the technologies used, and concerned themselves with the quality of the scripts.

Immersion in reality

Entrepreneur Richard Branson describes in his books how top managers of Virgin Blue change clothes and do the work of loaders every three months. This prevents them from getting off the ground and allows them to quickly receive signals on a change in the company's course.

We practice the same in our company. The person responsible for the work of call center operators regularly and selectively works through the telephone contacts of the debtors.

What we analyze:

- we test the viability of existing scripts and simulate them, in accordance with the need for changes;
- we test the formats of new scripts, modify and finalize the options;
- we receive feedback from the debtor, take into account the obtained information when modeling the situation;
- we explore the possibilities of developing the Telephonogram technology;
- we study the debtor's reaction to the technologies carried out earlier in relation to him/her;
- we are working on the possibilities of implementing the “Agreement on Compensation”.

To feel joy

It's hard to enjoy the routine, especially when it comes to regularly working with someone who pays the bills. However, it is important to look at everything from a “special” angle. If you helped the “needy debtor” to knock off part of the debt, went to a meeting on restructuring issues, suggested an alternative repayment option, punished a scoundrel who

loves to live at someone else's expense, or caught a fraudster in the trap of justice, then the collector's joy (for me personally) is precisely in this!

In a state of flow

The flow implies maximum involvement in everyday life. The “hundred days” focuses on goals and small steps to achieve them. Happiness and a sense of joy gives a person the opportunity to do the work that bears fruit and the result of inner satisfaction.

If you “are building a temple” and not “carry stones”, it is easier for you to cut your business and solve the problems of your clients.

Facts. Nuances. Stories

- One of the earliest written documents that have come down to us are tablets from Mesopotamia, which recorded receipts and expenses, rations issued by temples, debts for the lease of temple lands, the amount of which could be indicated in silver and grain terms.
- Interest-bearing loans existed even before the advent of writing.
- In ancient Greece, on the land of the debtor, the creditor installed a tablet stating that in case of non-payment, the share of the land would pass into the ownership of the creditor. This tablet was called “mortgage” (from the *Greek* Hypothec—a stand, a support) and it was the prototype of the modern mortgage.
- In the old days in Russia, there was an interesting custom. The insolvent debtor was flogged in the square with a large crowd of people. At the same time, they tried to flog so that he yelled as loudly as possible in the expectation that, taking pity, someone would pay the debt for the unfortunate.
- In the 16th century in England, the debtor could not be arrested for debts while he was at home, so debtors tried not to leave the house.
- In ancient times, being in debt was simply being guilty. And creditors took pleasure in punishing the insolvent debtor by subjecting his/her body to various torments and tortures. For example, as much flesh was cut off from a living debtor as by eye corresponded to the amount of the debt.
- The writer Ernest Seton-Thompson had one strange invoice in his life, which he was given when the writer was 21 years old. These were the records of the expenses his father kept while Ernest was a child and teenager; the invoice indicated all the expenses spent by the parents on his allowance. There was even the amount paid to the doctor who brought him when he was born. Even stranger is the fact that Ernest paid off this debt.
- In ancient Crete, there was a custom, according to which those who took out a loan had to pretend that they were snatching money from the borrower's pocket. Thus, if they did not fulfill their obligations, they could be accused of committing a violent

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act and punished to the fullest extent, for example, imprisonment, giving sticks, or even execution.

- In the days of slavery, women were used more often than men as “currency” for settling debts.
- The terminology for “percentage” in most ancient languages comes from the word “offspring”, which is why some scholars have assumed that it was based on the borrowing of livestock.
- Buddhism is one of the few world religions that has never formally condemned usury.
- Herodotus wrote about the Persians, “The Persians do not even speak about what they are forbidden to do. There is nothing more shameful for them than to lie and then make debts... especially because the debtor, in their opinion, must inevitably lie”.
- Judicial officers of India set the interest on loans depending on the caste: Brahmana—a maximum of 2%; Kshatriya—3%; Vaisya (merchants)—4%; Shudra—5%. In other words, on an annualized basis, the difference ranged from 24 to 60%. The payment could stretch over generations, but the Laws established that even if they were not paid to the end, then in the third generation, the debtors were released from the debt.
- The biblical apostle Matthew was the first tax collector.
- In Ancient Egypt, a special form of a loan agreement was common. If the debtor did not return the money on time, he/she risked becoming a slave to the loan owner. The loan owner took him/her to pay off the debt, even if some of the money had already been returned.
- The laws of King Hammurabi, who was famous for justice and wisdom, allowed the ancient Babylonians to give up their own children as collateral and payment for their debts.
- In Ancient Rome, if the debtor was not able to return the money taken from the creditor, then he was imprisoned in a debt prison, from which he could be redeemed within a month. After that, the borrower took him to the market on market days. Anyone could redeem the debt, and with it redeem the debtor.
- Once a traveler came to the hotel and asked for a free room. The owner of the hotel said that there are vacant rooms and offered to see the guest his room himself, but asked to immediately give a paydown. The guest gave the host a paydown and went to look at the room. At this time, the owner rather ran to the butcher to pay off the debt for the beef delivered to his restaurant. The butcher took the money and rushed to the knife grinder to return the debt for the services rendered in due time. The knife grinder, having received the money, ran to the tailor to pay off the debt for the dresses that the latter had sewn for his wife and his daughter. The tailor, taking the

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debt, rushed headlong to the supplier of fabrics in order to pay off the debt for the already delivered material. The supplier of fabrics, seeing the money, ran to the owner of the hotel to transfer his debt for the night to his business partners, who came to him from afar, but could not pay right away. The owner of the hotel received the money and wanted to put them in the cashier, but then the guest came down and said that he did not like the room and he takes the money back (*the parable illustrates that the entire consumption economy is built on debt).

Collection of the future

35

In the *Pretty Woman* movie, Richard Gere's character Edward says to Julia Roberts's character Vivian, "You and I are very similar. We fuck other people for money".

Collectors are about money. Collecting is a rather cynical business. The collection's key credo is: "Everything that is not prohibited by law is permitted". Despite the existing controversy and ambiguity, collection is an important economic link. It turns out that it "heals" one side (helps to recover "debt hopelessness"), and "cripples" the other (goes bankrupt, creates an atmosphere of tension, unions and even families collapse due to problems with debt repayment).

The collection is certainly developing. Personally, I see the following trends:

1. Active use of social media by recoverers. In China, WeChat notifies others in its messenger about the user's debts within a radius of 500 meters. The service transmits the personal data of each offender, including the name, ID number, and misconduct for which the citizen is included in the "black list".
2. Invasion of bots. All legal decisions and processes will be endowed with artificial intelligence technologies.
3. Using drones, including as an alternative to hard. The main potential of drones will be realized in the task of tracking the debtor's property subject to seizure.
4. Search for debtors using outdoor video cameras. Now this is the prerogative of the law enforcement agencies. Moscow has already introduced experience in uploading photographs of debtors for criminal fines and alimony into the city video surveillance system.
5. Contactless debiting of funds from mobile wallets and cards of debtors. Just as Amazon Go tests its stores without cashiers (money is debited when leaving the supermarket from the buyer's card), so debts will "disappear" from the debtor's account in the most unexpected places (metro frames, POS terminals in stores and cafes, etc.). A special chip built into any device will be invented, which will make the game of hide-and-seek "creditor-debtor" absolutely useless for the latter. Tools tied to blockchain technology will develop. Interest in asset tokenization will grow.

6. Improving the system for recognizing fraudsters by voice. Already when issuing a credit, the expert, having analyzed the negotiation diagram/questionnaire, will know about the true intentions of the borrower.
7. The compensatory collection development.
8. As the development of subsidiary liability once became a breakthrough for the Russian law, other tools that protect the interests of the recoverer will constantly improve.
9. Transition to the system of private bailiffs. Government agencies will focus only on alimony, taxes, and fines. The rest will go into the hands of collection structures.
10. The only thing that remains unchanged is the collector's empathy for the debtor. No matter how technologies develop, no matter how leaps and bounds the legislation moves forward, we will always remain people and this cannot be taken away. It should be remembered that collection is not a placebo, a Kremlin pill, but an additional tool of collection “with a human face”.

Industry-based terminology.

There is one very funny story about the importance of knowing and being able to operate in professional work. Allegedly, at one industrial enterprise, workers were forbidden to speak in their usual language (including a complete rejection of the swearing), as a result of which labor productivity in the team collapsed multiple times. The management urgently decided to return everything back. Let's consider the main terms that are used in the field of debt collection:

- **Soft-collection (non-verbal)**—methods and tools for remote collection, where there is no “voice component”, that is, those messages to the debtor, where the addressee can read/see, but not hear the message in sound.
 - ✓ Letter
 - ✓ SMS
 - ✓ Messengers (chats, social networks). Written messages.
 - ✓ E-mail
 - ✓ Telegram
- **Soft-collection (verbal)**—methods and tools for remote collection, where there is a “voice component”, that is, those messages to the debtor, where the addressee can hear the message in sound.
 - ✓ Call
 - ✓ Video call
 - ✓ Autoinformer (robot collector)
 - ✓ Automatic answer-back equipment (in case of listening to the message)
 - ✓ Voice messages (audio messages, video messages) in the messenger, including GIF.
- **Hard-collection**—an interaction with the debtor, where a personal meeting with the recoverer is carried out (a general term).
- **Hard home**—a personal visit to the debtor at the place of registration/actual residence.
- **Hard work**—a personal visit to the debtor at the work place.
- **Legal-collection**—use of methods of litigation against the debtor (order/claim proceedings).
- **Meddle collection**—an interaction with bailiffs by executors in a remote format (letter, call, work with a personal account).
- **Field-collection**—an organization of a joint executor with the bailiff for departure for the purpose of seizing the debtor's property.
- **Pre-collection**—a control over the execution of the agreed payment schedule/current payment schedule.

- **Skip tracing**—collection of information about the debtor from various sources (open and closed).
- **Originator (creditor)**—the primary owner of the obligation.
- **Telephonogram**—making a call by the call center operator (audio and video) to third parties in order to establish contact with the debtor.
- **Wordogram**—the transfer of information by a specialist of face-to-face collection to a third party in order to establish contact with the debtor.
- **Working session**—performance of the recoverer’s work with the debt obligation, direct collection process.
- **Assignor**—a debt seller.
- **Assignee**—a debt buyer.
- **Compensation**—an agreement with the debtor to forgive a part of the debt after and in the event that the debtor fulfills the obligation on the terms specified in the “Agreement on Compensation”.
- **KPI collection**—key performance indicators of a separate division or a separate collection technology.
- **Coordinate system of the recoverer**—the concept and constraints in the work of a collection company to work with a separate portfolio.
- ✓ Technologies, assumptions in work under a specific agreement.
- ✓ Limitations and possibilities of legislation on the use of a specific technology.
- ✓ Economic min. and max. limits, raffer points under the contract.
- ✓ Other features for a specific portfolio.

It is taken into account in the formation of the “Portfolio Work Plan” for the period (road map of the recoverer).

- **Debt restructuring**—a revision by the creditor of the terms of the current schedule for the fulfillment of obligations; it applies if the debtor fails to comply with the current agreement.
- **Composition Agreement**—a transaction, the parties to which conclude a civil dispute. When the parties conclude the Composition Agreement, their previous rights and obligations are liquidated to one extent or another and the conditions on which the amicable agreement was concluded come into force.
- **Specialized software**—a collection agency software, where departments keep records of debt obligations for debt portfolios, technologies produced in relation to a specific debt obligation; the software monitors the KPI of departments and takes into account task markers.
- **GR collection**—an inclusion of relevant government departments in the road map of the recoverer, “leaking” information about the unreliability to counterparties and

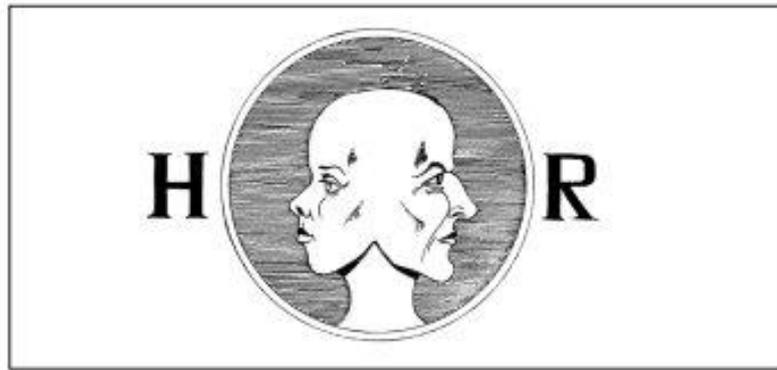
investors of the debtor, organization of pickets and rallies near the office/trade building of the debtor's company.

- **PR collection**—an implementation of the debt collection process in public sources. As a rule, the technology is applicable to the corporate debt of legal entities.

!Self-study assignment:

Learn all terms. Find terms on the Internet. Verify the proposed wording with the found ones.

Job Profile and Recruitment



I quote one of the leaders, “For each problem you need to create a separate department”. However, the planned and market economies are different planes. Modern HR requires tough planning and quotas. Hiring “anyone and as much as you want” is hurting your business.

Therefore, the directorate (service, division, department) for personnel should have the classifiers “Job Profile” and “Recruitment”.

Fig. No. ____

The Job Profile classifier (example)

Job: _____

Qualification	Description
1. Education level	
2. Education profile	
3. Work experience	
4. Special licenses, certificates, attestations	
5. Knowledge, abilities, skills (competencies)	
6. Personality requirements	

The collector's portrait changes as he/she staggered from novice to legend. It is obvious to understand that “different” people work in soft and hard; a lawyer and a face-to-face recoverer should be endowed with different skills, which means that their job profile diagrams are different.

Let's consider some aspects of the Job Profile classifier:

If it is an employee, so much the better. However, for some positions (for example, lawyers), it is permissible to take juniors with secondary specialized education.

As a whole, line staff may not have a university diploma. But the education profile of each should correlate with job responsibilities, that is, a lawyer does not have the opportunity to

be a chef by profession. But the operator or full-time student is quite capable of negotiating with the debtor, even if he/she was trained to be a locksmith and a welder.

Collection experience is important for a candidate, but not exclusive. It happens that it is easier to mold and to grow a specialist out of fresh youth than out of an ingrained, “experienced” professional. And yet, having a college degree offers a broader vocabulary and faster study skills. But everything is relative and each “janissary” (slang for HR) himself/herself determines the requirements/wishes for the length of service of the candidate (both the general length of service and the work in a similar position).

Talking about special requirements, we will again appeal to the obligatory diploma for lawyers and general “wishes and dreams” in relation to personnel working with debtors “in the field” or preparing the bureaucratic part of the collection (for example, coordinators).

With regard to competencies, the following parameters can be distinguished:

- ✓ Ability to work with various sources of information:
 - Facts (available information submitted by the company).
 - Suggestions and opinions (coming from the debtor).
 - Own conclusions (for each processed debt). The presence of an objective position.
- ✓ Emotional intelligence
 - The ability to understand people
 - Adequate restraint
 - Lack of empathy
- ✓ Critical thinking
 - Ability to analyze the current situation
 - Ability to build a negotiation process “on the last introductory”
- ✓ Gender characteristics. Let's look at “yin” and “yang” as industry metrics:

	
<ul style="list-style-type: none"> • Men are more stress-resistant • Men are physically stronger than women • Men expect to earn more than women in the same positions • Men have a more analytical thinking. • Men are more likely than women to 	<ul style="list-style-type: none"> • Women are more executive, painstaking • They are more flexible, cunning, and visually attractive • With good communication skills, they quickly have the interlocutor • Women are characterized by great labor mobility

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This is not to say that the profession of the recoverer is purely female or male. Rather, segregation is absent here than vice versa. In face-to-face collection, it is more customary to see the stronger sex, but among the call center operators, ladies prevail. The line staff of lawyers is also predominantly female.

For some reason, the requirement for personality in Russian companies is considered as an appendix, something relatively important and very secondary. Although it is in the activities of the collection agency that the personal background of the recoverer is of great importance.

Psychotypes of personality

- **Introverts.** For this type, collective action is a waste of energy. Therefore, they prefer to work either with a small circle of people or remotely. Introverts will feel comfortable in the home – office format (if your call center is organized including/exclusively on a remote model). It is worth noting that lawyers “processors” and “executors” will also be able to celebrate themselves well, since they are 90% tied to paperwork.
- **Extroverts** recharge and replenish their energy from interactions with other people. Therefore, a collection agency is a heavenly place and a dream job for this psychotype. Energy Vampires, you are welcome! Hard and Field are an ideal stress platform for extroverts to realize their emotional and personal potential. However, one should not unambiguously divide the recoverers into talkers and “people of few words”. The former can be good negotiators and speak to the debtor, the latter, with fewer words, convince him/her to pay off the debt no less effectively.

It is important to take into account the hobby of the recoverer, his/her range of interests, values. In an ideal scenario for defining professional standards and the correct qualification requirements for a candidate, the competencies of HR and specialized managers of the collection directorate should be synergized and balanced.

The Recruitment classifier
(example)

Selection function	Function registers
1. Planning	
2. Search	
3. Selection	
4. Dismissal	

It is generally accepted that in the collection, personnel planning is solely its quotas for the horizon adjusted for the potential of the incoming – outgoing debt portfolio. In fact, the concept itself is meaningful.

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First, the timing of filling vacancies is extremely important. Otherwise, the register of debts prevents it from remaining unworked for a long time, which will lead to losses and even to the consideration of the contract. Secondly, taking into account the required quota, it is necessary to plan the costs of recruiting and onboarding. Fortunately, in the collection business, almost all linear rates are predicted by the “method of standardized labor” (among other things, there are expert methods and methods of simulation), since with the canceled software, HR and the profile management clearly see and calculate the need for operators, staff members, coordinators, and lawyers.

The personnel search system in the collection business is not much different from other industries. The only thing that (taking into account the specifics of its activities) HR in the collection can hardly count on a centralized “talent pool” through educational institutions. Unless universities and colleges can provide an unlimited number of lawyers.

Also, one of the sources of “transit” of personnel for the collection business is the bailiff service. In any case, the chosen model of “pinpoint search” or the extraction of gold from the sand—entirely depends on the strategy of a particular HR manager.

Speaking about the selection of personnel, it should be mentioned that, for example, in banks, all employees of the collection department are tested by a polygraph. However, in everyday “personnel logistics”, it is enough to apply the classics: an analysis of autobiographies, recommendations from the past place of work, an interview.

You can be creative and offer a game questionnaire to a candidate, that is, offer to answer certain questions related to situations in collection and, thereby, express his/her position and conduct on certain situational cases in the collection.

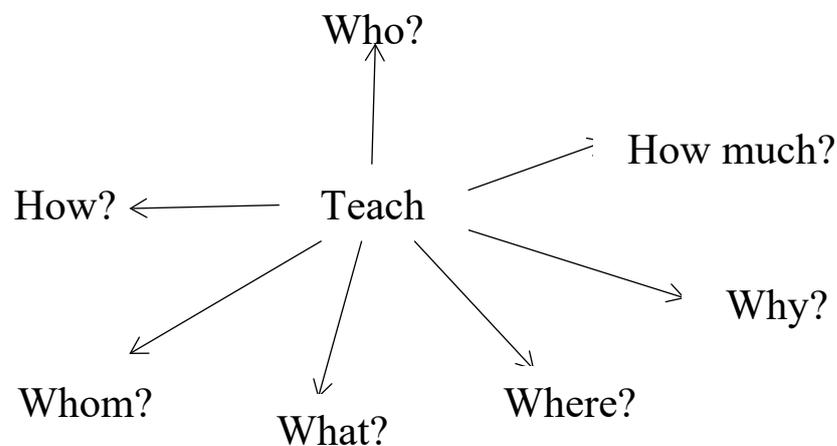
Specialized personnel officers believe that teachers, psychologists, salesmen, MLM managers are well “adapted” for the position of recoverers-negotiators.

The reduction of the staff should go exclusively in the wake of the modernization of technologies and the organization of reality (in particular, under the conditions of a sharp reduction in the contract base or critical changes in the collection legislation). Otherwise, cost savings will have a temporary effect and may lead to losses in the future.

The system of organizing training events in the collection company

In order to paraphrase the expression “If you don’t feed your own army, you will soon have to feed someone else’s”, let’s say this: if you don’t train your staff, you will soon have to become an employee of your competitor. We will not open America if we say that collection is the stuffing of their three disciplines: jurisprudence, psychology, and financial knowledge.

Taking into account the absence in most jurisdictions of professional education for debt recoverers, the “dampness” of candidates (even among lawyers) for the positions of line staff and the insatiably growing requirements of the legislator, the issue of comprehensive training in collection is acute.



- **Who will teach?**

To date, NOBODY teaches comprehensively specialists in collection! There are several “roving” coaches in the market. Their cases are focused on pumping scripts adjusted for the current legislative environment. There are no full-fledged basic courses from “A” to “Z”. Moreover, such coaches, as usual, do not have their own business in this profile, which means that they do not eat porridge with soldiers from the same pot every day. Therefore, they are not completely immersed in the topic. In this connection, a modern collection company should create its own training center (even if in miniature). The HR department (the training organizer) can provide training for newcomers using mentoring and supervision tools.

Coaching is a training method in the workplace. It consists in helping and supporting the ward in real time from “senior” by experience to “junior”.

Supervision is the transfer of knowledge and reference information from the competence center (including from external outsourcers) to students.

It is obvious that the heads of departments act as coaches. As a supervisor, the collection director or the external specialist with whom the agreement is concluded.

Without relying on my subjective (exclusively personal) skepticism, you can periodically buy educational injections of script coaches. However, to clearly understand that they are like champagne, and after a while, non-systemic knowledge disappears.

And, of course, self-education. As you know, this is the best teacher, but also the most difficult to master. To do this, it is enough to start by studying the legal framework and industry literature.

- **How much to teach?**

The number of training hours for each specialist depends on the degree of preparation of the trainee, the goals and objectives of a particular event, and the chosen teaching methods.

For example, the Federal Bailiff Service of Russia trains bailiffs every two weeks for one working day.

The normal practice of the orientation part during induction at the start is 2-3 days. Training courses are useful once a quarter. In addition to the educational function, they also play a psychotherapeutic role.

The schedule of training events should be made up with due regard collection and collection methods. The specifics of the content of the curriculum is formed annually and it is adjusted monthly.

- **Where to teach?**

- The major share of training activities are carried out in the training center (office) of the company.
- The practice of face-to-face collection specialists can be organized “in the field”, on the road with a mentor—an active and already working collector.
- Conventionally, all teaching methods are divided, according to the “where” principle, into two parts: “training in the workplace” and “training outside the workplace”.

- **Why to teach?**

Despite all the obviousness of the answer to the question posed above, many managers still believe that “we did not hire to teach you here”.

As I wrote at the beginning of the chapter, “the one who does not study dies”. In the long term, the learning team will retain its place in the market. Due to the timely “pedagogical directives” of their own, they can avoid the sanctions of fines for errors of operators and collectors (exceeding the limits on contacts, collection from the categories of “inviolable” debtors, for which it is prohibited to collect).

An actual example is the introduction of scripts to advise debtors on out-of-court bankruptcy or credit holidays (“pandemic law”). Since the stitch in time saves nine, knowing these norms can help increase collection over time.

In any case, as South African golfer Gary Player used to say, “The more I train, the more luck I get”.

- **What to teach?**

Any HR knows that training is divided into subject and social one.

Subject training

- Studying the basics of specialized legislation (a Federal law, norms, codes).
- Study of work regulations, instructions, resources.
- Study of company products (utilities, microfinance organizations, banks, leasing, corporation-collection)
- Training of qualified skills (scripts, life hacks, FAQ format).

Social learning

- Leveling up the mission, the credo of the company
- Personnel career management, leadership development
- Building a team spirit

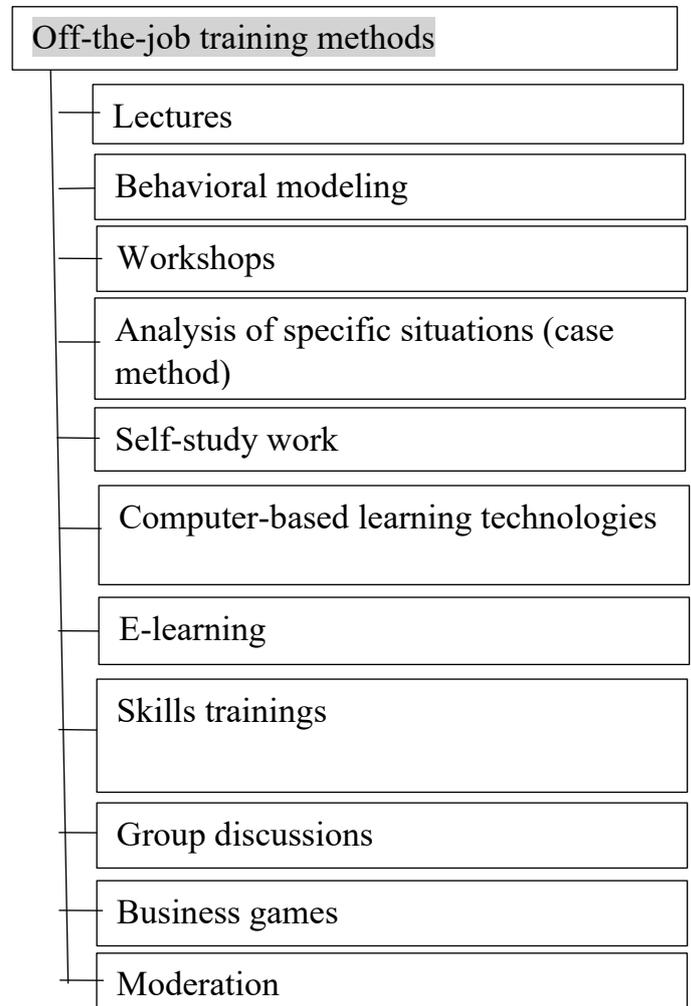
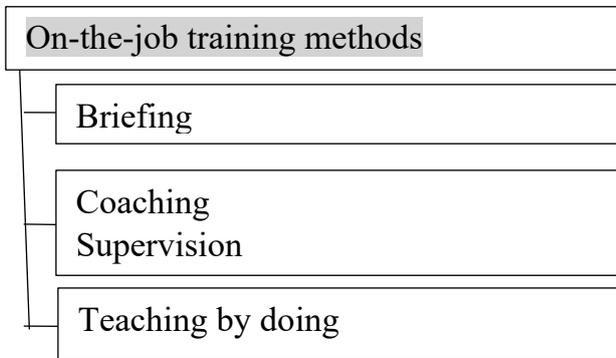
- **Whom to teach?**

In a collection agency (as in any business), there are three categories of personnel:

- Top managers
- Middle link
- Line staff

TOP MANAGERS	MIDDLE LINK	LINE STAFF
Management: <ul style="list-style-type: none"> - General Directorate - Financial Directorate - Development Directorate - Human Resources Directorate - Commercial Directorate (includes the entire collection) - Advertising and Marketing Directorate - IT Directorate - Directorate for Legal and Corporate Affairs 	Management: <ul style="list-style-type: none"> - Coordinating Managers Department - Remote Collection Department (soft, hard) - Skip Department (if available) - Legal Department 	employees-“heirs” <ul style="list-style-type: none"> - Administrative staff - Product staff (collection)

How to teach?



The following documents should be mandatory in the company:

- ✓ Corporate unified database (with a list of all curricula)
- ✓ Employee's handbook (detailing everything that each employee should know, be able to, and orientate in)

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- ✓ Digests that include all current process changes and an archive of past standards.

KPI and ROI in collection

The epigraph of this chapter could well be the phrase “Everything that is not measured, cannot be calculated”. Translating into the language of human resource management, we can safely say that “it is impossible to create a reasonable system of material motivation of the staff until the production indicators are worked out”. The latter, in turn, are of two plans: performance indicators (totals in absolute KPI values) and efficiency indicators (the final ratio of results to the resources spent on achieving ROI). In order to correctly define them in HR, the “Personnel Assessment” classifier is used.

The Personnel Assessment classifier (example)

Assessment functions	Function registers
Performance assessment	<ul style="list-style-type: none"> • Criteria for assessing the employee performance • Assessment • Drawing-up of individual development plans
ROI analysis	<ul style="list-style-type: none"> • Statistical indicators • Dynamic indicators • Indicators "in comparison"

Considering that KPIs (Key Performance Indicators) are a numerical indicator of key indicators that reflect and measure the performance of a collection company, its departments and individual employees, it is reasonable to propose the following system of evaluation criteria, the so-called business metrics.

Operators

- ✓ The ratio of promised payments received and paid, in accordance with these promises. Delay by date is allowed in case of payment in this period (for example, the promised date is September 13 and the payment took place until September 30 inclusive). The minimum threshold for “promised – paid payments” is set individually.
- ✓ Compliance with the actual development of negotiations – hours set in the company standards.
- ✓ The quality of negotiations from the point of view of the use of the tools adopted in the company and in the context of compliance with the sectoral Federal Law.

Face-to-face collection specialist

- ✓ The ratio of promised payments received and paid, in accordance with these promises. Delay by date is allowed in case of payment in this period (for example, the promised date is September 13 and the payment took place until September 30 inclusive). The minimum threshold for “promised – paid payments” is set individually.
- ✓ The number of enriched debt obligations (a workplace, a contact phone number). The minimum thresholds for the ratio with the total number of visits to debtors are set individually.
- ✓ The quality of negotiations from the point of view of the use of the tools adopted in the company and in the context of compliance with the sectoral Federal Law.

Legal Department

- ✓ Assessment of the amount of funds collected received, according to the writ of execution. The quota is set individually. You can use the model of the cascading collection bar: “not lower than in the previous period”.
- ✓ The number of applications filed (within the framework of judicial work) to be presented.
- ✓ The amount of seized property in rubles (a professional assessment). The quota is set individually.

Coordinating managers

- ✓ Fulfillment of tasks for the implementation of technologies within the framework of the “Portfolio Work Plan” (no shortcomings, execution of the schedule).

In DEBT HOLDING, these are “viral collection”, soft-collection (non-verbal letter) and non-verbal soft-collection (an automatic informing).

The above criteria for assessing line personnel are quite universal and applicable in any collection company.

Depending on the size of the department, it is possible to build KPIs in the department's grading system. It is important to emphasize that there should not be many KPIs—they should be as informative as possible and should describe intermediate and final results.

After defining and fixing benchmarks for each department, HR management should have a clear understanding of “how to measure” these indicators. Considering that the KPI system is end-to-end analytics, information is collected from various departments:

- Financial Directorate (data on fees in the context of separate periods)
- Legal department (information on legal, middle, field imprints)
- Final conclusion on the implementation of the “Portfolio Work Plan”
- Listening to audio recordings (selectively) to assess the quality of negotiations.

Based on the assessment, HR develops an individual development plan (in accordance with the Personnel Development classifier) and forms a training road map.

ROI (Return On Investment) is a ratio that shows the profitability or loss of a particular investment, in other words, the payback ratio. ROI needs to be calculated for virtually every investment, including the staff.

Any businessman dreams that each ruble invested in the effectiveness of its return was an increase in the level of the “hockey stick”. However, common sense should be present in everything. It is foolish to assume that investments in the staff will regularly produce explosive KPIs. If a company starts from scratch in such matters (that is, it did not practice investing in the staff training at all), then, of course, the “low base effect” will be noticeable. In all other cases, in addition to statistical indicators, it is necessary to measure the dynamics of growth, stagnation, or, which is very bad, recession. It is also reasonable to monitor comparative characteristics: KPIs of past and current periods. It happens that the first educational injections give the results of the “champagne effect” (they turn their heads for a little while and soon, the employee cools down and becomes “routine” and lack of initiative again). Subsequent trainings may not be successful at all, which means that the development plan of individual people or departments should be adjusted.

HR should maintain a summary analytical table, which strictly reflects the amount of financial costs and the dynamics of KPI changes over time, as well as regularly supervise the staff.

*hockey stick—for investors the concept of a sharp rise—by analogy with the geometry of a hockey stick from base to peak.

KPI and ROI analysis table (examples)

No.	KPI	Expenses	ROI (in dynamics)	ROI (in comparison)

There are fundamentally simplified systems for assessing the staff effectiveness. The general dynamics of the company's econometric indicators (revenue, profit, profitability) is taken as a basis. The disadvantage of this approach is that it is quite difficult to assess the impact of expenses on training and development of collectors in the context of general monetary indicators and the plus is that the divisions fall into mutual responsibility. Regardless of the sovereignty of each division, the departments depend on each other in achieving economic KPIs.

Organizational structures of the collection company

What is the deep meaning of the folk tale *The Gigantic Turnip*? Until each member of the team (whether Grandfather or Mouse) “pulls the turnip”, it makes no sense to expect the result. Turnip is profit. The characters of the fairy tale are a team and together they form a single organizational structure.

In *Maxims of Recovery*, I briefly described the classic ecosystem of a collection company. In this chapter, we will deepen our consideration of this problem and consider various options for “departmentalizing” a legal entity in collection.

Linear structure

In a small collection agency, the structure is quite simple: the director (who is also the owner) and the “skeleton staff” (employees required at the current moment of the company's development). In such cases, the boss not only coordinates the call center operator, accountant, and system administrator, but also independently deals with work “in the field”: interacts with the regulator, provides sales (purchase of a portfolio), performs legal work, and conducts partial visits to debtors.

A distinctive feature of the linear structure is individuality, that is, the subordination of any employee of the company to only one superior leader.

This structure has a number of disadvantages.

- The director deals with the legal and middle stages at the same time, while remaining at the helm of the business as a whole—a significant vertical flow of information passes through the director, which makes the Jack-of-all-trades system vulnerable and blurred.
- The leader has to be a “universal soldier”, which makes him/her semi-complete in all spheres of activity, which means that he/she risks presenting half results and losing in collection indicators.

Line-and-staff structure

- Legal Department
- Call Center
- Face-to-face Collection Specialists Department
- Skip Personnel Department
- Department of Coordinating Managers (record keeping collection)

In each subdivision, we have the main specialists—managers over the rest of the employees “by profile”. Their role is to be “wartime captains”. They command personnel and work at the forefront of the business front, at the same time. In the language of management, each of them is a playing coach. Heads of divisions correlate their “Requirements Specification” with the general “Portfolio Work Plan”, as well as arrange work among themselves for each contract in a tender.

The advantage of the line-and-staff structure in comparison with the linear one is that, while maintaining a clear hierarchy and closeness of decisions on the director, the line-

and-staff structure allows attracting specialists in various areas of management to the company, who are delegated functions according to their profile.

Functional structure

As portfolios in servicing grow, the collection company is forced to increase its staff and to form divisions that do not directly affect debt collection. However, without the participation of accounting, it is impossible to pay state fees and to control the accounting of incoming funds. The Face-to-face Collection Specialist is in constant contact with the HR Directorate regarding the organization of business trips. “Advertisers” are attracted to implement the “PR collection” and “Viral collection” technologies. Thus, in the functional structure, the heads of various departments get the opportunity to influence each other in order to achieve a given production task, bypassing the link of the supreme leader. All hierarchical branches still remain in his/her hands, but he/she is no longer directly involved in the implementation of individual projects and tasks. Departments independent from each other, possessing their own sovereignty, become mutually subordinate.

Divisional structure

Let us suppose the owners of a collection company decide to start a microfinance company (or anti-collection agency). The question arose: is it necessary to organizationally merge the agency with a new business unit? Should the collection and the newly created businesses be managed by the same top manager?

On the one hand, it is not worth combining them. After all, collection and MFOs are different businesses, they are based on different business processes, they use different approaches to sales, accounting, advertising. Why create an elephant when you can have two mobile companies? But, on the other hand, both in that and in that company, there will be work with debts at various stages. Within the framework of a single organizational structure, it would be possible to combine marketing efforts and to synergize risk management.

Thus, a holding model with separate line-and-staff divisions, their own verticals and decision-making branches, but with a single management at the head of the group of companies is created.

The type of organizational structure determines not so much the company's management as the volume of the business that is managed. At the same time, an agency can be in the top market, but have a holding model and operate in a divisional format. One way or another, each case is unique and isolated in its own way.

Organization of a process approach in the collection company

Collection business is a business of technologies and processes. In working with debt portfolios, the main cost item is related to the wage fund and related taxes, and therefore, it is important for the owner to strictly control the number of the staff so as not to eat up “excess” profits. The technological effectiveness of management is to manage not employees, but their knowledge! To do this, the company needs to implement a process approach to solving business tasks for collection.

A business process is a standard sequence of actions that is repeatedly performed in a company to achieve a given result.

- What came first, the chicken or the egg? Job description or Regulations? What is original and what follows from the first depends largely on the maturity of the company, its experience in the industry.

Let's imagine that we want to launch (or to update) the hard-process of “photographing by the face-to-face collection specialist of the debtor's visit place”. In the personnel document, this function is already embedded in the line of “implementation of a set of measures for interaction and collection of information about the debtor”.

In fact, in the regulations, we simply expand the “boundaries” set by such an official wording. The collection management decides to start photography as a process, and it (management) no longer needs to update the functionality, it just saturates it with additional content.

The opposite situation is also possible. The architect of the process (a person from the management of the directorate or department) planned to expand the list of work tasks of the call center operator, for example, to carry out not only outgoing calls, but also to work out incoming calls. However, the official does not provide for such an “option”.

This may be due to the fact that the company decided to optimize the staff and it removes the “difference” between the staff within the department, as well as also due to a banal oversight, this function was simply not accommodated to the employee at the start and therefore, the architect first designs the process and then formalizes it in the job description in a separate formulation and only then ensures its implementation and testing.

In the first example of the stage of the “staff conversion” of the process, there are no changes in the job description—an integral part of adjusting the process of a specific rate, its legal consolidation in the staff document. As a result, we understand and conclude that the functionality and regulations should always be balanced, as they say, should “keep pace”.

- The maximum and, at the same time, reasonable detailing of the process is important. This requires a description of it. At DEBT HOLDING, we design the approach proposed by the famous Russian coach Mikhail Rybakov.

Process header

- ✓ Process No.
- ✓ Process name
- ✓ Process goal
- ✓ Process manager
- ✓ Process KPI

Process body

*This is where the process steps are described. Every step should leave a mark.

- ✓ Step No.
- ✓ Step name
- ✓ Step result
- ✓ Step manager
- ✓ Step executor
- ✓ Step comment

Let's consider an example from the practice of collection through this stencil.

- ✓ Process No. 1

Process name: Interaction with the debtor and the department of the company for the implementation of technologies under the mediation tools: the Compensation technology.

Goal: Ensuring the relationship between the debtor, the creditor, and the departments involved in the process in order to implement the Compensation technology.

Manager: Chief Coordinating Manager.

KPI: Maximum conversion of applications for the implementation of technologies and their final execution.

Process body

Step No. 1

Step name: Receiving from the debtor, the operator, the face-to-face collection specialist information about the debtor's readiness to exit in order to repayment using the Compensation technology.

Step result: Analysis of the possibility (taking into account the terms of the agreement, under which the debt obligation was transferred to work) for the provision of compensation.

Step manager: Chief Coordinating Manager.

Step executor: Chief Coordinating Manager, Coordinating Manager.

Step comment: In the absence under the agreement of the possibility of introducing this technology, the Step executor forms a refusal to the debtor, if possible, to implement this procedure.

Step No. 2

Step name: Coordination with the creditor of the possibility of implementing the technology, taking into account the available data on the repayment amount.

Step result: Obtaining approval/refusal from the creditor by agreement of the compensation.

Step manager: Chief Coordinating Manager.

Step executor: Chief Coordinating Manager, Coordinating Manager.

Step comment: The creditor can offer his/her own acceptable threshold of the minimum payment or approve the amount orally agreed with the debtor by the operator, the face-to-face collection specialist.

Step No. 3

Step name: Coordinating and obtaining the “Agreement on Compensation” from the Legal Department for a specific debt obligation.

Step result: Obtaining the final version of the “Agreement on Compensation”.

Step manager: Chief Coordinating Manager.

Step executor: Chief Coordinating Manager, Coordinating Manager.

Step comment: Upon receipt of the final version of the “Agreement on Compensation”, the Step manager shall endorse the agreement with the signatory of the “Agreement” on the part of the company.

Step No. 4

Step name: The coordination with the debtor of the final version of the “Agreement on Compensation”.

Step result: Obtaining the approval/refusal from the debtor for the final version of the “Agreement on Compensation”.

Step manager: Chief Coordinating Manager.

Step executor: Chief Coordinating Manager, Coordinating Manager.

Step comment:

1. The Step executor sends the final version of the “Agreement” in the scanned version to the debtor's e-mail.
2. If the debtor refuses to agree on the proposed version of the “Agreement on Compensation”, the Step executor invites the debtor to submit his/her version for consideration by the creditor (amount, schedule, other proposals). This proposal is also sent to the e-mail address. The option proposed by the debtor is sent to the creditor for reconciliation with the subsequent use of identical steps for approval.

Step No. 5

Step name: Sending the “Agreement on Compensation” to the debtor and interested subdivisions.

Step result: Receipt of the original of the “Agreement” by all interested parties.

Step manager: Chief Coordinating Manager.

Step executor: Chief Coordinating Manager, Coordinating Manager.

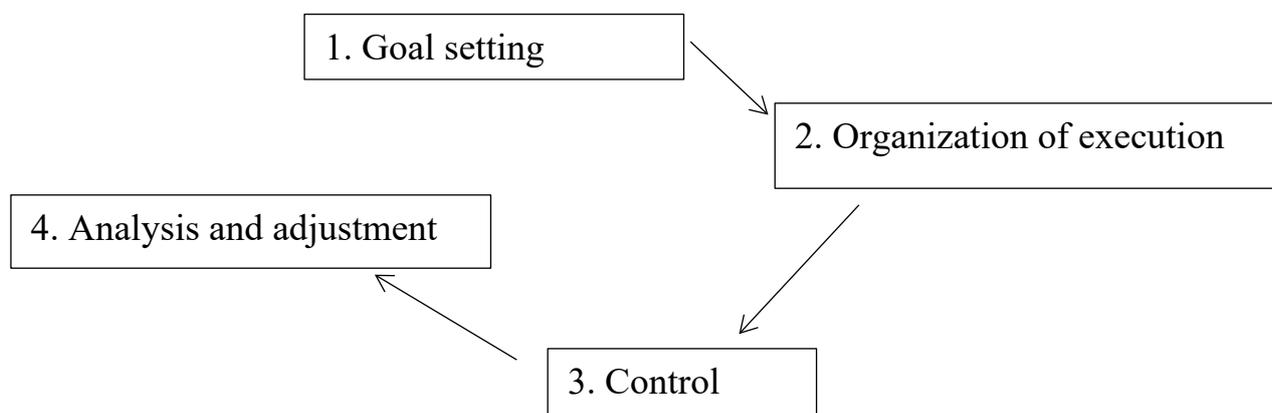
Step comment: The originals of the “Agreement on Compensation” are sent to the accounting department, the creditor, and the debtor with a note in the secretariat of the outgoing number of the item.

- The company's processes should not be autonomous from each other—it is always a system. Taking into account the fact that processes are end-to-end “daisy chains” between departments, the main problems arise at the junctions.

So, quite often, lawyers lose touch with the on-site collection, more precisely, “they are not book-matched going”, for example: a face-to-face collector agreed on a payment schedule and the debtor began to fulfill it. And the legal division continues to push for a commitment to spend agency funds and to burn up its time. A similar patchwork quilt with embroidered clashes is tapped by call center operators and lawyers, coordinating managers and accounting departments, as well as specialized departments among themselves.

- Knowledge management is competency management. Practical overflow competence is how the staff put their knowledge “in the field”, in practice. Otherwise, formal regulations do not work!

Management cycle



Goal setting: Carrying out a hard-collection on portfolio “A” in the city “No.”.

Organization of execution: The face-to-face collection specialist(s) will conduct a hard-collection on portfolio “A” in the city “No.”.

Control: The head of the specialized department monitors the compliance of the work performed with the work schedule, the work budget, and the task quota.

Analysis and adjustment: In the event of a violation and inconsistency with the “control parameters”, the head of the specialized department corrects the tasks and indicates no shortcomings by a specific specialist, updates the “Requirements Specification” on visits to debtors.

- You can chop wood with an ax or you can cripple your arms and legs. These are the risks of the sweet word “Automation”. If a collection agency does not have an adequate system of processes and a mess reigns, then automation will result in an “automated mess”. When contemplating an IT integration, the owner and the top management should have an empirically developed methodology and resource (documentary) base for the implementation of collection processes in life.

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Otherwise, the maximum that can be put on the machine is “foolproof”.

- Control over quotas established by FZ-230.

Standardization of templates by legal and middle stages.

Organization of incentives for the collection company staff



It's love and hunger that make the world go round. The staff is “inspired” by material and non-material motivation. As we mentioned in the chapter “KPI and ROI in collection”, the incentive system is inextricably linked with the performance and assessment of the employee. KPI of a company are directly integrated into processes and cannot exist separately. In this connection, it is almost impossible to buy a turnkey motivation system.

Strictly speaking, in HR there is the Staff Incentives classifier, which should be developed in each company.

The Staff Incentives classifier (example)

Functions	Function registers
<ul style="list-style-type: none"> • Development of the logistics of staff incentives 	<ul style="list-style-type: none"> • Analysis of regional and market wages • Definition of basic trailers of the tangible and intangible remuneration • Development of the compensation package structure
<ul style="list-style-type: none"> • Assessment of the effectiveness of incentives 	<ul style="list-style-type: none"> • ROI and KPI analysis

If you plunge into the question and begin to study the payroll budget level of the employees of the collection company, you can stumble upon a colossal range of prices. In

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some places, the difference in salaries reaches tens of thousands of rubles. The point is that federal players with coverage of both rich regions and recipients are taken as the sources of the “cut on the market”. Also, the analytics does not provide for a dividing line between remote and face-to-face recoverers.

Moreover, in open sources, the sums of gross and net salaries are mixed, which means that it is not always realistic to calculate correctly the average temperature in a hospital. According to the experience of DEBT HOLDING, the average income “on hand” should start at 25,000 rubles, that is, from the minimum that the employer guarantees to the collector. The rest is the “goodies”, which we talked about further.

Naturally, imprudent incentives are a kind of superstructure in the labor incentive system and wages are its basis. In both cases, the motivation system should be short, medium, and long term.

Material motivation

- Base salary (it is determined taking into account the position held).
- Individual and group rewards
 - Can be linked to key economic indicators of the company (revenue, profit)
 - Correction with collection rates for individual KPI in an employment period or in comparison
- Participation in the distribution of profits from the debt portfolio
 - Obtaining a share of collection on a specific debt portfolio/portfolio pool
 - Accumulation of a share in the portfolio as you work in the company and improve your skills/move up the career vertical
 - Stock options (allow you to buy stocks/shares of an enterprise at a fixed price. This case is especially relevant for top managers who have reached the “roof” of wages)
 - Presentation of concessional loans (debt and non-debt)
 - Payment for rest, treatment, medical insurance

Non-material motivation

- Training, advanced training (especially important, given the lack of the talent pool in the field of collection)
- Comfort and atmosphere, maintaining the corporate spirit, various forms of team building
- Psychological trainings (relevant for recoverers, given the high degree of psychological stress)
- Reducing the share of routine work (maximum robotization of regular processes) aimed at collecting and notifying debtors)
- Career opportunities
- Increased autonomy and responsibility of individual employees (if you want more freedom, take on more responsibility).

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It is also important to separate those types of incentives that are called benefit (actually incentive supplements) from those that are called business-tool (funds necessary to carry out production activities), that is, a compensation package.

- Payment for mobile communications (face-to-face collection specialists; operators have it a priori corporate)
- Payment for the dress code of the employee
- Payment for meals (it is especially important to take this into account for face-to-face collection specialists, who often work “in that”)
- Other standard options

Considering that the situation in the market, like the employee himself/herself, is constantly changing, consequently, the motives that drive the recoverer can also be adjusted, therefore, it is necessary to constantly diagnose the motivation system. Therefore, when assessing the effectiveness of the staff incentives, it is necessary to take into account not only the KPI and ROI metrics (as the main postulates of the assessment), but also the impact of the current incentives. In short, if with the existing payments and “plus signs”, KPIs began to be removed and ROI is “unprofitable”, then you should think about the potential of individual employees and look for solutions.

Here it is also important to remember and to understand that we are all different and for one of us, a subscription to a sports club are “goodies” and for the other, it is an empty phrase. So, for example, Professor V.I. Gerchikov suggests to divide all employees into five types:

- Patriotic type
- Master type
- Avoidance type
- Instrumental type
- Professional type

✓ **Patriotic type**

In another way, this type of recoverers can be characterized as “ideological”. In this connection, it is very important here to regularly pump up the team building, values and to broadcast the company's mission. The service is “like-minded” to them. It is possible that the hotel qualities were instilled in the civil service. It is possible that the hotel qualities were instilled in the civil service.

✓ **Master type**

It is expressed in the collector's voluntary acceptance of full responsibility for the work performed. This type of the recoverer fights for every ruble of the company as his/her own, he/she, as the owner of his/her debt, perceives the debtor's dishonesty and each lost payment for him/her is a blow to his/her personal wallet.

✓ **Avoidance type**

An employee of this type has very little motivation to work effectively. This format of the recoverer (if you decide to find an application for it in your company) is useful and

convenient: it can be entrusted with work that employees of other types of motivation are afraid of, for example, ringing up unpromising debtors or routine legal and skip, or better yet, gently say goodbye right away.

✓ **Instrumental type**

The recoverer views work as a source of income and other benefits that are received as a reward for his/her work. This type of collector can be useful in the most difficult and “worst” areas (for example, business trips to isolated and depressed locations), since this will serve as a basis for him/her to demand an increase in earnings as an additional payment for unfavorable working conditions.

✓ **Professional type**

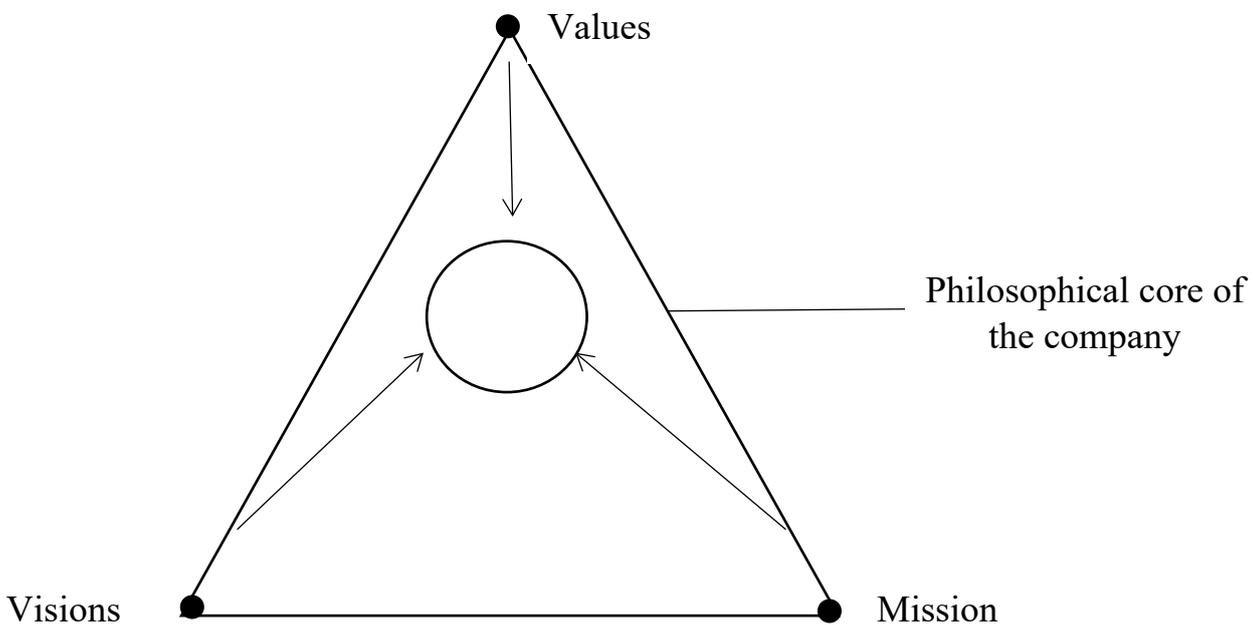
The recoverer of this type appreciates the content of the work, the opportunity to prove himself/herself and to prove (not only to others, but also to himself/herself) that he/she can cope with difficult tasks that not everyone can do. Such collectors enthusiastically tackle complex collections, since for them each working session is a “game” where they (along with the debtor) participate in the battle.

Building the corporate culture of the collection company

People and an organization tend to be more productive when there is an internal agreement about what they are doing. The beliefs and values of each professional should cope with the principles and guidelines of the business in which they are engaged.

To do this, it is not at all necessary to make the recoverer identical to the dyed-in-the-wool. It is enough for the collector to understand that “he/she is doing the right thing”. In other words, it is important to reconcile the life attitudes of team members and corporate goals.

1. Enterprise philosophy development



- ✓ Thinking about the values in collection, it makes sense to recall the example I have described in *Maxims of Recovery*. The story is about how history textbooks tell about Ivan the Terrible, Tsar of Russia, who killed people with the hands of the oprichniks in daylight and in the evenings, he bruised his forehead in the church. If the collector, in its essence, is a bad person (seeking a refund of money by illegal methods, threats and violence), and in the evening is an exemplary family man, then this is a two-faced Janus. In such questions, there can be no binary approach: yes – no. There should always be one person. It is important to convey to the staff that compliance with the Law is a cornerstone aspect for the company, to make it clear that aculoners and top management should respect people and not to overstep moral and ethical rules. In such cases, it is correct to disseminate the value reference by which the agency is guided: “Everything that is not prohibited by the Law is permitted”. Consequently, “not forbidden” cannot be immoral in relation to the debtor.

- ✓ Speaking about the mission of a collection agency, it is important (as, of course, in any other business) not to go on a leash of templates. It is clear that your company is honest, law-abiding, and adheres to generally accepted collection standards. However, the phrase “We are honest with debtors” or “The law is harsh, but it is the law” rather reflects the collector's professional credo. The mission (different teachings give different definitions to this term; the one that I put on these pages impresses me more than others) is the meaning of the existence of the needs of customers, a clearly expressed reason for their business activities, its ideological peak, to which they strive. The mission should be large-scale, it should challenge, emphasize the uniqueness of the collection agency.

Example of a collection agency mission (No. 1)

Debts as Growth Points (*unique mission of DEBT HOLDING)

The company defines its mission as the desire to turn toxic assets (and debts are of such nature) into material goods, opportunities for the growth of the partner's economy.

Example of a collection agency mission (No. 2)

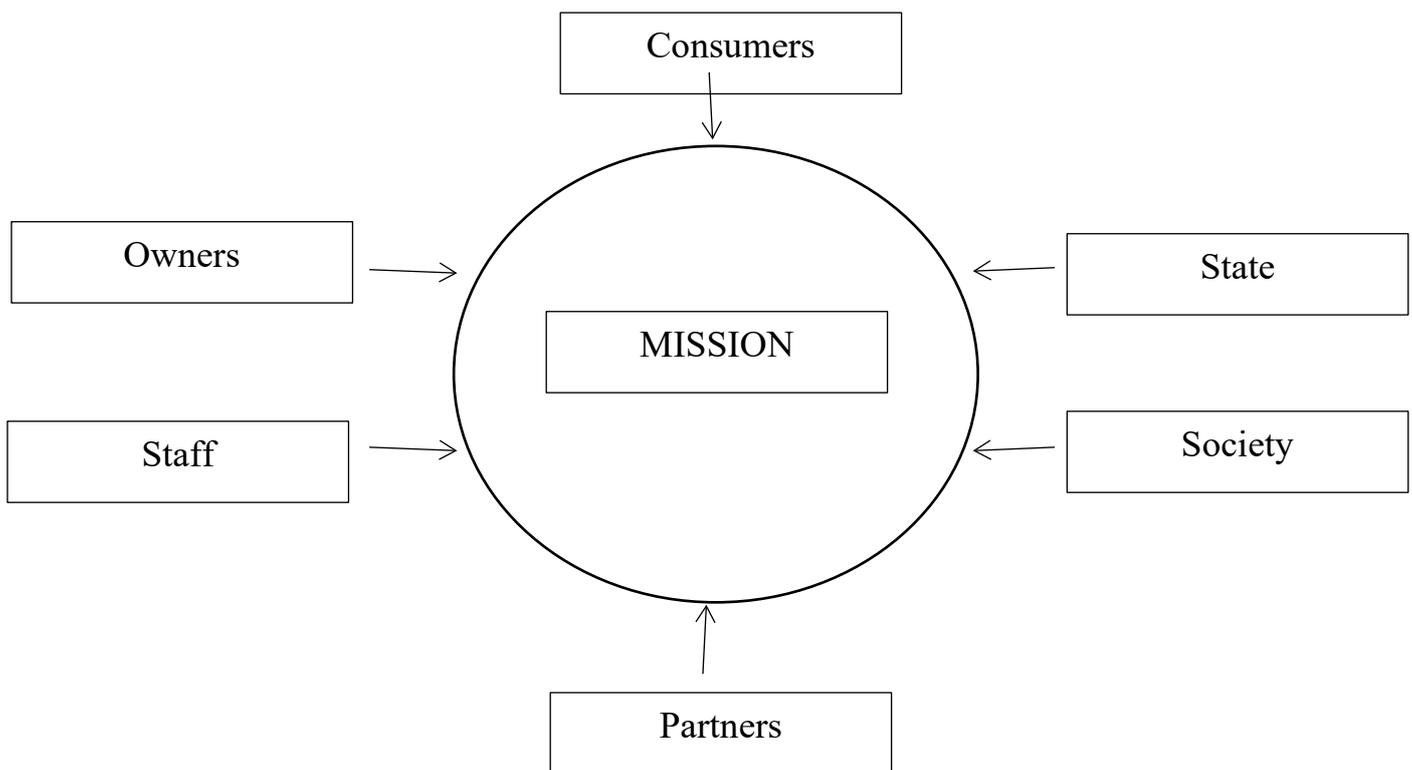
You can't do good without using your fists

The company defines its mission as the desire to be as loyal as possible to the problems and troubles of debtors. At the same time, the agency broadcasts its intention to defend the rights and interests of the creditor as strictly as possible.

Example of a collection agency mission (No. 3)

The collector has two partners: the debtor and the recoverer

The company positions itself to solve overdue debt issues with the greatest profit for the creditor and with the smallest partners for the debtor; to find compromises, and to resort to mediation solutions, to restore the balance of interests of both parties to the conflict.



The mission should absorb the interests of all parties to the transaction and the business process. Let us consider Fig. 2 using the example of the DEBT HOLDING mission “Debts as growth points”.

Consumers (debtors) should understand that the company perceives debts not as unprofitable assets, but, on the contrary, as “growth points” of future profits, which means that it will have to give.

State—there should be nothing illegal in the mission.

Society should not see anything immoral in the mission that would discredit universal human principles and norms.

Partners (from the point of how we have written above) read in the company's mission its firm intention to turn toxic assets into economic income, which they are certainly interested in.

Staff is aware of goals, mission statements, as a guide to action.

Owners, who a priori understand the true essence of the mission (the mission is born through sweat and experience), adjust the financial plans of the company, build a marketing concept based on the mission.

- ✓ A vision is a description of the ideal future state of the company. The vision drives motivation throughout the organization, so its formula is bound to inspire everyone. Employees should realize that management is not limited to minimal “biological” business needs (to earn to pay salaries and to replenish the same in their pockets). Aculoners and top management have an alibium for exslonsia, an increase in market share, an increase in the portfolio in the volume and structure of the client base (for

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example, if a company is engaged only in cessions, then in the long term, it sees itself as a player under an agency scheme in Housing and utility services collection and Corporation collection).

The hard-won, “soul-filled” philosophical concept of the enterprise is a powerful basis for the corporate culture of the enterprise. Due to this, the organization will feel an increase in the number of humanitarian employees, that is, those who perceive the company as a family, who are responsible for everything that happens in it, who lose the feeling of being hired and temporary.

2. **Developing the symbolic components**

- ✓ **Slang (language)** is a formalized and non-formalized set of concepts and templates used in a company. The terminology of the category soft, hard, legal, middle, field, pre-collection, mediation should be understood and accessible to all team members. The staff should not hesitate to use them and to apply them in business communication.
- ✓ **Affiliation attributes**
 - a) The corporate clothing on couriers of the collection agency.
 - b) The corporate badges on the clothing of employees.
- ✓ **Achievement attributes**
 - a) Award for the best collection performance.
 - b) Honor boards of the best operators, face-to-face collection specialists, lawyers.
- ✓ **Rituals**—for example, a ceremony of celebration. The most natural case is the celebration of the Firm's Day. In DEBT HOLDING, it is September 15th.
- ✓ **Mythology** is the history of a company with a purposeful accentuation (exaggeration) of its individual moments and people (“heroes” and organization).

The simplest task in this section will be to keep the company's history: a history of turning points, interesting events that influenced the fate of the company.

2008 – foundation of the company (future DEBT HOLDING brand)

2011 – a partner company of AIZhK (Housing Mortgage Lending Agency) in support of mortgage bonds

2013 – the company receives the first debt collection agreements

2015 – the company operates in more than 10 regions

2019 – the founder of the company (your obedient servant) publishes *Maxims of Recovery*

2020 – the founder of the company (the same person as in 2019) has already published the second book *Collection. HR and Processes*

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The chronicle can be kept in more detail, like a diary—the choice of regularity for each separately.

- ✓ **Design** is the decoration of the company (brand book of the company).

Fig. No. 3



3. Internal PR development

- ✓ **Launch of the corporate electronic media**

In DEBT HOLDING, we have registered our own virtual media *Debts and Solutions*. This media is more aimed at partners and future clients, but employees can draw information from it about how the company lives and what it breathes.

- ✓ **Publish company news regularly on your corporate website.**
 - How the volume of the company's portfolios is growing
 - What new partners have appeared in the work
 - What interesting projects does the company participate in and its success
 - What problems does the company face (so that the news background does not look like fake propaganda, it is also important to write about this)
- ✓ **Maintain social networks:** shape the agency's image and background through a personal brand.

Creation of an HR brand for the collection company

The collection business is, in the full sense of the word, a “staff-dependent” business, when the staff in the literal sense decides everything. If we are talking about organizations that provide professional services: consulting, IT development, entertainment, then the person becomes the key asset of the company. The same goes for collection.

As you know, the image of a company as an employer consists of two components: what employees think of their company (internal HR) and how job seekers perceive it (external HR). These components are inseparable in the formation of the HR brand of the collection company.

- **Stabilization of the internal situation.**

Certainly, you need to start from scratch. It is important that the company does the following flawlessly:

- Regular payment of wages (preferably white and without “envelopes”)
- Paid for the supply of office supplies, IT peripherals (cartridges, printing hardware)
- Communication, Internet, sending and receiving work correspondence should work steadily.
- If your call center is organized remotely, then you need to think about force majeure, for example, when a home office employee's computer suddenly breaks down, and this employee simply does not have money to repair it or to buy a new one. In such cases, the company should provide for express financing of repair work (perhaps even free of charge) or payment for a new device (with the option of withholding fixed recurring payments from wages). The same rule should be extended to field-collection specialists.
- It is important that the company's processes and resources are standardized as much as possible. A lawyer, an operator, a face-to-face collector, an operator-filing clerk should clearly understand what they will be doing in your company. Many organizations (especially startups) sin by not having a coherent system of hiring, training, introduction to the profession, certification, and mentoring of their staff.
- The company should have a clear and well-built corporate culture. After all, HR branding is not a decor, it cannot hide the real state of affairs of an organization. The corporate culture includes the values and traditions of the company, as well as the standards of work and interaction. History textbooks tell how Ivan the Terrible killed people in the daytime with the hands of the oprichniks and in the evenings, he bruised his forehead in the church. If the management of the collection agency at all levels achieves its goal with the debtor in relatively legal ways and in the team broadcasts the supreme power of the Law and justice, this will negatively affect the internal reputation of the company. The mission of the collection agency goes from top to bottom and it is implemented in the decisions and processes adopted in the company. The corporate culture should not hang on a carnation nailed to the wall of the office, it should be really functioning—it should profess respect for the Law, personality, and private property.
- Determining the target audience

As in product advertising, when building an HR brand for a collection agency, you need to know exactly the target audience for which it is designed. In order to form the “ideal candidate portrait”, it is important to determine gender, age, income, education level, requirements for professional experience and competence.

Let us consider the example in Figure 1.

Position	Characteristics and indicators
Lawyer	<ul style="list-style-type: none"> • Man/woman • From 21 years old (possibly immediately after graduation from college/university) • Income (*varies from current labor market indicators) • Secondary / higher education • Perseverance, industry erudition
Operator	<ul style="list-style-type: none"> • Man/woman • Retired person/young mother (*depends on the work organization system) • Income (*varies from current labor market indicators) • Perseverance/sociability

- **Teamwork**

In this section, I would like to mention such an important tool for interaction with the staff as “Organizing the feedback”. In the collection business, this is especially important, since the front of the work is the office; working on the front line, some of the employees are faced with a negative reaction from debtors, they see the “bottom and ruin” of life, and they listen to insults. In this regard, the employee may accumulate empathy and (I'm afraid) develop the Swedish syndrome in relation to the debtor, and this negatively affects the image of the company in the person of the employee, therefore, the brand of the current employer. It is recommended to use the good old “360 questionnaires”, to be interested in what problems an employee faces in working with debtors and government agencies, what “moral barriers” in his/her work arise, what, in his/her opinion, can and should be improved?

- **EVP formation (employee value proposition)**

Certainly, the acorn were good till bread was found. The key “G-points” for the employee were and remain a competitive stable salary, a good social package, and an excellent office. In general, the EVP structure includes six main blocks:

- Company
- People
- Job
- Reward
- Working condition
- Possibilities

Let us consider these EVP cases for the face-to-face collection specialist (hard+field)

1. The company should have a good reputation in the collection market (without dark spots of scandals and complaints from debtors and government agencies)

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2. Availability of the flextime. The employee understands that he/she is not tied to the “alarm clock” and the “turnstile”. His/her task is to carry out the plan and building his/her time management is his/her personal opportunity and prerogative.
3. Unique reward system. In addition to the salary, there is a bonus for the collection of “heavy” debts, a group bonus “in the node” with the achievements of operators and the legal corps on the same register of debts.
4. Material and technical support. The employee should be given a corporate laptop and reimbursed for travel expenses (personal transport, taxi, car sharing).
5. A clear system of career growth. It is important to outline the prospects for the development of a face-to-face collection specialist. This can be the position of a group leader, inclusion as a coach and a supervisor for other specialists, participation in special projects of the company.
6. HR brand promotion tools (top 10)
 - Social media
 - Job advertising
 - Coaching/mentoring
 - Development of a website about a career in the company
 - Graduate programs
 - Employer brand positioning
 - Employee retention initiatives
 - Employee survey
 - EVP definition
 - Competitor analysis

Basic processes and functionality of the manager-coordinator of the collection company

Coordinating manager is the most “omnivorous” position in a collection company. Its halo includes the functions of a filing clerk, a lawyer, a skip, and even an IT department.

In this chapter, we will look at the key “roles” of the coordinating manager in the collection organization and describe the essence of the bidding tasks.

- **Formation of the “Client Information Card”.**

Goal: Providing the departments of the company with information about the client of the company, key characteristics, and features of interaction with debtors.

- This document is necessary as an “information crutch” for building the work of the departments on the debt portfolio.

Item	Required information	Information
1	Client*	
2	E-mail for receiving applications from the debtor	
3	Telephone number for receiving applications from the debtor*	
4	Payment methods	
5	Consultation center address	
6	Debt subject	
7	Client’s website	
8	Client's correspondence address	
9	Other information (if any)	
10	Payment details* *attached in e-form	

*Required fields

- **Distribution of incoming correspondence from government agencies, debtors, and organizations among the company's divisions.**

Goal: Prompt transfer of documentation and letters coming from third parties to interested departments for their further study.

- After receiving incoming correspondence from the secretariat, the coordinating manager distributes correspondence between the legal departments, as well as between the remote and face-to-face collection departments.
- It is fundamentally important that “incoming correspondence” is sorted at the level of the coordinating manager in order to relieve the schedule of other departments from the routine. To this end, the legal department regularly clarifies the “Requirements Specification” for the coordinating managers with the register of lawyers for the

portfolio areas assigned to them. This is done so that the transmission of correspondence is carried out directly by employees, bypassing the head.

➤ List of documents to be transferred.

Interaction with clients on operational work under the current issues stipulated by the agreements with clients.

- ✓ The coordinating manager accepts requests from the client for the ongoing maintenance of the collection agreement.
- ✓ The coordinating manager coordinates with the client the implementation and launch of a particular technology that provides financially appropriate:
 - compensation
 - offset of claims
 - bankruptcy
 - indexing
 - additional accrual of bank payments
- Transfer of data on collection for budgeting.
 - The coordinating manager generates data on soft-collection items of three types: a self-mailer, a simple letter, a registered letter.
 - The coordinating manager generates data on the implementation of the Virus collection technologies.
 - The coordinating manager generates data on the implementation of the Visa to the door technologies.
- Preparation of materials for the implementation of the Viral collection technologies.
 - ✓ Providing the publisher (design of materials, printing of materials) with the required information for the development of leaflets.
- Transfer of finished materials from the publisher to the distributor of leaflets
 - **Interaction with the debtor and the department of the company for the implementation of technologies under the mediation tools: the Compensation technology, the Set Off Requirements technology.**
- Interaction with a debtor, a call center operator, a face-to-face collection specialist on the issue of the potential for entering the Compensation technology or the Set Off Requirements one.
- Coordination of the final financial and legal conditions of the “Agreement on Compensation” with the debtor, the specialized departments of the company.
- Verification of the package of documents required for the execution of the transaction, compliance of the transaction, risk management, and economic objectives of the company.
 - **Preparation, printing, and packaging of the company's collection materials; organization of interaction with courier/logistics organizations to review the collection materials of the company.**

- ✓ Formation of the soft-collection mailing (a paper format of the claim), in accordance with the “Portfolio Work Plan”.
- ✓ Organization of the soft-collection delivery issues through partner specialized companies. Execution controlling.
 - Entering the incoming correspondence from government bodies and the incoming letters from debtors in paper form into the corporate software of the company.

Compliance with the requirements of FZ-230 for accounting information for each debt obligation being fulfilled.

Incoming correspondence is recorded by scanning in the software before the stage of distributing documents to the Legal Department.

Participation in the formation of regular reporting (analytics) for the Financial Directorate / Human Resources Directorate / General Directorate.

Preparation of calculations based on the facts of collection indicators.

Preparation of calculations for the status of portfolios in each segment.

Formation of the organization's reporting for the client.

Preparation of reports, according to the agreement (according to the collection technologies applied during the period).

Preparation of analytics on the economic performance of the portfolio.

Organization of posting payments from debtors. Interaction with the credit bureau.

Entering payment data into the corporate software, according to information from the Financial Directorate.

Broadcast information about payments and balances to the credit bureau.

Verification of the client's reporting and its endorsement.

Analysis of the compliance of the reporting provided by the counterparty with the parameters stipulated by the agreement.

Identification of gaps between the available information (data on large mortgages, data on debt repayment in full) and the data reflected in the agreement.

Basic processes and functionality of the call center operator of the collection company

If you try to find specialized literature on the organization of an operator's call center, then the maximum that is provided for you is the book *Call Center for 100%. A Practical Guide to Organizing a Call Center* by Alexandra Samolyubova. The book is good, but it does not reveal the essence of the collection call center.

The collection has its own unconditional specifics. We will try to consider the problems of the department.

Submission of the “Requirements Specification”.

Requirements Specification No. _____ for a call center operator

The Requirements Specification for _____ (full name of a call center operator)

Endorsements:

- ✓ The “Requirements Specifications” of a call center operator have a common sequential numbering. The serial number and the current year are affixed (for example, No. 1–2020).
- ✓ It is formed on a regular basis.
 - As new portfolios come into operation
 - As necessary in the process of working out a specific debt obligation (information field “Endorsements”).
- ✓ The Requirements Specification is sent in a scanned form to the corporate e-mail in the corporate planner.
- ✓ Timing, according to the deadlines for the execution of tasks, can be set.
- ✓ The Requirements Specification is endorsed by the responsible person.
 - **Contact statuses**

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There are three types of contact statuses:

- the “Contact” status
 - the “Unanswered call” status
 - the “Unavailable” status
- ✓ The **“Contact”** status includes the debtors' phone numbers, which the call center operator made a call and determined the following consequences of the call:
- the debtor answered and the conversation took place (including “incomplete dialogue”, “silence on the phone”, “request to call back”);
 - the debtor answered (at least, one speech component was uttered) and terminated the conversation.
- ✓ The **“Unanswered call”** status includes the debtor numbers, which the call center operator made a call to and determined the following consequences of the call:
- the debtor dropped the call;
 - the debtor did not answer the call, but the dial tone (buzzer) goes off;
- ✓ The **“Unavailable”** status includes the numbers of the subscribers to which the call center operator made a call and determined the following consequences of the call:
- according to the subscriber who answered, the number belongs to another (third) person;
 - dial tones can't get through, and the operator ends up on the voice box of the automatic answer-back equipment (“the subscriber does not answer or is temporarily unavailable”, “the number cannot be called”, etc.);

Based on the results of the working session, the call center operator assigns a status to each debt obligation.

- **Technologies and scripts**

During the working session, the call center operator is guided by three technologies: a call, a telephonogram, a video call.

The structure of presentation of debts is similar to the structure of the face-to-face collection.

- **Starting script:**

- ✓ The call center operator should identify himself/herself as required by industry law.
 - At the beginning of each case of direct interaction, he/she shall inform: last name, first name, patronymic
 - Position
 - Creditor’s name
 - Collection agency name
 - Notify that audio recording of conversations is in progress.

Clarify the full name of the interlocutor and identify him/her with the name of the debtor.

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*Comments: the interlocutor should confirm that he/she is the debtor or the surety for the debt obligation. To do this, in one or another speech interpretation/wording, he/she should report: (yes, it's me), (yes, my name is called the full name of the debtor and/or guarantor).

If the interlocutor does not identify himself/herself as a debtor (does not confirm that he/she is a debtor/guarantor), you should invite him/her to the phone or ask him/her to call back by the company's contact phone (the phone number/company should be called).

*If the interlocutor evades identification, the call center operator switches to an intermediate script.

Intermediate script:

- ✓ The call center operator is guided by the modules and techniques presented in the Curriculum. The call center operator independently determines the negotiation strategy, depending on the current situation of the working session.
- ✓ After working through the working session with the debtor, the call center operator proceeds to the final script.

Final script:

- ✓ The call center operator is guided by the modules and techniques presented in the Curriculum.
- ✓ The key task at the stage of the final script is to speak out the amount of the debt and to indicate the required payment date.

Typical processes

- ✓ The call center operator regularly receives the “Requirements Specification” from the person in charge to the corporate e-mail address / a corporate planner.
- ✓ After receiving of the “Requirements Specification”, the call center operator independently determines the format of the work and the order of priority for working off debt obligations, in accordance with the belonging of the debt obligations to time zones.
- ✓ When working with the debtor and third parties, the call center operator is guided by the techniques of the Curriculum.
- ✓ The information received in the process of working with the debtor on the promissory note is entered by the call center operator into the corporate (according to the instructions for working with the program) program.
- ✓ On all issues arising in the process of work, the call center operator interacts with the person in charge.
- ✓ When working with the debtor, the call center operator should communicate either using a headset (hand free), or hold the phone in his/her hands; communication via speakerphone is prohibited.
- ✓ First of all, the call center operator fulfills the “Requirements Specification”, secondly, he/she reacts and fulfills incoming calls, unless another division of labor is stipulated by the regulations.

DEBT HOLDING. Debts as Growth Points.

DEBT HOLDING. Debts as Growth Points.

Basic processes and functionality of a face-to-face collection specialist

The field-collection is the most difficult form of collection. In this chapter, we will look at the key tasks and tags in field collector operation. For convenience, we will divide them into sections. Some of the functionality is reflected in the regulations, some – in job descriptions, and some – in the materials of the Curriculum.

“Requirements Specification for the Hard-collection”

Item	Creditor (Client)	Name of the debtor / name of the debtor (LE)	Addresses*	Amount owed	Comment**	Viral collection

Endorsements: _____ (the priority level or other important information should be displayed here)

Responsible person (manager of department) _____

Comment on the resource:

***Addresses**—the addresses for the actual visit (if any) and the address of registration are reflected here. It is possible to visit at both addresses. If there are two addresses, the specialist will receive two claims.

****Comment**—this information field reflects information received by the face-to-face collection specialist when visiting the debtor (it is filled in by the face-to-face collection specialist). All information obtained as a result of the visit of a specialist is entered.

- ✓ The Requirements Specification is being formed in aggregate for all business areas in which the debtor has debts (Bank collection / Housing and utility services collection / Insurance collection / Microfinance collection / Individual collection / Corporation collection / Leasing collection).
- ✓ If it is necessary to place information material on the “Virus collection” at the visited address, a special mark will appear in the corresponding information field opposite the address.

History of work on the debt obligation*

Item	Full name / name of organization (Customer)	Addresses	Remainder of debt	Place of work	Promised date	Promised amount	Last payment date	Last payment amount	Writ of execution (WE)	Availability of WE on the website of the Federal Bailiff Service (debts)	Distraigned property	Comments about the person

Comment on a resource:

- The information field “Addresses” contains the debtor's registration address / the actual residence address of the debtor / the location of the debtor's business (property).
- The information field “Remainder of debt” indicates the remainder of the amount owed on a specific date.
- The information field “Place of work” contains the name of the organization in which the debtor works and the address of his/her employer (if any).
- The information field “Promised date” indicates the date on which the debtor promised to pay (if any).
- The information field “Promised amount” indicates the amount of payment that the debtor promised to make on a specific date (if any).
- The information field “Last payment date” contains the date of the last payment received from the debtor (if any).
- The information field “Last payment amount” contains the amount of the last payment received from the debtor (if any).
- The information field “Writ of execution” contains information on the availability of the relevant document (a court order, a writ of execution) (if any).

* if there are several SBUs in the territory, the SBU address is specified.

- The information field “Availability of WE on the website of the Federal Bailiff Service (debts)” contains information from the website of the Federal Bailiff Service about the availability of enforcement proceedings for this debtor.
- Additional information about the debtor is indicated in the information field “Comment about the person”.
- The information field “Distraigned property” indicates all the property for which the arrest procedure was carried out (including information on custody and bidding)

The “History of work” is being formed in aggregate for all business areas for which the debtor has debts (Bank collection / Housing and utility services collection / Insurance collection / Microfinance collection / Individual collection / Corporation collection / Leasing collection).

*examples of the format used in the jurisdiction of the Russian Federation are given

“Requirements Specification for the Field-collection”

Item	Creditor (Client)	Full name / designated name of the debtor	Debtor's address ¹	Data on the debtor's property	Full name of the bailiff executor / Telephone of the bailiff executor	Enforcement Proceedings No.	Date of arrest	Time of arrest	Address/contacts of the department of bailiffs ²	Field-collection type	Arrest results ³	Supplementary information

Comment on a resource:

- Field-collection type:
 - a) field-auto—an arrest of a vehicle
 - b) field-home—an arrest of a property at the debtor's place of residence
 - c) field-work—an arrest of a property at the place of work (at the place of business) of the debtor
 - d) field-estate—an arrest of a real estate.

Endorsements: _____ (the priority level or other important information should be displayed here)

Date: _____

Responsible person _____

¹ The addresses (address) of the place of arrest, as well as the place where the debtor's property subject to arrest may be located, should be displayed here.

² The address for the collection of the bailiff executor / the contact of the bailiff executor.

³ The result of the arrest should be displayed here. It is compiled by the face-to-face collection specialist.

Typical processes of the Hard-collection

Process No. 1

Process name: Arrangement of departure at the location of the debtor (a surety of the debtor).

Goal: Debt actualization, collection of information about the debt and about the debtor.

Head: Deputy General Director for Collection.

KPI: Working out the debt exhibition on a debt obligation, in accordance with the established requirements and regulations.

Comment on resource: Information for the process implementation can be adjusted, taking into account the change in the priority of tasks (embedding into the work of field-collection, payment of the debt by the debtor under the obligation)

Process body

Step No. 1

Step name: Obtaining the “Requirements Specification for the Hard-collection” and “History of work on the debt obligation” from the Chief face-to-face collection specialist.

Step result: The face-to-face collection specialist has all the necessary information to work out on a debt obligation.

Step manager: Chief face-to-face collection specialist.

Step executor: Chief face-to-face collection specialist, face-to-face collection specialist.

Step No. 2

Step name: Arrangement of preparatory activities before the debt exhibition.

Step result: Carrying out all the necessary measures, confirming the visit of a specialist to a specific address.

Step manager: Face-to-face collection specialist.

Step executor: Face-to-face collection specialist.

Step comment: The face-to-face collection specialist performs the following actions as a part of the implementation of the step:

- photographing the house address with the name of the street
- photographing the house in profile
- photographing the debtor's entrance hall number
- photographing the debtor's apartment (these parameters are relevant when visiting a multi-unit apartment building). In the case of visiting a private house, only the house and the house number should be photographed (if there is a pointer).

Step No. 3

Step name: Debt exhibition.

Step result: The debt exhibition arrangement, in accordance with the regulations, the requirements of the industry legislation, the curriculum.

Step manager: Face-to-face collection specialist

Step executor: Face-to-face collection specialist.

Step comment: The algorithm of actions for the face-to-face collection specialist:

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1. Arriving at the location of the debtor, the face-to-face collection specialist prepares a paper claim, looks through the “History of work on the debt obligation”, and goes to the address of the debtor.
2. The face-to-face collection specialist turns on the sound recording device (voice recorder) before the direct organization of the collection procedure (interaction with the debtor). At the end of the interaction with the debtor, the specialist should turn off the sound recording device.

Direct debt exhibition.

In the absence of the debtor, the refusal of the debtor to accept the claim from hand to hand, and/or if it was not possible to identify the debtor/surety in the negotiations, the face-to-face collection specialist forms a Visa to the door on the paper claim.

On a paper claim, the face-to-face collection specialist makes a handwritten note: “Pay! We will come regularly”, “Expect a visit with a bailiff next time”. *The purpose of the Visa to the door is to make it clear to the debtor that at the time of his/her absence, it was the collector (!) who visited the place of his/her residence, and not the representative of a post office or a courier.

The specialist enters the information received on the steps of negotiations with the debtor in the information field “Comment” of the “Requirements Specification for the Hard-collection”.

Based on the results of the working period, a report on the work done is generated to the central office of the company.

Process No. 2:

Process name: Arrangement of the Viral collection technology.

Goal: Conduct and implementation of technology, in accordance with the requirements of the regulations, industry legislation.

Head: Deputy General Director for Collection.

KPI: Implementation of the technology with minimal logistics costs.

Process body

Step No. 1

Step name: Obtaining the “Requirements Specification for the Hard-collection” with a mark on the positions for the implementation of the Viral collection technology from the Chief face-to-face collection specialist; receiving of printed materials/data on the partner-manufacturer of printed materials.

Step result: The face-to-face collection specialist has all the necessary information to implement the technology.

Step manager: Chief face-to-face collection specialist.

Step executor: Chief face-to-face collection specialist, face-to-face collection specialist.

Step comment: Step manager, under the issue of transferring information materials for the implementation of the Viral collection technology, performs one of the following:

DEBT HOLDING. Debt as Growth Points

1. With the help of a courier company, he/she sends ready-made information materials to the specialist.
2. Informs the contacts of the partner-publisher of information materials for further collection by the specialist.

Step No. 2:

Step name: Dissemination of information materials under the Viral collection technology implementation.

Step result: Execution of tasks for the “Requirements Specification for the Hard-collection” under the Viral collection technology implementation.

Step manager: Face-to-face collection specialist.

Step executor: Face-to-face collection specialist.

Step comment:

The specialist disseminates one copy to one entrance hall where the hard-collection was carried out, regardless of how many debtors live in this entrance hall.

Example No. 1: when visiting entrance hall No. 2 (one debtor lives in this entrance hall), one unit of information material is placed.

Example No. 2: when visiting entrance hall No. 2 (three debtors live in this entrance hall), one unit of information material is placed.

Information material is placed in the entrance hall area that is most suitable for the implementation of the technology and has no restrictions on the part of the management company for its placement.

Typical processes of the Field-collection

Process No. 1

Process name: Arrangement of the arrest procedure at the location (residence) of the debtor (a surety of the debtor), regardless of the type of field-collection.

Goal: Arrest of the debtor's property.

Head: Deputy General Director for Collection.

KPI: Conducting the maximum number of successful arrests at the debtor's place of residence.

Process body

Step No. 1

Step name: Obtaining the “Requirements Specification for the Field-collection” and “History of work on the debt obligation” from the Chief face-to-face collection specialist.

Step result: The face-to-face collection specialist has all the necessary information to work out on a debt obligation as a part of the arrest procedure.

Step manager: Chief face-to-face collection specialist.

Step executor: Chief face-to-face collection specialist, face-to-face collection specialist.

Step comment: The information for the implementation of the step can be adjusted taking into account possible circumstances (changes in the work schedule, bailiffs, supplementary information received on the debt obligation).

DEBT HOLDING. Debt as Growth Points

Step No. 2

Step name: Arrangement of preparatory measures before the arrest procedure.

Step result: Carrying out all the measures necessary for the implementation of the arrest procedure.

Step manager: Face-to-face collection specialist.

Step executor: Face-to-face collection specialist.

Step comment:

The algorithm of actions for the face-to-face collection specialist:

- The face-to-face collection specialist based on the content of the “Requirements Specification” and special marks to it determines the logistics of visits to debtors for the next working day (using the logistics organization guide), taking into account the tasks for “Requirements Specification for the Hard-collection” and the “Requirements Specification for the Field-collection”.
- Given the data and information from the “Requirements Specifications”, the face-to-face collection specialist organizes the contact and further collection of the bailiff at the agreed and/or established by the “Requirements Specification for the Field-collection” time.
- In the case of the filed-auto, he/she organizes patrol and monitoring of the movement of the car until the location is fully understood.

Step No. 3

Step name: Conducting the arrest procedure.

Step result: Arrangement of the arrest procedure (regardless of the field-collection type), in accordance with the regulations, the requirements of industry legislation, and the curriculum.

Step manager: Face-to-face collection specialist.

Step executor: Face-to-face collection specialist

Step comment:

In accordance with the “Requirements Specification”, the face-to-face collection specialist carries out the arrest procedure (filed – home, filed – auto, filed – estate, filed – work).

The face-to-face collection specialist controls the receipt of documents on enforcement actions from the bailiff who execute the arrest: in the case of a successful arrest procedure—the Act on the Arrest of the Debtor's Property (an inventory of a property), in the case of an unsuccessful arrest procedure (that is, the arrest did not take place)—the Act of Enforcement Actions in a scanned form.

Upon completion of the arrest procedure, the face-to-face collection specialist provides transportation of employees of the Federal Bailiff Service to the place of their work / a transport stop / their residence (independently making a decision guided by the

time of day, current tasks, according to the “Requirements Specification”, the geography of the settlement).

If, when organizing the field-auto, the arrest of a vehicle is not possible, the face-to-face collection specialist is obliged to organize the field-home with the appropriate notes in the reporting in the information field “Results of arrest”, according to the “Requirements Specification”.

Organization of logistics. Thesis statement.

Route planning should be done, in accordance with the “Requirements Specification for the Hard-collection” and the “Requirements Specification for the Field-collection” (according to the priority of tasks).

Regardless of the travel mode (car sharing, auto, walking), the specialist focuses on the priority of execution. First of all, the positions where the resource of the bailiff is involved are being worked out.

A GPS navigator is used to optimize the route.

Upon agreement with the person in charge and if there are special notes in the “Requirements Specification for the Hard-collection” and the “Requirements Specification for the Field-collection” resources, the specialist can use:

- Taxi
- Car sharing

In the case of the formation of a walking route, the face-to-face collection specialist proceeds from the “close grouping” of debt obligations for one “logistic square” (1km²). It is especially important when organizing Housing and utility services collection.

When implementing the Viral collection technology, the specialist is guided by the “Requirements Specification for the Hard-collection” and regulations, that is, he/she organizes the technology, taking into account the visit plan and the corresponding logistics for the Hard-collection.

For example: when visiting house No. 5, the technology is applied in parallel in house No. 5 in those entrance halls where the debtor lives.

The evacuation of the arrested property (regardless of the field-collection format) for safekeeping is carried out exclusively in agreement with the Chief face-to-face collection specialist.

When organizing time management for visits and a logistics road map, the face-to-face collection specialist is guided by:

- The need to pick up/deliver bailiffs.
- The state of traffic jams in a particular location.
- The need for evacuation.

Material and information support for an employee of the collection company. Organization of logistics

In this chapter, we will consider the issues of supply and organization of document flow for face-to-face and remote collection specialists of a collection company.

Field-collection/ hard-collection (face-to-face collection)

- Dictaphone device. The function is to record negotiations with the debtor. This requirement is due to FZ-230.
- Universal keys (key) for the intercom. The function is to open the intercom, entrance hall, intersection door.
- Video recorder with the option to control the recording of the operating time. The functions are video recording of individual visits to debtors' facilities; the option to control the recording of the working time is necessary in order to monitor the employee from the point of view of arrival – departure to a particular object of the debtor's location.
- Photographic device (a phone/tablet camera can work). The function is to photograph individual objects when visiting (a photo of a house, entrance hall, staircase extension, debtor's apartment).
- GPS navigator. The function is to optimize of the route of visits.
- Tablet (an electronic device). Its function lies in the fact that it may be needed provided that the employee enters data on the visit online (*immediately after the visit). This information is loaded into the corporate software.
- Mobile phone. Its function is that it is required for communication when organizing the field-collection; to contact the company on operational issues; to resolve other organizational issues related to the activities of the face-to-face collection.
- Shocker, dog deterrent, rubber-bullet handgun, flashlight (*formed at the discretion of the company). Their function is that they are personal protective and assistance equipment.
- If the employee does not work from the office, but according to the home-office model, it is required that at home, he/she be provided with a computer (a laptop, a tablet), a printer (for printing a paper version of the presentation), a stable Internet connection, and a scanning device. The function is to arrange a document flow with the company/a video conference with the company.
- The presence of vehicles (it is mandatory when working in a “backbone” location).
- The presence of a driver's license (in the case of car rental in “travel locations”). The function is to arrange visits to debtors.

- Stationery tablet; stationery (pens, a stapler). Their function is for the convenience of securing a paper presentation upon presentation; an operational work.
- Certificate of employment, Power of Attorney from the company. The function is to confirm the identity of the recoverer, the legitimacy of his/her work.
- The employee should have the “Requirements Specification” for a day, a week, a decade, a month, a quarter (depends on the system of setting tasks for each agency individually).
- The employee should receive regular updates on each debt obligation in progress.

Soft-collection

- Convenient ergonomic headset for telephone conversations. Its function is to arrange telephone conversations with the debtor, according to the hand-free model.
- High-quality IP telephony. Its function is to arrange uninterrupted communication.
- If an employee does not work from the office, but according to the home-office model, it is required that at home, he/she be provided with a computer (a laptop, a tablet). The function is to arrange operational work.
- Webcam. Its function is to arrange video calls to debtors/a video conferencing with the company.
- The employee should have the “Requirements Specification” for a day, a week, a decade, a month, a quarter (depends on the system of setting tasks for each agency individually).
- The employee should receive regular updates on each debt obligation in progress.

Arrangement of logistics (Hard-collection)

- It is more correct to hire an employee of the face-to-face collection in a “backbone” location (where it is planned to develop the field-collection), since in the organization of the face-to-face collection, the location of the departments where the bailiffs are located either where regular traveling activities are planned plays an important role (hard; familiarization with the dossier on enforcement proceedings).
- The use of GPS navigation with the ability to control the places of visit and to equip with a route optimization service helps to build the logistics of movements more correctly without spending a time resource.
- Due to the “close grouping” of objects to be visited on communal debts, the quota for their visits is about 25-30 positions per shift (*it is formed at the discretion of the company).
- Visited sites for debt obligations of banks/microfinance/insurance are more scattered, less compact geographically. The quota for their visits is about 10-15 positions per work shift (*it is formed at the discretion of the company).

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- Arrests are planned on the basis of 3 (three) arrests (field-home) and 1 (one) arrest (field-auto) per shift (*it is formed at the discretion of the company).
- In locations with a developed transport infrastructure (Moscow, St. Petersburg, regional centers), you can use the resources of public transport.

You can use the resources of public transport in locations with a developed transport infrastructure.

The provisions of this chapter are the main constituent part of the Labor Instruments of the Collection Agency classifier.

Top management of the collection company

I finished this chapter when the rest of my book was finished. The topic of the management staff in the collection is not disclosed as much as it is relevant and acute. Therefore, initially I did not succeed in picking up the material accumulated on the issue, analyzing it, and using the resulting “starter” to build my own conclusions.

In this connection, I have decided to consider the structure of the top management of a collection agency using DEBT HOLDING as an example.

✓ Board structure.

1. General/Executive Directorate

- making strategic decisions on the development of the company in certain sectors of the collection (for example: the potential for launching one collection in the regions);
- making decisions on funding the company for the assignment of portfolios;
- general management of certain business activities.

2. Financial Directorate.

- accounting management;
- analytics of a certain activity;
- management accounting.

3. Human Resources Directorate.

- organization of the staff recruitment;
- organization of training for the staff of recoverers;
- work with classifiers of the HR Department.

4. Directorate for Legal and Corporate Affairs.

- audit of the contractual base with external partners (credit bureau, IT outsourcers, logistics companies);
- interaction with the regulator.

5. Advertising and Marketing Directorate.

- control over the execution of advertising and marketing campaigns;
- organization of the launch of the Viral collection, PR collection, CR collection technologies;
- analysis of the competitive environment (monitoring the “goodies” of collection agencies, their websites and their product line); analytics of collection methods.

6. IT Directorate.

- development, support and maintenance of Kolibry-IS;
- general controlling of the work of the department.

7. Development Directorate.

- conclusion of new contracts;
- development of existing contracts;
- loyalty program support with current customers;
- participation in the auction.

DEBT HOLDING. Debt as Growth Points

8. Collection Directorate.

- implementation of the “Portfolio Work Plan”;
- interaction with counterparties on operational issues of the portfolio.

✓ 7 principles of ISO quality management

Customer-oriented approach.

Quality management focuses on meeting customer requirements and striving to exceed their expectations.

The task of directors is to clearly understand that the client needs “a hole in the wall, not a drill!” By and large, the creditor doesn't care whether your company uses soft, hard, or middle approach. It is much more important for the customer to increase the collection for the portfolio.

Leadership.

A top manager should be authoritative in his/her area of expertise, both for vertical subordinates and for colleagues from related departments. For example, the HR boss and his/her management decisions should satisfy the Advertising and Marketing Directorate, since the face-to-face recoverers implement the Viral collection technology.

Staff involvement.

Top managers should have a full range of competencies in their part of the tasks. With authority, charisma, experience, and hierarchy, directors add value to each process and outcome. The IT Directorate eradicates the cost in operations and makes enterprise software faster and more productive. Collection Directorate optimizes the collection tactics, thereby, reducing costs and increasing margins. The Human Resources Directorate speeds up the filling of applications, thereby, avoiding downtime for portfolio processing.

Process approach.

The regulation of the collection processes removes the problem of uncertainty in the actions to work with each new portfolio. Moreover, the foundation of Kolibri-IS is a structured system of uniform templates (legal and middle stages), as well as an intelligent map of the negotiation processes of operators and face-to-face collectors. Managers of the Collection Directorate together with the Human Resources Directorate (a training center) regularly monitor the state of the processes and, if they change, **make adjustments to the relevant regulations of the company.**

Improvements.

Top managers have to run constantly to stay in place. In leading his or her divisions, each director has a responsibility to work to improve the department's processes.

As an example, there is the Collection Directorate. It is not enough to achieve specific KPIs for the collection rate of individual contracts. It is important to lift the bar slightly on a regular basis. At the very least, this is useful for maintaining a “turbulent foundation” in the business environment, which in turn keeps line managers from relaxing.

Evidence-based decision making.

DEBT HOLDING. Debt as Growth Points

The Finance Directorate analyzes the agency's performance by key performance indicators. Based on the data received, the Board of Directors (taking into account the profile of its Department) makes a management decision. Among them, the following aspects can be distinguished, for example:

- portfolio profitability, in terms of the ratio of LTV and expenditure load, shows the performance of tactical work on a specific contract;
- staff productivity in terms of one ready commitment gives an understanding of the employee's ROI;
- the dynamics of the portfolio bank's condition reflects the correlation between the performance of the Development Directorate and the Collection Directorate.

It takes two to tango is the slogan of this principle. The CEO of the company should work on the team building of key managers no less than on the cohesion of the line staff of the company. Each director is obliged to be in close contact with colleagues in the “management” shop.

Postulates and competencies.

The style of the leadership is a steel hand in a velvet glove.

Regular capitalization of the accumulated experience and knowledge of managing the collection business is required.

Monthly submission of an essay on improving the company's business processes is required.

“To get head up one’s ass” and to take a compromise position is forbidden.

To distinguish esprit de corps from to be a drain on one’s pocket.

Classifications and characteristics of debtors

When working with a debtor, in order to correctly model the “battle” tactics, it is important for the recoverer to know which category of defaulters the person belongs to. The collector receives some of this information from the “History of work”. However, it is in the process of negotiations, sometimes, at the “moment”, that the facts about the debtor emerge, which the recoverer can immediately use by choosing the right script at the right time and in the right place.

You can customize debtors for a variety of reasons:

By the terms of delay (from 30 to 60 days of delay, from 60 to 90 days, from 90 to 120 days, from 120 to 180 days, from 180 to 365 days, over a year). The more time the debtor does not pay the debt, the less likely it is that the debt will be repaid on a voluntary basis (all of a sudden, as in a fairy tale, like a bolt from the blue).

By affiliation: legal entities, individuals, sole proprietors.

On the basis of the debt: a credit/loan agreement (with a pledge/without a pledge); an agreement for the provision of housing and utility services; a product supply agreement; a lease/factoring agreement; a promissory note from an individual.

By the amount of debt: up to 50,000, over 50,000.

Due to delay: difficult financial situation, failure to fulfill the obligations of the debtor's counterparties, dishonesty, fraud.

Territoriality: a city of federal significance, a regional capital, a provincial town, a rural community, a village, an aul, a stanitsa.

By belonging to the risk group:

seasonal workers (they have seasonal earnings, and therefore, their solvency at the stages of individual periods falls);

unreliable (they have a relatively stable income, but pay the debt only after a regular reminder; usually they do not go beyond the “technical” delay).

Self-employed/small business (they have unstable income; they are usually dependent on one or two key (also unstable) clients. In the case of a delay in payment, a failure of the order, they go into delinquency).

Government-paid employees are the most stable group of debtors. Usually, they stop paying debts only if they lose their job.

Fraudsters did not plan to repay the debt from the very beginning.

By the degree of conscientiousness:

Victims of circumstances (they lost their jobs, their wages were delayed).

Liars (they promise to pay, but most of the time, they don't).

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Professional debtors (they know how to deal with the creditor and the recoverer). They know how to fight a delaying action.

By psychotypes:

Snowglideman (the “drug addict” debtor collects debts without controlling his/her consumption and TOTAL on debt).

Hunted mouse (he/she owes a lot; even when he/she has money, he/she is “afraid” to pay any of the creditors separately, so as not to be out of favor with those who did not pay, if suddenly the latter find out about it).

Complainers (they do not pay and they are constantly looking for those responsible for their problems, “Power! Chief! Oligarchs!”). Now, it is important to blame everything on the COVID-19 pandemic.

By the level of wealth:

The “*poor*” are characterized by high payments in total for all obligations. If we add up the minimum consumer basket plus payments of the “poor” for all obligations, then the amount received will be a multiple of their real monthly income. Consequently, the “poor” can afford to pay off only one or two debts (as a rule, “anchor obligations”: a mortgage, an auto loan) and “disconnected resources” (Internet, communications, electricity).

The “*middle class*”, as a rule, is represented by mid-level employees and managers, as well as representatives of micro-businesses and small businesses. This group is characterized by the ability to make money. Consequently, there is a prospect of debt repayment, even if not in the “here and now”, but in the foreseeable future. They probably have assets that can be foreclosed with further access to the auction (vehicles, a garden plot, a permanent garage).

“*Rich*”—this category is represented by a target group of highly paid managers, top businessmen. They rarely become owed on “household” obligations. Their debts usually arise as a result of the ruin of a business (including through bringing the controlling persons to a subsidiary liability). They know how to hide assets. They have the financial strength to pay for legal expenses and to handle lengthy litigation.

By cultural and educational characteristics:

The “debt behavior” of people depends on the level and belonging in this category. Responsibility for their actions / a parasitic smugness, the ability to find ways out of the situation / to drift aimlessly, the presence / absence of higher education—all this largely determines the prospect of debt repayment. At the same time, sometimes, “positive characteristics” are paradoxically correlated with the chances of debt repayment and not always in favor of the creditor.

For example, educated debtors have a broader view of the situation and may find non-standard ways to delay the case or to solve the problem. Debtors with lower educational

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levels are sometimes easier to convince of the debt restructuring/payoff scheme, but this category of defaulters often actively complains on all fronts.

By age:

Youth (from 18 to 30 years old). They are impulsive, they have not “bright conscience”. They often do not have a family yet. They do not have a life anchor that would determine the strategy of debt behavior.

Adults (30 to 45 years old). They have life experience behind them. They are not looking for “unnecessary trouble”. In matters of debt repayment, they behave more consciously.

Mature (from 45 to 60 years old). They understand that everything has to be paid for. They don't like to play hide and seek. They dream of living “even more modestly, but without the stress and problems”.

Elderly (over 60 years old). They want peace of mind. They are ready for any repayment options. In resolving issues, they are guided by worldly wisdom. “Cat-and-mouse” with the creditor is not about them.

! Self-study assignment:

If you have started working as a recoverer or you have had a similar experience before, write down the “portraits” of debtors (who met on your professional path), using the proposed classification and characteristics.

Provided that you are just at the start and do not have even a minimum behind you, “practice” composing images on familiar people (relatives, friends, your close circle), imagining for a moment that they became debtors and ended up in your collection.

Phobias, triggers, supports of the debtor



Always remember that in the debtor's head, like any other person, something is sure to happen at a given moment in time. And the recoverer should be able to work with these latent emotional phenomena and processes.

Often aggressive or, on the contrary, very passive, cowardly behavior of the debtor can be explained very simply: he/she is afraid. How to direct the biochemistry of fear and desire to increase the result?

Debtor phobias

Phobia (from the ancient Greek *phobos*—“fear”) is a fear, the symptomatic essence of which is an irrational, uncontrollable fear or a stable experience of excessive anxiety.

- **Debt Collector Fear.** A debt collector is a person who invades and disrupts the usual course of life. This is the person who brings bad news and can cause trouble. This is a person who demands fulfillment of obligations. This is a person of the “shady” profession—a person with a strong bargaining position.
- **Fear of overpaying.** Having learned about the fines and the “Hamburg reckoning”, debtors begin to worry, to reproach themselves for not paying on time and now they will have to overpay. And so they pay neither interest, nor principal, nor interest. Their delay can be explained by precisely this fear.
- **Fear of embarrassment.** Many are afraid of losing their credibility, reputation in the eyes of the people whose opinion they value, they are afraid of publicizing their status

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as a debtor, or even inability to pay off their debt. Therefore, they avoid all contact with recoverers.

- **Fear of making a mistake.** Everyone has to be wrong. And the debtor is also afraid to make a mistake and to choose the wrong line of behavior with you. He/she is afraid to show both excessive “loyalty”, that is, to show weakness, and excessive harshness, which may prevent reaching a compromise with the recoverer.
- **Fear of the unknown.** The debtor is afraid of the unknown: he/she does not know what methods will be used against him/her, whether the case will go to court, what sanctions will be imposed, and so on. Play this. Don't give him/her a clear picture of your actions, let his/her imagination draw everything on its own. And people's imaginations are usually wowie! Fear makes the wolf bigger than he is.
- **Fear caused by someone else's negative experience.** The debtor has heard a lot about debt collection stories. Moreover, the brightest and most dramatic episodes remain in the memory. He/she fears that something similar might happen to him/her, and therefore gets nervous and avoids negotiations.

Debtor's triggers

According to the *Triggers* by Marshall Goldsmith and Mark Reiter, a trigger is any motivation, situation, that influences our behavior. The task of the recoverer is to play them back in a quality manner in order to monetize afterwards.

Life is given to us in sensations. Working with debtors remotely and face-to-face, it is important for the employees of the collection company to remember that the debtor passes any message through himself/herself, using hearing, sight, smell, tactile contact. The emotions obtained as a result of the backlash should be directed to the recoverer to break the supports that any debtor has: his/her family, work, hobby, business. It is important to use exactly that trigger in the work with supports, which will help you “**wake up**” the payer in each debtor individually.

Fear

Fear sits in the head of every person. The genre of horror has taken root in the cinema because it accelerates adrenaline inside us—the “fear hormone”. The inevitability of a “non-cinematic” punishment is what the debtor needs to be pumped through in every message. Today, tomorrow, or in a year, the money will be returned—at least, in accordance with the court decision. Whether it will be a deduction from a salary, an arrest, and implementation of a pledge, a write-off through a surety, or it will be the debtor's own will, but in the end, one good will turn deserves another! The debtor must have a fear of the Law, the inevitability of its severity and execution. No one will frighten a person stronger than himself/herself.

Shame

Jennifer Jacket's book *In Is Shame Necessary?* is interesting as an aid for pumping the “shame” trigger. Personally, I (your obedient servant) pay off my debts because I am ashamed. I am ashamed in front of partners, in front of myself for my lack of self-sufficiency. For this, I work hard. As the saying goes, “Antoshka, dig potatoes until you give the money”. Shame is an underrated tool in collection. Make the debtor feel ashamed. This trigger works great at the time of the seizure of property. Quite often, the employees of the Federal Bailiff Service invite as witnesses for the procedure of arresting the debtor's neighbors. Furthermore, relatives are present at the time of the arrest.

Dream

The desire to find peace, to be distracted from everything that oppresses and does not bring joy. To get out of the shackles of annoying problems. To shut down and to disconnect from anything that gives trouble. Become free and to “f... them all”. The debtor should not only be treated and restricted in his/her rights. It is important, in parallel to this whole complex of measures, to inspire him/her to action, to tone up optimism, and to instill confidence that he/she will very soon get rid of his/her problems (an annoying collection). To achieve this, the debtor needs to repay the debts to a specific creditor, that is, to you.

Supports of the debtor

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There is a stable speech pattern “to find support”. “Support” comes from “to be supported”, that is, to gain stability. When you lose balance, it is important to grab onto something to stay on your feet, to push off, and to move on. The task of the recoverer is to work with the debtor's supports and, due to them, to influence the repayment, to trash his/her supports.

- **Support No. 1 (close people)**

With the help of the available tools, bring the debtor's problems regarding the existing debt to his/her “support”. The Telephonogram technology is used as a tool. Parents, brothers/sisters, his/her spouse, children of the debtor should be “indirectly” aware of the existing debt, so that later, through their own channels, they can influence the debtor through family ties.

- **Support No. 2 (home, a place where the debtor goes every day to feel safe there).**

Carrying out an exit collection, the recoverer “loosens” this support. With hard, he/she forces a person to open the door, to let the collector into the entry way, or to go out on his/her own. In the field stage, the creditor and the bailiff and even more so—bypass the entire apartment/house of the debtor, thereby “invading” the living private space of the defaulter. As a result, pressure is exerted on the corresponding support.

- **Support No. 3 (colleagues, business partners, clients).**

Due to possible tools (without violating Federal Law 230), the debtor's problems with respect to debt should be communicated to the “support”. As a tool (for the debt of an individual), the Telephonogram technology is applicable: as technologies (for the debt of a legal entity), all types of available collection methods are applicable.

This support corresponds as much as possible to **Support No. 1**, since it works for such a debtor's trigger as “shame”. As in the case of close people, the debtor through the separate (available to the “debtor – support” link) communication channels receives the corresponding messages that influence his/her decisions on debt repayment.

! Self-study assignment:

On a piece of paper, write scripts for each suggested category. Test examples for each section.

Techniques-“commandments” of influence on the debtor

The suggested techniques of influence, in fact, are the classics and they are the foundation for the working sessions of the recoverer. Based on them, the collector determines the vector of development of the dialogue with the debtor. These “commandments” are universal and they work for any target group of debtors. Similar techniques are taught in almost all coaching courses for debt recoverers.

- **“Mutual exchange”**

Essence: To make an offer/favor to the debtor, thereby hinting to fulfill the targeted requirements of the recoverer. It is customary among people to respond with service to service. A small courtesy pushes to generate a feeling of gratitude, forcing the debtor to agree to provide a much more important mutual service in the foreseeable future, in this case—to start more active debt repayment.

Example at work:

- ✓ to offer the debtor a debt restructuring;
- ✓ offer compensation with writing off a substantial part of the debt;
- ✓ to invite the debtor to discuss with the management of the recoverer in order to cancel the departure of the collector/bailiff at the place of work/residence of the debtor.

- **“Mutual concession”**

Essence: The chances of prompting the debtor to comply with certain requirements will increase if a more serious claim is announced at the beginning, which is likely to be rejected, and then a less stringent claim (it will be perceived by the debtor as a concession and an indulgence) of the same one, as a result of which there is real interest of both parties. Win – win.

Example at work:

Starting requirement: payment of 100% of the debt immediately, maximum—within five days.

Satellite requirement: payment of debt in installments, payments of smaller amounts, or compensation with writing off a substantial part of the debt.

- **“Broken record”**

Essence: Multiple repetition and recitation of the message until the debtor accepts your point of view. Use as little “speech embellishment” as possible. The key plot of the technique: fewer words—more boring.

Example at work: the use of scripts with the following content and meaning: [Pay the debt! Pay your debt! Pay your debt! Your debt is (amount)! Your debt is (amount)! Your debt is (amount)!].

- **“Stockholm syndrome”**

Essence: Communicating your desires and demands to the debtor through a request, without resorting to accusations and reproaches. The use of sentimentality in the persuasion that evokes empathy from the debtor to the recoverer.

Example at work:

- ✓ articulating your goals, interests, and tasks in a balanced, “mother's” voice;

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- ✓ using scripts with the following content and meaning: [Please listen to me! Believe me, I wish you only the best for your problem to be resolved. I understand that it is “hard” for you now, I really want to help, and I sincerely sympathize with you].

- **“Salami method”**

Essence: This technique got its name from the way the sausage is served—salami. It is customary to cut this product into thin, almost transparent pieces. Each slice is small. But the addition of scanty values gives the total volume and effect. Step by step.

Example at work:

- ✓ Divide the claim to the debtor into a lot of small ones and work out each of them individually. Any small requirement should strengthen the debtor's understanding that the problem is solvable and you do not intend to deviate from the intended course.

- **“Creating a positive image”**

Essence: The recoverer creates a decent image of a debtor (a responsible family man, a good friend/colleague, a smart and successful director of an enterprise), an image in which the debtor must believe, even if it is not so, to realize his/her “true” position and the dissonance of this incident with the current reality, and thereby speeding up debt repayment in order to “cleanse” his/her image of a loser that denigrates him/her.

Example at work (scripts):

- ✓ Isn't such a successful and decent person going to pay the debt?
- ✓ Should the director of an enterprise and a family man be a debtor? This, we are sure, is not about you!

- **“Comparison with Vasya”**

Essence: The technique is opposite, but, in some places, it is similar to the technique of “creating a positive image”. Only in this case, there is a deliberate underestimation of the debtor's self-esteem.

Example at work:

- ✓ [Why are you behaving like a poor man?]
- ✓ [You seem to be educated and successful, but behave like a penniless commoner!]
- ✓ [All of you, debtors, say the same thing: I will pay... I will pay...! As a result: there is no money. Don't keep your word—don't pay money]

- **“Good-cop/bad-cop”**

Essence: The use of two images-antipodes under the working session: “evil recoverer” and “good recoverer”. First, there should be a presentation of tough ultimatums and then—a softening of the requirement. It is very important not to equate this technique with the “Mutual concession”. In the case of the “good-cop/bad-cop”, we are talking about the rhetoric of scripts and not about juggling with more and less advantageous offers.

Examples at work:

- ✓ The script of the “bad-cop”: [I suggest that we no longer play possum and to put the question point-blank by the date of payment of the debt].
- ✓ The script of the “good-cop”: [We understand that this approach is unlikely to appeal to you, and therefore, it is better for us to agree on a mutually beneficial option, because we are not negatively disposed towards you].

! Self-study assignment:

Train these techniques in your daily work. On a piece of paper, write scripts for each technique that you would use in a dialogue with the debtor.

Defining the collection strategies through targeting debtors

Typically, when coaches teach recoverers how to approach different types, domains, and cohorts of debtors, they use the concept of a “reference group”. In other words, they define defaulters by social categories that serve as a kind of standard for the individual, a source of norms and values.

However, but in our opinion, it is more correct to use borrowing from the field of advertising—the loss of the ring, that is, a mechanism that allows you to select from the entire audience only that part that meets the specified criteria (a target audience) and choose the correct tactics of influencing the debtor, showing advertising).

As for strategies, they can be summarized in three groups: coercion, reward, support.

As a test, we will take the categories we considered in the chapter “Classifications and characteristics of debtors” and show how the recoverer can use the available data to choose a strategy to influence the debtor.

- Depending on the amount of the delay, the collector determines the degree of pressure on the debtor. On the one hand, it is logical to “build up dissatisfaction” if the debt grows, and for short periods—to be more lenient. On the other hand, already at the start, the debtor can be made clear that the creditor is not going to put up with non-payments, so that the defaulter draws the conclusion that “it will only get worse” (even if this is not the case). At the same time, in the default is 180 days+, it makes sense for the collector not to heat up the atmosphere, but to enter into reasonable negotiations with the debtor.
- In the context of the debtor's belonging to an individual or legal entity, the collector is guided by information about assets and data on the stage of receipt of a writ of execution at the debtor. If the debt has been awarded and there is liquid property, then there is no point in wasting time on scripts of a “general negotiation” nature, but you should immediately choose a coercion strategy and announce to the debtor the creditor's intention to seize the asset with the court if payments do not begin to arrive.
- On the basis of the occurrence of debt, it makes sense to rely on legal methods of influence, for example, in leasing—this is a relatively simple form of asset withdrawal, in the housing and utility service sector—this is the possibility of restricting services. In a loan obligation, you can reward with write-offs or forgiveness of a part of the amount, or, on the contrary, with the threat of debt indexation if the debtor turns out to be intractable.
- The amount of debt is one of the most important criteria. But the strategy is obvious here. If the debt is small, then it is unwise to waste energy, time, and to invest money in calls and travel. With a large delay, everything is exactly the opposite.

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- The reason for the delay is a very “gaseous” parameter for a recoverer. It is difficult to determine without delving into each specific situation personally, what is really the cause of the default. If, nevertheless, it succeeded, then, of course, those who have found themselves in a difficult situation, but are trying (from the word “really striving”) to pay off the debt, should be supported. In relation to “rip-off”, you should act unambiguously—exclusively through coercion.
- Territoriality. In large locations, it makes no sense to focus on the “shame” trigger and to encourage repayment through “legitimate blackmail”, making a visit and inviting neighbors as witnesses. In big cities (though not always) people have an immunity to such “many-moved games”, but on the periphery, people value their “local” reputation and for them, such a scenario is undesirable. Anyway, the conclusion is that the size of the environment and the geography of the habitat influences the choice of the collector’s strategy.
- Belonging to a risk group, the degree of conscientiousness and psychotypes are “cards” of one hand in terms of choosing a strategy. As in the case of the reason for the delay, the attribution of one or another debtor on the fly to a certain abstract group is ambiguous. By the same principle, it makes sense to motivate the “decent” debtors and to suppress the “lost” ones.
- The value of wealth, cultural and educational characteristics, and age are important for the collector to determine the script tool in working with the debtor. High-quality targeting will allow you to select the right words for each target audience.

! Self-study assignment:

Practice scripts on a piece of paper, taking into account the work with each of the groups.

Collection. Conflict dialogue environment



Taking into account the specifics of the area of collection, the dialogue between the collector and the debtor is built, as a rule, in the plane of the conflict. Each side strives to push its own position. The agency representative “asks” and the debtor “answers”. As a result, a degree of rigidity increases in communication between a hawk and a duck, and the conflict escalates. Let us consider techniques for extinguishing such fires and breaking the deadlock.

- **Contextual reframing**

Offer to consider the debtor's behavior towards you and towards the debt in a different context, from a different angle. Simulate the situation. Let the debtor put himself/herself in your place. Let him/her remember or imagine when/if he/she acted as a recoverer, *perhaps even an employer of a collector and reclaimed his/her debt.*

Script example: [Why should we conflict? Let's remember a case or imagine a situation where money owed you. How would you behave in the context of those events? Near is my shirt, but nearer is my skin, and it is obvious that when ones owe you, the creditor is the victim, the collector is the rescuer, the debtor is the denizen of hell. If the defaulter is you, then the roles are abruptly reversed].

- **Reframing the values** (reframing the content)

Consider the debtor's behavior in an alternative way. Evaluate aggressive actions of the debtor as a natural shocking reaction, adequate to the situation. Imagine yourself in his/her place. Perceive the debtor's reaction as your victory. If the debtor escalates, it means that you were able to bring him/her to emotions, made him/her worry. Reframing the meaning (content) of the problem will help the recoverer not to heat up the

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atmosphere, but, on the contrary, to reduce the degree of conflict. Given that the director of the negotiations is a recoverer, then the settlement of the conflict is entirely in his/her hands.

Script example: [Perhaps I also would be tense if I were you. However, I would quickly pull myself together and think about solving the problem].

- **Emotional yellow card**

This is not about elegantly parrying questions, but about showing your opponent a “yellow card” that unambiguously means: you can't do that! In this case, it is recommended that, in the event of the debtor's aggression, stop his/her impulses with simple questions. Through them, you should clearly indicate to the debtor that he/she should apologize, not go to abstract disputes, and return to the topic of debt recovery.

Script example: [What does it mean? Why are you letting a stranger respond this way? I'm just doing my job! Let's return to the topic of debt repayment and will not get personal].

- **Verbal boomerang**

The recoverer boomerangs back the debtor's remarks about your claims for the return of the debt. It should look similar to how a parcel with a return address is returned to the sender in the event of an incorrect destination address.

Script example of the debtor: [You have completely lost your conscience! You come to me / Call me and ask for a debt]!

Example of the recoverer's “boomerang” script: [No, you completely lost your conscience. You borrowed and do not return. When you had money, you looked down on those who do not have it. Therefore, we have the legal and moral rights to recover the debt].

- **Evil verbal caps, m/f**

In order to answer most of the attacks, witticisms, and blows under the belt, there is a catalog of “verbal caps” that will help cool your interlocutor's ardor. Verbal caps are warning barriers in case stupid questions arise in the dialogue.

Examples of verbal caps:

- ✓ “This statement will disqualify you as an interlocutor!”
- ✓ “If you heard yourself from the outside, you would feel ashamed!”
- ✓ “What gaps do you still have in your knowledge of legislation?”
- ✓ “I thought you were above such kindergarten thinking. It is a pity that this is not so!”
- ✓ “You make a painful impression! Although you behave very responsibly”

- **Legislative shield**

If the debtor begins to be openly rude or fight back with unreasoned phrases like “What I owe you, I forgive you”, “I don't owe nobody nothing”, “I am not going to make excuses to anyone”, “You need to—here you go”, the recoverer can put a barrier in the form of a

“legislative shield”, that is, remind the debtor of the legal consequences of conflict development and dialogue.

Script examples: [I remind you that all negotiations shall be recorded. Any information included in the record can and will, if necessary, be presented to the appropriate authorities and agencies. We remind you about the possible consequences of non-payments. This is the seizure of your property, together with the bailiffs; the appeal to the arbitration court to declare you insolvent (a bankrupt). So, we urge you not to neglect obligations and not be rude]

! Self-study assignment:

Practice scripts for each case on a piece of paper. Offer 2-3 scripts per bucket list.

Collection. Conflict-free dialogue environment

The priority task of recoverer, provided there is no conflict between the parties, is, in fact, the collection of data about the debtor and the actualization of the debt: exhibition of the amount, substantiation of the creditor's claims, and identification of the consequences of non-payment. We proceed from the assumption that the debtor does not interfere with the implementation of the tasks of the recoverer and the collector reports his/her position without any special barriers. Let's consider the typical formulations of scripts and a comment explaining their intentions in the work.

- [How much do you plan to pay by the end of the month/week/next two days?]
*The script provokes the debtor to orally fix the named amount as actually promised, to make an obligation to himself/herself.
- [Where do you plan to get funds to pay off the debt?]
*This script may help to find out the place of work of the debtor. Alternatively, when answering the script of this question, the debtor himself/herself “for himself/herself” determines the source of the emergence of future funds.
- [Where do you work?]
*The script is set point blank, it is used if it was not possible to find out information about the place of work using the previous scripts.
- [Which bank are you a client of?]
*The script is set point blank; the purpose of this script is to find out in which bank the debtor has an account to which income is credited to him/her.
- [In the case of sending a writ of execution at the place of work, it is highly likely that colleagues and management will find out about your debt].
*Scary script.
- [You may be restricted from traveling abroad, seized your vehicles and your real estate. Neighbors will see the process of evacuation of your vehicle].
*Scary script.
- [If a visit is made to you with bailiffs, neighbors can be brought in as attesting witnesses].
*Scary script.
- [What are the reasons for the delay in the obligation?]
*The script is set with the aim of the debtor himself/herself, through his/her own answer (*possibly false and far-fetched), to confirm to himself/herself the true reason for his/her delay, thereby “internally” admitting his/her debt to the creditor.
- [Perhaps you will consider the option of consolidating your debts or selling your property in order to pay off the debt.]

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*This script is necessary to make it clear to the debtor about the readiness of the creditor to allow more radical economic collection instruments in order to recover the debt.

- [Do you accept the option of filing for bankruptcy yourself?]

*The script is necessary to make it clear to the debtor about the readiness of the creditor to allow more radical legal-collection instruments in order to recover the debt.

! Self-study assignment:

On a piece of paper, taking into account the logic and content of the proposed scripts, practice and write your versions of the wording. Even if it is “the same—only in different words”.

Collection manipulation

Generally speaking, psychological behavioral manipulation is the desire to change the perception or behavior of others. As the methods used, the manipulator uses both hidden, deceitful tactics and honest, reasoned logic in his/her own interests. In fact, the manipulation of the red thread takes place in the context of any collection methods described in the book. In other words, you need to convince the fish that the best place on Earth is in your boat.

Let's consider the main cases, techniques, and scripts that help to manipulate the interlocutor (in our case, the debtor) in the negotiation process, manage the debtor's opinion, having lived it by you.

- **Try to get the debtor's sympathy.** It is reasonable to believe that the debtor is likely to have a negative attitude towards communicating with you. In order to win over your counterpart, take the following measures:
 - ✓ Call the debtor by name as often as possible. No wonder they say: it is given to you, but others use it (this is about the name). Try to move away from the faceless “you”.
 - ✓ Try to smile at the debtor. It is necessary that the debtor feels in you a confident friend – **an assistant** – a partner and not a recoverer (in the worst sense of the word).
 - ✓ Strive in the process of communication not only to speak, but also to listen. Sociologists have found that the most pleasant interlocutor people consider the one who listens more than speaks. No wonder there is a saying: a person has two ears, but one tongue.
- **Strive to correctly engage the debtor in dialogue.** Present the fact of debt carefully. Be courteous. Ingratiate the debtor with you. Conclude (for a little while, on purpose, and, of course, in quotes) a “non-aggression pact”. Your feigned courtesy should become a Trojan horse, a source of manipulation. Trap the victim with your courtesy and then deal with it.
- **Use truisms.** This is simple and easy to remember the statement that describes the desired behavior of a person in the future. The simpler this statement, the easier it will sink into the memory of the debtor and, as a result, the more often he/she will follow it. As truisms can be sayings, proverbs, mottos, a call to action, slogans, soundbites. For example: no sweet without some sweat. So, it is with debt: if you do not pay it and do not take measures, the debt will not be paid off by itself.
- **Use acquiescences.** Psychologically, a person is so constructed that he/she always admits the logical continuation of some action. That is, if one event happened, then after it comes a causal relationship and the second will surely occur. The debtor perfectly understands the connectedness of these actions (starts a chain of events) and thinks out a continuation:

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For example: [You yourself perfectly understand what can happen if you do not pay debt obligations on time...]. In this script, the recoverer makes a certain assumption "... you yourself know what might happen...". The collector certainly does not specify the legal consequences of non-payment, provoking the debtor to independently come up with a possible acceptable result.

- **Choice without choice.** The debtor is offered a choice of two options, while either one of the options is impracticable in principle or both options are beneficial to the recoverer. In such a situation, the manipulator leaves no choice to the debtor. Any decision, whatever the debtor makes, will lead to the same result.

For example: [You have two options: start paying in installments (the allowable amount of payment is announced) or pay off all at once (the amount of payment is announced)].

- **Pendulum.** Scholars have found that in the human cerebral cortex, there are several times more centers responsible for negative emotions than those responsible for positive ones. Therefore, it is much easier to drive a person into depression than to reassure or to cheer. If you first swing the pendulum of the debtor's emotions in a certain direction (escalate the situation, talk about the problems that await him/her in the future), then after a while he/she falls into depression and does not see a way out of the situation.

It is enough to propose a solution and the pendulum of emotions will immediately swing in the other direction.

The manipulator's task is to convince the debtor of the correct decision-making.

For example: [Most likely, your property will be arrested, as soon we will come to you with bailiffs. However, if we manage to agree and to start even minor repayments, creditors are ready to change their requirements and this is guaranteed not to happen].

- **Give your arguments sensationalism and urgency in a work session.** The debtor should understand how important and highly relevant his/her problem is.

For example: [You must understand how urgent your problem is].

- **Mix facts and opinions.** A person who is prepared to find out the facts will have difficulty defending himself/herself against the opinion about these facts that is suggested along with the facts.

For example: [Your debt for today is (the real amount of debt is announced). I am sure that most people, including your loved ones, would not approve of such an undisciplined approach to their obligations].

- **Address the debtor from the plural:** "WE", not "I". It is important for him/her to feel that the command is behind you—a "strength".

! Self-study assignment:

On a piece of paper, practice writing scripts for each of the proposed techniques, rehearse the verbal pronunciation of these scripts.

Marketing and advertising experience in collection

Why, despite the development of the Internet, advertising and digital communications with the consumer, “old-school” promotion tools live, develop, and continue to sell? The answer is obvious. The used methods of “recruiting” the consumer have been tested and repeatedly tested on a mass audience. Therefore, they are quite effective. Let's consider how these techniques can be applied to the recoverer in their daily work.

- **Happiness**

Who among us does not dream of happiness? That's right, nobody. That is why giant companies like MacDonalD’s or Coca-Cola are doing everything possible to make their advertising message associated with happiness and comfort.

Speak with the debtor in a confident voice, as if advertising the fact of debt repayment and the positive aspects of such an action. Draw an idealistic picture.

[By paying off the debt as soon as possible, you will get a feeling of freedom and independence].

- **Endorsement and support**

We like to be praised and not necessarily for great deeds. The Dove company regularly builds self-esteem and removes touching frames by forcing us to give each other small pleasant gifts. Play this card with the debtor: [Imagine how pleased your loved ones will be if they find out that you have paid off your debts and dealt with your debts. Give them and yourself this gift].

- **Greed**

The fear of losing money or missing out on a lucrative offer can really perform miracles.

- ✓ Limit repayment terms to specific dates.

[Payment by _____ (date)]; [Only when paying _____ rubles]; [Only upon agreement of the schedule on the following dates _____].

- ✓ Offer specific bonuses if ones are paid off on time.

[Only by paying off the debt before ____ (date), you will receive a write-off of the chants]; [Only by paying off the debt before ____ (date), we will be able to revoke the writ of execution for you]

Offer free options if the debtor meets your requirements.

[If you pay off the debt for our company, we will provide you with the service of an anti-collection of debt from other creditors free of charge].

- **Envy**

People are ready to get into credits (it sounds peculiar in the context of the meaning of this publication) in order to buy a new Apple product and not be a sucker (that is, worse than someone else). Most debtors believe that food in someone else's plate is always tastier. Therefore, they believe that, perhaps, the collectors treated other debtors more loyal than they are now.

Tell us about the positive experience of other debtors: [A huge number of debtors who found themselves in a situation similar to you, took advantage of our suggestions and solved their problems. You need to pay the debt in the amount of _____ until _____, and thus, you will receive privileges].

- **Use classic marketing gimmicks:**

- ✓ Offer payments with crossed out amounts

[Only until ____ (date), instead of the amount _____, you can pay off _____ and thereby close your debt]

- ✓ Use the “99 tip” trick

[Your payment for today is 17,999 rubles]

! Self-study assignment:

Suggest your options for the wording, taking into account the proposed options.

Collector's work with third parties

If we imagine that the debtors are the accused, then the “third parties” (those people whom the debtor, being the borrower, left as contact persons) are, of course, witnesses, and valuable witnesses! In that regard, it is important for the recoverer (remote and face-to-face) to convert this information and human resource into money as much as possible. Unfortunately (or fortunately), the current legislation regarding the dissemination of specifics about overdue obligations of a debtor-individual is strictly regulated; as a rule, this is allowed if there is the personal consent of the defaulter.

However, work with a third party can be carried out without indicating the existence of a debt, but only in the Procrustean bed of those opportunities that were identified by the borrower in the original agreement with the creditor and are permitted by the Law.

The call center operator uses the Telephonogram technology. The format of a remote message can be presented as a message via an autoinformer, SMS, and e-mail; the face-to-face collection specialist, instead of direct negotiations with the debtor, uses a wordogram. Let's consider universal scripts for working with third parties:

- [Please tell me if she/he works in your organization (the full name of the debtor is spoken out)?]
*The script is used to call the debtor's work
- [Your phone has been left (the full name of the debtor is spoken out) as a contact person. Tell me, please, can you help us contact (the full name of the debtor is spoken out)?]
*The script is used to call any contact person left in the debtor's questionnaire.
- [Please tell (the full name of the debtor is spoken out) that he/she is asked to contact the collection agency]
*The script is used to hint to a third party (without violating industry law) that there is a debt.
- [If possible, please invite (the full name of the debtor is spoken out) to the phone]
*Comment: if the debtor is invited to the telephone, it is necessary to use the Call technology.
*The script is needed to try to conduct direct negotiations with the debtor through an invitation from a third party.
- [If possible, please invite (the full name of the debtor is spoken out). Maybe it will be possible to meet with him/her?].
Comment: if the debtor is invited to a meeting, it is necessary to exhibit the debt as usual.
- [Please clarify whether (the full name of the debtor is spoken out) continues to work or to live in the same place where it was indicated in the original contract.]

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*The script is being worked out to find out the actual place of work of the debtor.

- [Do you rate (the full name of the debtor is spoken out) positively or negatively? Please give him/her a characterization.]

*This script in a similar formulation is used by credit experts when calling third parties before concluding an agreement. In the context of collection, the script is necessary to understand the attitude of a third party to this debtor, to find out any information.

! Self-study assignment:

Practice scripts in your own wording on a given topic on a piece of paper.

Pedagogy at the service of collection

Pedagogy is the science of education and training of a person. The object of pedagogy is education as a consciously and purposefully carried out process. In the collection, we propose to use pedagogical tools not as something separate from the general line of debt collection, but as a conductor, receiving the translation of scripts and technologies from the recoverer to the debtor.

- **Exhortation** is a method of upbringing that consists of guidance and instruction from personal and other examples. These methods teach children to live, analyzing their and other people's actions, to give role models.

The purpose of the recoverer is to “make” the debtor a “guilty student” for the time being. The collector in the eyes of a counterpart acquires the status of an experienced wise mentor.

Implementation examples:

- [We believe that borrowing and not giving back is, at least, ugly for an adult. I never do that]
- [There are many people who, due to their perseverance and work, were able to earn and get rid of their debts.]
- [Look inside yourself and analyze. You are a debtor and this is not the best status]

- **Observation and demonstration** are methods when the observation of current events and past facts becomes a source of new information.

Implementation examples:

- Invite the debtor to study the experience of other debtors and those situations in which they fell without paying the debt. As an example, you can demonstrate the history of someone's resonant case of a well-known debtor or show a video related to the seizure of the debtor's property by bailiffs, bidding by the bankruptcy administrator. The video can be sent to the chat with the debtor or by e-mail. It is important to provide such messages with comments. If you look at this method of pedagogy in the context of the face-to-face collection, then the recoverer can show a short video in real time when visiting the debtor.

- **Guaranteed learning technology**

Implementation examples:

The recoverer “draws” the debtor to the maximum in the study and implementation of all stages of debt repayment. He/she asks the debtor for advice and recommendations, “how the best to build a repayment schedule”, “what to specify as the reason for the delay from the creditor”. The collector should turn into a “handrail” for a person who is looking for and independently building the stages of a way out of

the situation. The representative of the agency hints at the correct direction of movement.

- **Pedagogy of action**—it is understood the principle of action as the main and key principle in teaching and upbringing. That is, the student should independently probe the current task through various forms of vigorous activity. This approach maximally adapts a person to the environment around him/her at the moment.

Implementation examples:

- ✓ The debtor independently (on behalf of the recoverer) prepares a paper letter describing the reasons and problems of his/her non-payment to the creditor and sends it through the Russian Post.
- ✓ In order to avoid the seizure of property, the debtor independently calls the recoverer on his/her own weekly (a different interval can be foreseen) in order to “mark” and to indicate plans for repayment.
- ✓ The debtor regularly (every two days) using instant messengers informs the recoverer about the measures taken to find employment and funds to pay off the debt.

The purpose of this method is to stimulate the debtor to become more aware of his/her problem through immersion in its solutions. When a student (in our case, a debtor) learns a question from the inside by trial and error, he/she understands it better and finds solutions to the problem faster.

- **Encouragements and censures.** These are integral elements of the pedagogical education system. The simplest example from life: school grades and diary entries.

Implementation examples:

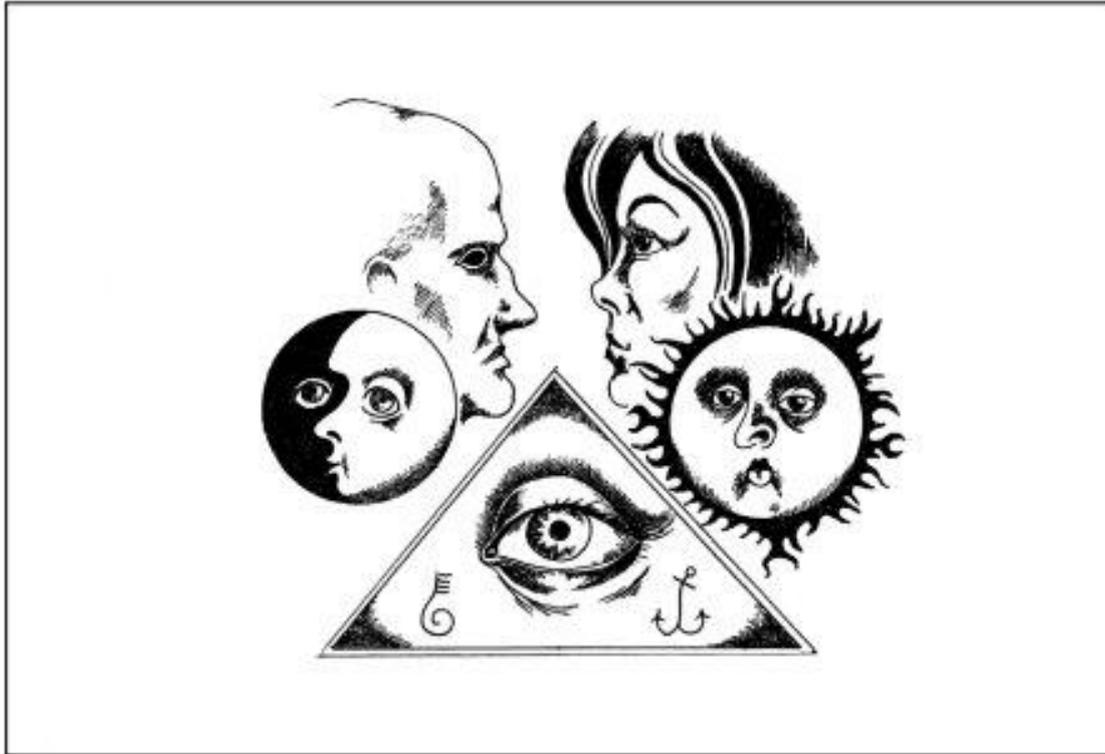
- ✓ Thank the debtor for the timely payment. You cannot be grateful for the actions associated with the postponement.
- ✓ Reward the debtor only for meeting his/her financial obligations.
- ✓ The promotion should be done on time. The encouragement cannot be postponed “until tomorrow”, that is, used as a bargaining chip for further motivating the defaulter to fulfill obligations in the future.
- ✓ When determining the censure, the individual characteristics of the debt obligation are taken into account. You should not scold all debtors for the same offenses in an indiscriminate way.
- ✓ There is no need to blame the debtor in an irritated state. At the very least, you won't get anywhere. As a maximum, you can run into a violation of industry legislation and “spoil” the contact.

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! Self-study assignment:

Practice presenting technology on an abstract debtor/debt obligation.

The experience of psychics and mediums in collection



When a person cannot rely on real tools for solving his/her problems, he/she begins to believe and to hope for anything: religion, numerology, astrology, even the magnetic attraction of the Moon. As a rule, we are talking about a target audience with a low literacy level. It is important to apply these recommendations selectively and in the right context.

Let us consider the scripts that can be implemented in a specific aspect of impact on the debtor:

- [Dream on! If you dream of paying off debt and go towards your dream, your dream will definitely come true. To do this, you need to pay at least a little bit.]
- [We recommend that you listen to your horoscope. Contrary to popular belief, it sometimes comes true. So, follow what the astrologers say. Solve your problems and do not postpone them every day “for tomorrow”. Pay off your debt little by little.]
- [Some people turn to prayers, conspiracies, magic, and even rituals to get out of debt. They help themselves in this way to set themselves up to pay off debt.]
- [There are special mantras. Their repeated repetition aloud affects our psyche. You seem to extract all their hidden power and energy from ancient spells. Create your own mantra for getting rid of debt.]
- [Try to attract a freebie, a gift of fate. Try to believe in the fulfilling prophecy itself, and it will give you the strength to pay off your debts.]

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- [Always keep in mind that there is a Miracle in the world and in your life! Belief in the best and the inevitable! But for this, you need to take the first step—start paying off debts.]
- [Try to use the formula “the dream has come true”. Fall asleep with this thought and desire to repay the debt. Perhaps you will dream about the solution to your problem.]
- [Try to guess the solution to your problem. Play fortune-telling solitaire on debt recovery problems.]
- [Work on your own affirmation. An affirmation is a short phrase that, with repeated repetition, reinforces the setting in the subconscious of a person, stimulating changes in his/her life. For example: I need to repay the debt! I need to repay the debt! I need to repay the debt!]
- [Invent your own debt management ritual. We are sure he will help you deal with your debt problem.]

! Self-study assignment:

On a piece of paper, practice the scripts in your own wording, taking into account the meaning for each presented case.

Newsjacking in collection

Newsjacking (English *news* and *hijacking*). In other words, it is news PR, a technology of using real events to promote or to advertise a commercial product. The goal and core of PR news is to embed the company's brand in news about significant incidents. In the context of collection, we will consider the technology in the format of integrating an event and a script on a debt exhibition.

An example of newsjacking from the world of advertising:

In 2010, an accident occurred at a mine in San Jose, as a result of which 33 miners were walled up at a depth of 700 meters. After 69 days, the miners were released. They all wore sunglasses from the sun (so as not to go blind) provided by Oakley. This company hit all news feeds with an ad that cost the equivalent of \$41 million at 33 pairs of glasses. Moreover, it has sunk into the head of the consumer.

- **News that an amendment to the bankruptcy law is being prepared (new additions appear quite often).**

Case implementation: linking the visit/call of the recoverer to the planned changes. It is important to “nail down” the debtor to the information in such a way that any message from the collector is taken seriously, since it is possible that the new edition will toughen the debtor's liability and expand the powers of the recoverer in terms of recognizing the defaulter as an insolvent debtor.

Example:

[We recommend not to delay the debt repayment. In the near future, the company plans to file an application for declaring you a bankrupt. Right now, amendments are being considered (*legislative innovations are announced), which will allow the creditor to quickly satisfy their requirements].

- **The news that a high-ranking official (*the position and name of the official are announced) said that, despite the difficult situation in the economy, people need to pay for their obligations longer.**

Case implementation: to convince the debtor that the State does not plan to amnesty the debts, therefore, the trend is not in favor of the “guilty”, as a result of which it will not be possible to avoid repayment and he/she will have to pay.

Example:

[Many expect that due to the difficult and unstable situation in the economy, the State will issue a “debt amnesty”. However, time has shown that such intentions and write-offs, as well as subsidies for accumulated debt, are not expected.]

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- **In 2020, Valentina Tereshkova, the Deputy of the State Duma of the Russian Federation, has proposed an amendment to the constitution to “zero out” the presidential term of Vladimir Putin.**

Case implementation: to communicate to the debtor that a complete write-off of the debt is possible, subject to certain conditions.

Example:

[We propose to “zero out” your debt by writing off a large part of the debt. You pay _____ (*the amount is indicated). The remainder of the debt is written off and the debt is “zeroed out”.]

- **In March, Russia was swept by a wave of COVID-19, as a result of which a self-isolation regime was introduced across the country.**

Case implementation: an additional script should be transferred to the call center operators to say that the face-to-face collection specialists would not like to resort to personal communication and violate the social distance with the debtor and consequently, we would strongly recommend people to urgently pay off the debt so as not to create unnecessary danger.

Example:

[Why would you need to violate safety precautions again? We offer to settle the misunderstanding remotely and to urgently pay off the debt, avoiding a visit of the recoverer].

- **Repayment holiday news**

Case implementation: inform the debtor that this is a unique chance for him/her to agree on a favorable repayment schedule.

Example:

[Your debt can be reconciled in an updated schedule, taking into account the decision of the State to hold a repayment holiday.]

! Self-study assignment:

Practice scripts for your own newsjacking cases on a piece of paper. Study the background information carefully and consider your options.

DEBT HOLDING. Debt as Growth Points

Dealing with the debtor's objections

Even in the good old days, people, before receiving a coin, checked it with their teeth, so to speak, tested its authenticity and strength. Debtors are a special target audience, so they, like clients of collection companies (the industry where the concept of “working with objections” is most often encountered), tend to include a “self-preservation mode”, not give up without a fight and to assert themselves, objecting and opposing the grounds and arguments of the interlocutor their own. Let's look at the classic “objections” of debtors and ways to mitigate them.

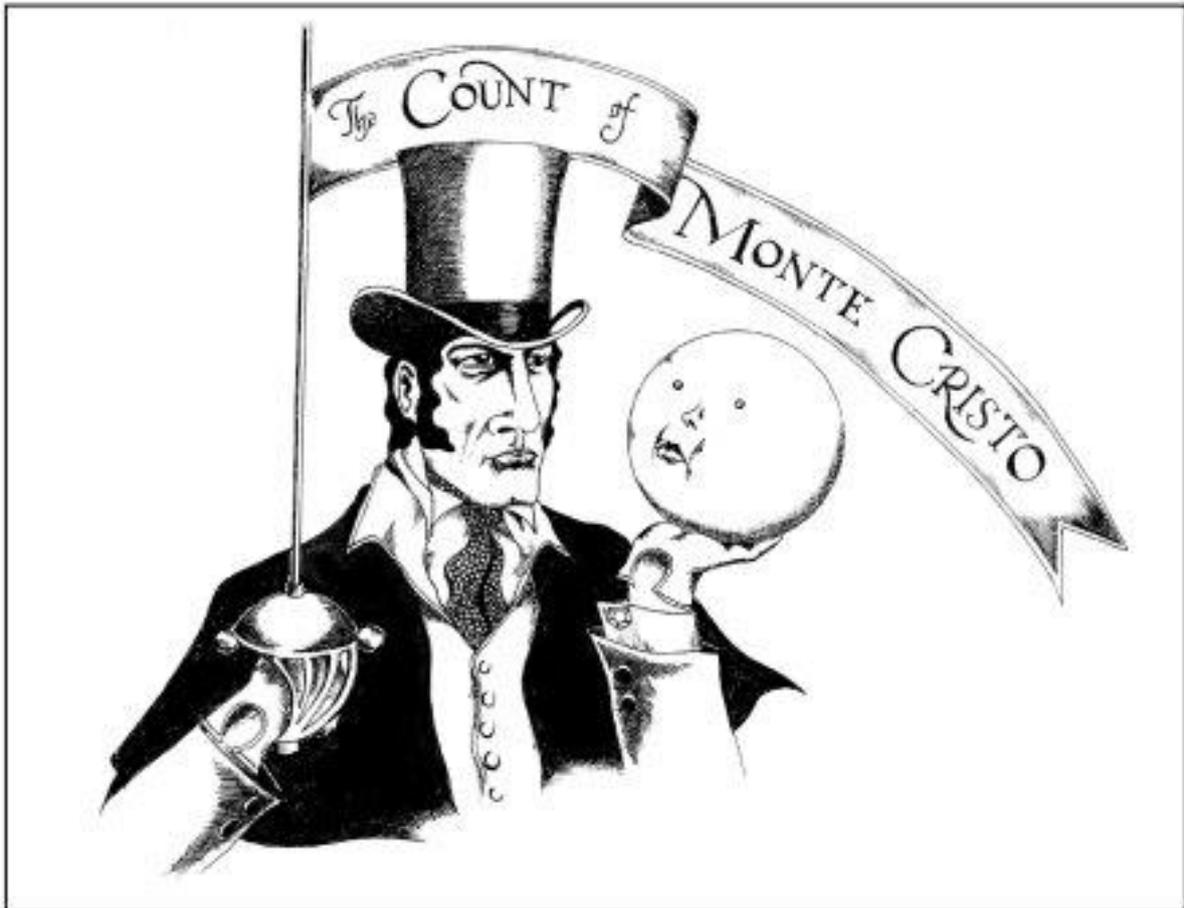
- [I have made payments in previous periods. Why is this not taken into account?]
—the debtor's objections.
- [You should not refer to “victories of the past”, especially since it is your responsibility to make regular payments]
—the collector’s block.
*Comment: it is necessary to inform to the debtor that the payment is not a favor, but his/her responsibility, and the company does not have a division into “good” (those who paid) and “bad” debtors. For it, everyone is equal.
- [Now I have a difficult financial situation, so it is difficult for me to service the debt that has arisen]
—the debtor's objections.
- [I understand you]
—the collector’s block.
*Comment: these words are powerful for several reasons:
 - In principle, this phrase sounds quite rarely in life.
 - Not many people seek to understand the debtor.
- In everyday communication (especially if the debtor also interacts with other collectors), understanding and consent is not the most common thing. Therefore, the words of the recoverer “I understand” will almost 100,500 times break the pattern. In order not to run into the phrase “What would you understand!”, immediately smoothly proceed to the next stage of the debt exhibition.
- [The amount that you demand to pay off / the date by which you demand to pay off the debt is beyond my strength, so I will not be able to pay]
—the debtor's objections.
- [I understand that if we solve this problem, will you reconsider your decision and resume payments?]
*Comment: limit the debtor to questions to get an affirmative answer. Indeed, having removed the reason indicated by him/her, problems for repayment should no longer remain.
- [I need to think about how I will pay off the debt and get out of the situation]
—the debtor's objections.

- [Certainly, think about it and make a decision, because we propose to start repaying in very small amounts and voluntarily without the intervention of bailiffs]—the collector’s block.
*Comment: try to talk to the debtor in the language of his/her personal benefits. That is, if you were told “I need to think”, you agree with the fairness of the debtor's desire and “shoot” briefly with his/her next benefit.
- [I need to think about how I will pay off the debt and get out of the situation]—the debtor's objections.
- [You will receive the debt relief through the application of a payoff, installments in the form of an extended repayment schedule, the cancellation of a visit to you by the visiting recoverer and bailiffs, and you say you need to think!]—the collector’s block.
*Comment: summarize the benefits of the debtor in your block to his/her objection. Use the technique “ChAB—Characteristics. Advantage. Benefit”
- [I do not trust the promises and admonitions of collection agencies, so it is difficult for me to assess the honesty and benefits of your payment offer]—the debtor's objections.
- [Our company serves large banks and the utility sector, which means “They trust us!” There are no complaints or orders against us. We helped a huge number of debtors write off their money]—the collector’s block.
*Comment: when the debtor “objects” through the manifestation of distrust to the company, then as an effective work with doubts, you can talk about the existing cases that raise your credibility in the eyes of debtors. Implement storytelling elements.

! Self-study assignment:

On a piece of paper, practice the “collector’s blocks” for each proposed type of objection by the debtor.

Creative writing at the service of collection



One of the types of influence and hidden manipulation of the debtor is metaphorical influence. The mechanism is based on the phenomenon of projection of the heard story (story, fable, anecdote, fairy tale, humoresque, etc.) onto oneself.

Remember, as a child, when you read the novels of Jules Verne or Mayne Reid, you involuntarily imagined yourself a participant in those events. More scientifically speaking, there was a phenomenon called projection. As a result of this influence, certain life attitudes and values are formed.

Let's consider the application of various genres in working with a defaulter.

- **Pun genre**

The impact of humor and laughter, their psychological and physical impact on a person is called glottology.

- ✓ We are all familiar with resourceful discussion methods using frivolous wordplay. A pun is a hook on which we string thoughts and punishments. A “wordplay” is chess for the mind. The pun can become a real castor of the Inquisition for the debtor. Thus, puns are used to counter serious arguments.

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Script examples:

- a) [Your train has already left the station, Ivan Ivanovich! In any case, I emphasize: as for my debt obligations, they are missing and paid off. Therefore, if my train has left, then yours is still at a dead end!]
- b) [Do you think that you cannot be bankrupted? But you, Ivan Ivanovich, judging by your excuses and your desire not to pay, have long been bankrupt!]
- c) [Ivan Ivanovich, you behave like an ax in the forest—you chop off opportunities to pay off the debt in a peaceful way, left and right, sight unseen.]

- **Fairy tale genre**

- ✓ Kolobok (a fairy tale)

Script example: [As Kolobok says, I got away from Grandpa, I got away from Grandma, I got away from the hare, I got away from the wolf, I got away from the bear, and I'll get away from you, old fox! But no such luck. The moral is: don't neglect danger. Evaluate the situation soberly. In our case, pay off the debt.]

- **Anecdote genre**

- ✓ Anecdote: [Financial condition: only collectors will come on the day of placement this year.]

Add-on script example: [We really hope that this will remain just a joke and nothing will overshadow such a holiday for you.]

- ✓ Anecdote: [Collector Boris pays flying visits even his parents.]

Add-on script example: [We do our job, therefore, it makes no difference to us who to work with and who to remind of overdue debts]

- ✓ Anecdote: [- Why don't you return the debt to me? - It is not economically viable.]

Add-on script example: [Do you feel the same way, and that's why you don't pay?]

- **Genre of proverbs and sayings**

- ✓ Who calls himself/herself a debtor wants to pay
- ✓ Debts and a pawnshop threaten trouble
- ✓ You can't run away from debt
- ✓ It's easy to borrow, but it's hard to repay
- ✓ In debt—not money, in sheaves—not bread
- ✓ In debt to the armpit
- ✓ One good turn deserves another
- ✓ The debt is not great, but it does not let to sleep

DEBT HOLDING. Debt as Growth Points

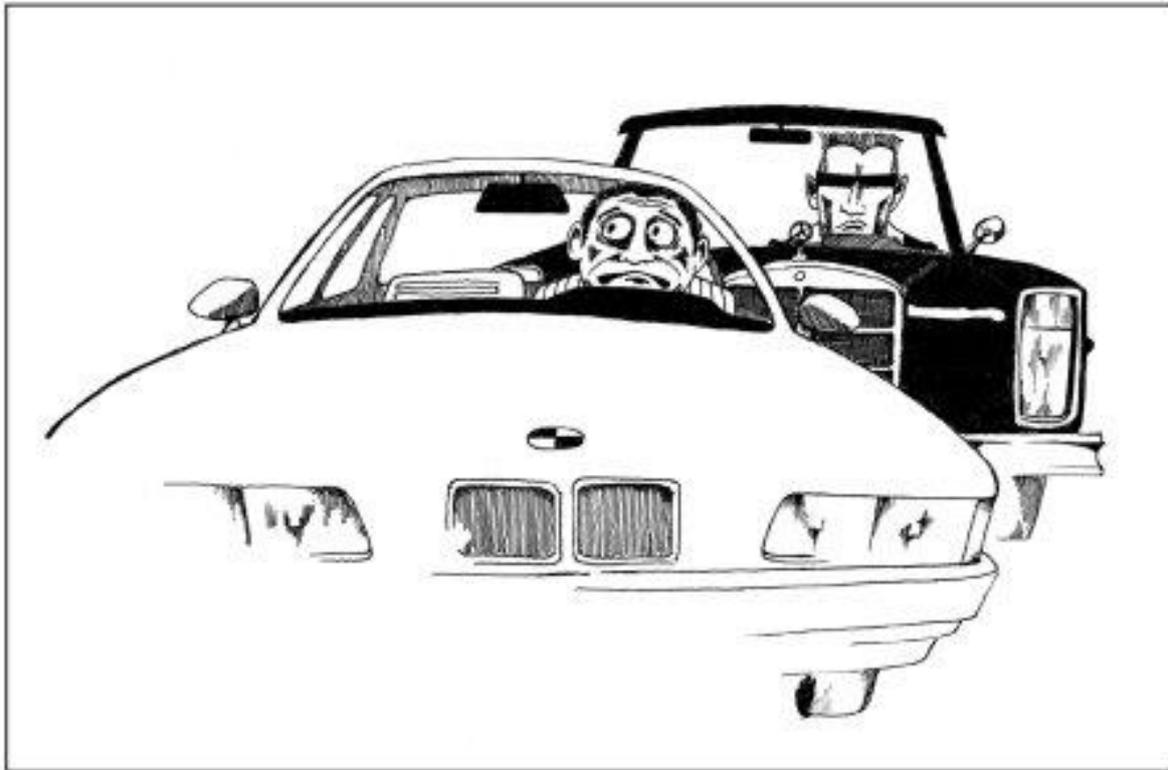
Add-on script examples: [we can't argue with the wisdom of centuries]. It even makes sense to independently choose a proverb/saying that corresponds to the current situation and to apply it to a debt obligation.

- **Historical fact genre**

- ✓ In the old days in Russia, there was an interesting custom. The insolvent debtor was flogged in the square with a large crowd of people. At the same time, they tried to flog so that he yelled as loudly as possible in the expectation that, taking pity, someone would pay the debt for the unfortunate.
- ✓ Herodotus wrote about the Persians, “The Persians do not even speak about what they are forbidden to do. There is nothing more shameful for them than to lie and then make debts... especially because the debtor, in their opinion, must inevitably lie”.
- ✓ In Ancient Rome, if the debtor was not able to return the money taken from the creditor, then he was imprisoned in a debt prison, from which he could be redeemed within a month. After that, the borrower took him to the market on market days. Anyone could redeem the debt, and with it redeem the debtor.
- ✓ In Ancient Egypt, a special form of a loan agreement was common. If the debtor did not return the money on time, he/she risked becoming a slave to the loan owner. The loan owner took him/her to pay off the debt, even if some of the money had already been returned.
- ✓ In the 16th century in England, the debtor could not be arrested for debts while he was at home, so debtors tried not to leave the house.

Add-on script example: [These were the customs and laws. Now sometimes, unfortunately, things are different]. Further, it makes sense to independently choose the historical fact that corresponds to the current situation and to apply it to the debt obligation.

Law enforcement and private detective experience in collection



Quite often, looking through applications for a vacancy of the recoverer (especially for face-to-face specialists), you can find the following: “Experience in law enforcement is encouraged”. Indeed, people with shoulder straps responsible for the inquiry and investigation are well-versed in matters of negotiating with the accused and suspects (in our case, with the debtors). In this chapter, we will look at life hacks: “applying the experience of law enforcement agencies” and a “private detective in a collection”. Moreover, the emphasis was not on a part of the negotiations, but on the issues of individual processes tied to debt collection.

- **Vehicle surveillance**

In preparation for the field-collection, the collector is forced to intervene and to monitor the location of the vehicle. In my personal practice, there have even been mini-chases, when the debtor “hooked” the surveillance and tried to escape so that I would not catch him at the final destination together with the bailiff.

So, if you need to study the time at which the debtor usually leaves his/her house (so that one day, already fully armed, to come unexpectedly with the bailiffs), use the “crushed watch” method. Buy an inexpensive watch, preferably black rather than bright. Cut the strap and set the current time. Place them under one of the wheels at the passenger seat. If the car moves, the watch will break and their hands will stop while the car was moving away. When you return, you can easily find out when it happened.

- **Pursuit of the debtor by car.**

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Try to keep several other cars between you and the subject so that you can see him/her, but the debtor would only notice you if he/she was specifically looking in your direction. Sometimes, you have to go in another lane for this, as far as possible. If you find yourself on a section of a highway on which there is no exit for several miles, then you do not need to ride tail of the pursued person—he/she can be seen from the other lane. If you work in tandem, you can make a kind of “sandwich”: one recoverer rides in front of the subject, you—behind him/her. Thus, you control the speed of movement of the pursued. This method is good for one-way roads. Moving surveillance is a constant game of catch-up and hide-and-seek. However, if you finish what you started and track the debtor's destination, then it is worth organizing an arrest or, at least, a full-fledged hard collection.

- **Suppression by power**

As often as possible, drop with references to laws in a conversation with the debtor. When meeting, be sure to show him/her your Certificate of employment and your Power of Attorney (although this is not an obligation under the industry law). Let him/her understand as much as possible that you as the recoverer are vested with power, that the State is on your side. This style and line of conduct will “suppress” the debtor and, to a certain extent, make him/her obey.

- **Interaction with “colleagues” in the shop**

When implementing the field-collection, maximize the tasks that bailiffs are supposed to do, according to the regulations. Remember that “good cops have good clearance rate”. Help to find attesting witnesses, speed up the search for property in the apartment or at the place of business of the debtor, if necessary, assist in the preparation of paper documents.

- **Treat with distrust**

- Do not believe when ones say that the debtor is not at home. Bring the cheating accomplice (his/her relative, friend) to light with guiding questions.
- If there is no the debtor’s vehicle near the house, but you know for sure that the debtor is in his apartment, do not leave the case halfway through. Check nearby courtyards, car parks, shopping mall parking lots. Most likely, the car is there.
- Do not believe the debtor that the property in a house, an office is not his/her and he/she is not able to find the documents. Require bailiffs to check filing cabinets and accounting safes for supporting papers.

How to recognize a debtor's lie or deception



There is worldly wisdom: never believe the oath of a drug addict, the tears of a prostitute, and the smile of a prosecutor. American writer Sam Harris in his *Lying. Why telling the truth is always better* dissects the famous “non-deadly” sin literally under a microscope. In this chapter, we will look at cases that help to see through the debtor's bluff in an attempt to deceive the recoverer and how to bring a defaulter to the light.

- Watch the breathing of the debtor. During stress, and deception is stress, breathing becomes less deep. As a result, the person does not have enough air and he/she can begin to “swallow” the ends of words.
- The best deception is half-truth. The debtor can mix both real facts (for example, the fact that he/she has already paid off the debt earlier) with a lie (that now he/she is unable to fulfill his/her obligations). The recoverer should, within the framework of the working session, separate “what was and is the truth” and “what is happening now and looks like a falsehood”.
- Use non-verbal communication techniques. Ask a direct question under the working session, for example: [Are you really not able to pay the debt now or are you dissembling?] Most likely, the debtor will answer that it is “really hard” for him/her. However, pay attention: if your interlocutor leans forward or makes some movement towards you, he/she is telling the truth. If he/she deviates, takes a step back, then most likely he/she is cheating.

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- In order to hide the truth, different people use the same techniques and methods: certain words and phrases, sentence structures, the content of the answers. If the recoverer has been in business for a long time (face-to-face or remote), then he/she will be able to determine on the fly the degree and presence of deception in the debtor's words. So, if you have already encountered similar phrases in the responses of defaulters (and, you catch the interlocutor in a lie), know: here and now, with a high probability, you are being lied to again.
- It is often difficult for the guilty to say no. Instead, they answer the question with a question or shy away from a direct answer.

For example:

Recoverer: [Will you be sure to pay the debt by the end of the month?]

Debtor: [Do I look like a deceiver? Why would I lie?]

Recoverer: [Am I correct in to understand that you cannot pay off your debt due to a difficult financial situation?]

Debtor: [Yes, the situation in the country and with a job is now difficult, and this cannot but affect my situation.]

- Unrealistic / hacks / parasitic words.
Pauses and words filling them in, like “Erm... You know... Well... Sorry...”, give the debtor more time to come up with believable lies. If the debtor does not answer confidently to the question of repaying the debt (no matter whether it is positive or negative), then it is almost certain that he/she is concocting another deception.
- Inappropriate use of the words “honestly” and the like. The deceivers think that if they use the word “honestly” and the like as often as possible, then their lies will not be revealed. However, in fact, these words are used to disguise lies.

For example:

Recoverer: [That is, according to you, will you make the promised payment before the end of the week?]

Debtor: [Honestly? Certainly..!]

- Shifting the blame on others. Adult liars adopted this technique from little ones. It is much easier to blame everyone and everything than to admit their inability to fulfill this obligation on time.

For example:

Recoverer: [You did not complete the payment at the end of the month that you planned to make during our last communication.]

Debtor: [Our salary was delayed, my colleague did not return the money to me on time, as a result, I was late, too]. This may be true, but the likelihood of deception is high.

- Too violent protests

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If the debtor almost goes into hysterics when you ask simple questions, then this could be a sign of deception.

For example:

Recoverer: [Are you planning to pay off the debt in the near future?]

Debtor: [What? How dare you question my ability to pay?]

! Self-study assignment:

On a piece of paper, practice the scripts that you would suggest to the debtor within each individual case.

Specificity of working with corporate debt.

Working with debtors who are legal entities and sole proprietors, as a rule, is not regulated, which means that it gives more opportunities for collection at the soft and hard stages. Certainly, almost all the tools allowed in relation to individuals are applicable to B2B delays. In this chapter, we will look at scripts that are relevant exclusively to the corporate debt.

- [If your company does not make payment and does not pay off the debt, we will apply to the arbitration court in order to collect the debt with the imposition of interim measures under the current legislation].
- [The creditor has the right to go to court and, in the long term, to bring the company's management to the subsidiary liability].
- [Information about your debt and possible consequences will be disseminated among your counterparties under commercial agreements and government contracts].
- [A journalistic investigation will be carried out against your organization with the involvement of the expert opinion of the officials and your counterparties].
- [Information on the progress of the collection will be regularly reported in the company's press releases and in the local media].
- [Information about the debt of your organization will be posted on the Internet and will be available to a wide range of people].
- [Near your office, shopping mall, store will be held a picket of “dissatisfied customers”, deceived partners with the requirement to bring you to justice for non-payment of debt].
- [Information about you as an unscrupulous executor of obligations will be left in the Book of complaints and suggestions. Your customers will see this information].
- [A special online business card will be created on the Internet, which will contain all the negative information about you as a borrower. The search engine will give this material in the first lines. This will definitely negatively affect your reputation].
- [In accordance with industry law, the recoverer has the right to visit and to communicate with the debtor an unlimited number of times, provided that the debtor is a sole proprietor or a legal entity.]

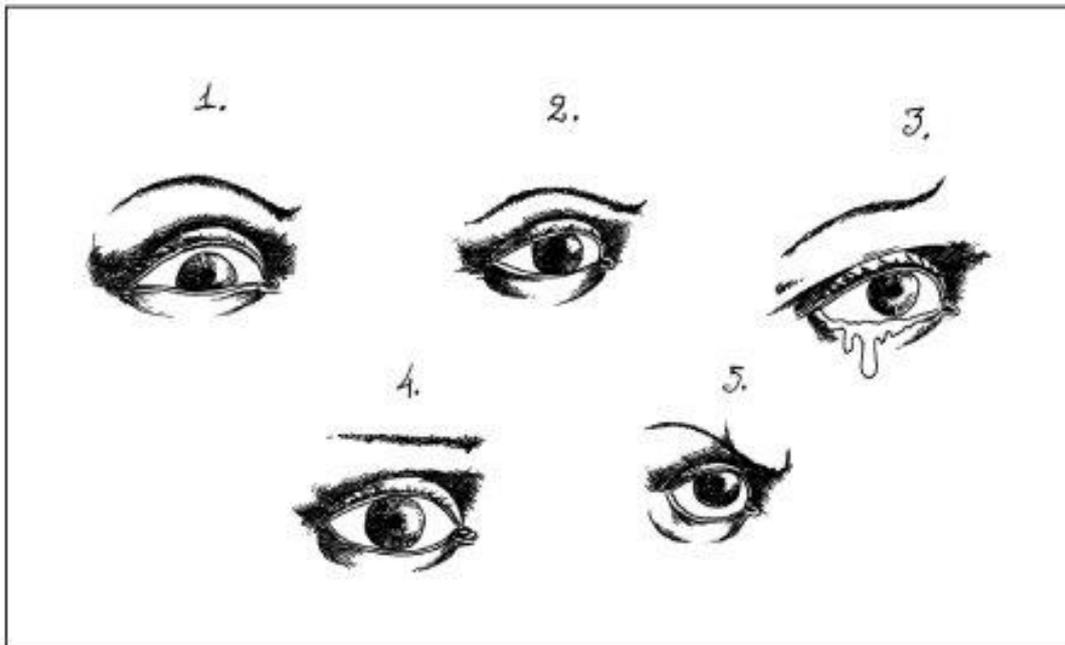
The use of technologies and scripts in B2B has a wider range of coverage than in B2C. Consequently, the recoverer has a free hand, which means that the KPIs should be different in plus compared to the collection of individuals. However, it is no secret that a business debtor is more resourceful and knows how to defend himself/herself and therefore, the effectiveness of profitability is by no means guaranteed.

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! Self-study assignment:

Practice the scripts on a piece of paper by analogy with the proposed cases.

Work at the PRE-collection stage



The Pre-collection stage is the preamble stage. In collection, it is implemented before the start of the main collection steps. This technology is acceptable in two cases: when the obligation is not overdue yet and it is important for the payment controlling service to monitor the borrower's compliance with the schedule; with an agreed repayment format, when the debtor was already on delay, but he/she was able to agree on an installment plan in the context of calendar periods.

Let's take a look at the key phrases that can be used in the pre-collection stage.

Module type No. 1: a praise for meeting the payment deadline.

Example: [Thank you for your payment. It's nice when people make a commitment and keep their word].

Module type No. 2: a reminder of the upcoming due date.

Example: [We remind you to make a payment of _____ by _____].

Module type No. 3: a censure for a missed payment.

Example: [You broke your payment promise! Your payment as of _____ is _____].

Module type No. 4: a determination of a new due date in case of delay, according to an already agreed schedule.

Example: [You are late on an already agreed schedule. The company gives you a chance for rehabilitation. Your new payment date is set to _____. The payment amount is _____].

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Module type No. 5: determination of further consequences in case of violation by the debtor of the payment schedule; termination/cancellation of the agreed schedule.

Example: [You have made a delay, according to the agreed schedule, and the company cancels the agreement (terminates the agreement, according to the payment schedule). You will be sanctioned as an ordinary debtor].

! Self-study assignment:

Practice scripts of the relevant topic on a piece of paper.

NLP in collection.

Neuro-linguistic programming symbolizes an approach to interpersonal communication, personality development, and psychotherapy. At its core, NLP unifies connections between neurological processes (-neuro), language (-lingo), and patterns of behavior (programming).

Let's take a look at the key NLP tools that enable the recoverer to influence the debtor and to achieve his/her desired goals.

- **Converting the filters.** Any information submitted to a person passes through three conditional filters. The task of the recoverer is to bypass them and to use them to their advantage.

- ✓ **“Delete” filter**

It has been proven that every second a person passes one million bits of incoming information into his/her brain, although consciousness is capable of accepting only 126 bits per second, but in communication with an interlocutor, we process even less—only 40 bits. The recoverer should “exclude” from the perception of the debtor other information, except for that which relates to the repayment of the debt; to ensure that it is not removed from the “short memory” along with other informational garbage. On the contrary, only your goals and objectives should be etched into the subcortex of the debtor.

- ✓ **“Distort” filter**

This is the debtor's drawing up of certain judgments about information, its subjective interpretation. It is important to give him/her a message as an argument so that he/she (as an option) “distorts” it and understands it ambiguously. For example: [There are rumors in the yellow press that it is planned to introduce “debtor’s prisons”]. The debtor distorts the information received from the recoverer into a negative context as much as possible, even if it sounds absurd and naive. The conclusions that he/she makes for himself/herself, as much as possible motivating him/her to think more seriously about paying off the debt.

- ✓ **“Generalization” filter**

The debtor, on the basis of a relatively small amount of information or a small number of examples, judges that this state of things is found everywhere. For example: [When a creditor sells his/her debt, the new assignee tries in every possible way, sometimes with dubious methods, to collect his/her debt. Let's not bring the work with your debt to the stage of selling it to an unknown company]. Such examples do occur, but they are extremely rare. This filter is similar to air crashes. Air crashes are far less common than car accidents. Nevertheless, aviophobes “generalize” what happened and project the available information onto themselves.

- In NLP, a lot is tied to the “concept of sensitivity”. In working with the debtor, strive to grope for his/her current state at a specific moment in time, like a surfer, jump on his/her soul waves. If successful, your communication model will be stronger. You will be able to influence the decisions of the debtor, while he/she will not even suspect anything. Likewise, hypnotherapists, through empathy, can influence the decision-

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maker to quit smoking. Feel for the “strings” of the debtor and, once you find them, play them for maximum benefit.

- There is a “concept of understanding” in NLP. The study of mirror neurons and communication between a mother and a child has shown that when there is mutual understanding between two people, there is a form of “unconscious” communication, in which the parties feel natural comfort. In other words, your next step is to “adjust” to the other, bringing yourself in line with the verbal and non-verbal characteristics of the debtor. The recoverer is recommended to choose a maximum of several “mirror” elements and to achieve compliance with his/her counterpart: to copy the debtor's speech patterns, his/her manner of communication, style of answers, gestures.
- As you know, life is given to us in sensations. A person has the following representational systems through which a “message” can be transmitted to him/her:
 - ✓ Sense of vision (visual)
 - ✓ Hearing (aural)
 - ✓ Tactile sensation (kinetic)
 - ✓ Sense of smell (olfactory)
 - ✓ Sense of taste (gustatory)

When building the collection strategy and concept, the recoverer should strive to influence all five senses of the debtor.

- Working with beliefs. Belief can be defined as “our best thoughts on a given topic”. We usually think of other people's beliefs as “opinions”, but we call our beliefs the truth. Well, your beliefs “that the debt needs to be repaid” is, in the debtor’s opinion, a purely subjective position, and his/her beliefs “that he/she is in a difficult situation, and the return can be postponed” is true.

How to change beliefs during negotiations with a debtor:

- ✓ Look for countermeasures. For example: [Ask yourself, Ivan Ivanovich, is paying the bills bad?]
- ✓ Use the position of “getting into someone else's skin”. For example: [Imagine yourself in the place of the recoverer and a situation where someone owes you money. What would you do?]
- ✓ Use reframing. Look for the positive aspects in the negative situation. For example: [Yes, I agree with you that the debt is large and it is difficult to pay off right away. However, the fact that you acknowledge it and do not hide is already a positive signal].

! Self-study assignment:

On a piece of paper, practice the scripts for each of the suggested techniques.

“Gangster” collection.



In *Maxims of Recovery*, I wrote the chapter ““Gangster” collection. Causes and echoes”. In it, I laid out the distinctive features of the criminal and legitimate collection. In my understanding of the world, the law is a camisole, which helps to rein in individual recoverers in pursuit of big bucks, to cross the line.

However, if you are guided by the expression “Everything that is not prohibited by Law is permitted”, then individual elements and cases of Don Corleone can be adopted. After all, as they say, you can't do good without using your fists. So, what are the Godfather's methods and approaches in collection.

- **Strive to correctly engage the debtor in dialogue.** Present the fact of debt carefully. Be courteous. Ingratiate the debtor with you. Conclude (for a little while, on purpose, and, of course, in quotes) a “non-aggression pact”. Your feigned courtesy should become a Trojan horse, a source of manipulation. Trap the victim with your courtesy and then deal with it. Let the debtor trust you and show you all his/her cards about his/her financial situation.

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- **Become an energy vampire.** Enjoy receiving feedback in the form of the debtor's emotions. Feed on the “life force” of other living beings. Look the debtor in the eye and take away his/her energy. Torment the debtor over the phone, getting moral pleasure from it. Become a psychological sadist.
- **You shouldn't care** what the debtor and his/her family will eat for lunch, what to fill the car, and what to wear. *The Mafia Manager. A Guide to the Corporate Machiavelli* says that in the fight against a competitor (in our case, with debtors), you need to turn into a kind of social phobic. In other words, do not care about what is not obliged to touch you, except for the money that should belong to you.
- **Brainwash the debtor.** He/she should see you as “an authoritative god, a tyrant, a leader”. You are the power. You have strong cards in your hand. Your word is red-hot iron. As you say, so be it!
- **Make it clear that you do not have time to talk mere twaddle and listen to hard luck stories about hard times.** Inform that you do not allow to lay the blame on you. Master the skills of tough communication. During the working session, direct the pressure and the degree of your superiority to the debtor.
- **Inform the debtor that you will seize any property, even the cheapest and most illiquid.** You need to settle accounts and even the cheapest item will be sold (in the “junk market”).
- **Try to talk to the debtor in terms of concepts and honor.** Explain that it is wrong not to pay your debts and it is contrary to generally accepted rules. This case is especially relevant for young men.
- **Not only money, but also people do not smell.** Pity is weakness, conscience is a chimera. Achieve your goal in any way and way. After all, debtors are a “human showcase” and you are the master of the situation.
- **Your collection is a blitzkrieg.** Your tactic is a quick attack and a desire to catch the debtor by surprise.
- Inform the debtor that you respect the Criminal Code and never cross the line established by law. But take full advantage of the permitted tools.

! Self-study assignment:

On a piece of paper, practice scripts for each proposed thematic block.

Non-verbal techniques in distance and face-to-face collection

Non-verbal technique is understood as communication without the use of words as units of speech. Some psychologists, while training paralinguistic techniques, even advise to imagine that you are talking to animals at this moment, that is, you are communicating without using words.

Paralinguistic (non-verbal) techniques are applicable both in the face-to-face and remote collection. They can be divided into phonetic and kinetic means.

Phonetic	Kinetic
<ul style="list-style-type: none"> ● Speech rate ● Volume ● Intonation ● Cough ● Sighs ● Laughter ● Social noises (noise “behind the scenes”, interjections of approval/disapproval) 	<ul style="list-style-type: none"> ● Gestures ● Facial expressions ● Changing the mise-en-scène of communication

Let's analyze the cases and recommendations for them:

Remote collection

1. Change your speech rate regularly (fast – slow) during the working session. Firstly, it does not let the call center operator get tired during the dialogue process; secondly, it acts on the debtor manipulatively, according to the “cold-hot” principle. Slow speech relaxes, fast one invigorates.
2. During the working session, speak non-monotonously (loudly-quietly). This technique can be implemented under certain techniques of influencing the debtor, for example, when applying the “good-cop/bad-cop” technique.
3. During the working session, work with different types of intonation. Try to put in a dialogue such a manner of pronunciation that it reflects the attitude of the speaker (that is, you) to his/her counterpart (that is, to the debtor).
 For example: [Ivan Ivanovich, you have a debt to ____ (name of the creditor)].
 *Pronunciation tone is haughty.
 For example: [Oleg Viktorovich, we believe you should think about your problem].
 *Pronunciation tone is mentoring.

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4. During the working session, gesture in accordance with the theme of the spoken scripts. Support your speech with facial expressions that are identical to the meaning. This will help you to be more confident in the dialogue and to influence the debtor. For call center operators, the case is relevant as a part of the use of a video call to the debtor.
5. Using social noise. It is possible to use audio inserts so that they automatically “pop up” during a working session with the debtor. Use the following phonetic blotches periodically:
 - Cough in response to the debtor's remarks
 - Theatrical sighs and yawns in response to the debtor's priority about hard life and “dead-end situations”.
 - Applause in response to the debtor's refusal to pay off the debt

Face-to-face collection

- Disapproving head shake in the event of an unsatisfactory response from the debtor.
- A wrinkled nose, as if in a dizzy spell (in case of your frank dissatisfaction with the debtor's response).
- Using the experience of remote collection cases
 - ✓ Change in the speech rate
 - ✓ Non-monotonous speech
 - ✓ Change and work with intonations
 - ✓ Using elements of social noise
- Using “speaking” gestures
 - ✓ Block the debtor's lines with your arms crossed on your chest.
 - ✓ Reinforce the sincerity of the scripts with open palms, directions towards the debtor.
 - ✓ Copy the gestures of the debtor, thereby demonstrating your benevolent attitude and “agreement” with the position of the debtor if it is actually approved by you.
 - ✓ Change of mise-en-scène for communication.
 - ✓ In the process of presenting a debt, we make periodic retreats one step in different directions. This is important in order to knock the debtor off the “one-color course” and to manipulate the general course of his/her behavior.
- **Working with a look**

We use different cases in different situations. When the position of the recoverer is communicated to the interlocutor with a certain “doomed necessity” of execution, we look away. In the case when the position of the recoverer is reported to the interlocutor with a strict accent and it is required to modify the script with a final chord, we suppress it with a look.

! Self-study assignment:

Practice the suggested recommendations for each case in front of the mirror.

Creative thinking is the foundation of legal literacy.

Collecting work is tiring. Scripts for working with debtors are boring and monotonous by their “branch nature”. In order to prevent the work from slipping into “tracking hours”, you need to build it in the context of creative planning models and to have your own prism of “an alternative view of the spirit of things”. Creative techniques come to the rescue. They help to think out-of-sample, to develop communication skills of the recoverer, to gamify routine, and to pollinate linear problems with variety.

- **Freewriting**

It is a writing technique and method that helps you find outstanding solutions and ideas, similar to the method of brainstorming. After a hard day, use “freewriting” to release the accumulated stress. Using timing (5-7-10 minutes), outline the actual situations of the past day; describe the characteristics and types of debtors that you have collected today. Explain in detail what you do not succeed in your work or, vice versa, in your opinion, you succeed well. Introduce yourself and debtors in different situations, taking into account the development of events and negotiations in one favor or another. Imagine options for your actions on the topic “if you are there again now”. Write in direct speech, thereby training scripts and speeches. Get the most out of freewriting for your arrears.

- **Quota of ideas**

Constantly work on finding new opportunities, ideas, life hacks related to optimizing your negotiations and routine processes. This will help make working with debtors more “experimental” (in a good sense of the word) and, therefore, more profitable, efficient, and less stressful.

This is not about when in Rome do as the Romans do (being self-willed and not following the regulations set by the company). A quota of ideas is a case, due to which you find fresh colors and shades for your daily routine processes and tasks. For example, think about how to use a particular technique of negotiations with the debtor in a different way, without violating the foundations of logic.

- **Architect of ideas**

Write a certain number of words-nouns in the nominative case in the singular (let there be five) on a piece of paper.

Let's say these are the words:

- Winter
- Iron
- Kiwi
- Rhombus
- Paper

Match each of these words with associations/analogies associated with collection.

For example:

- In dealing with the debtor, you need to be cold and unshakable, like a WINTER.

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- If the debtor is rude to you, show an IRON character and endure.
- KIWI is green. After work, this is the most soothing shade for me.
- The stairwell landing at the debtor's apartment is rather a square, not a RHOMBUS, therefore, during the face-to-face collection, I will test different variations of my location, change the mise-en-scène.
- Let's imagine that the debtor is a blank sheet of PAPER: what I “write” on it, he/she will do.

Despite its apparent naivety, this technique will help develop process thinking and your communication with the debtor can become more productive and not routine.

- **“Hundred days”**

Be oriented and guided in the work not only by the KPIs set by the company, but also by your own “sporting” goals and desired results. Divide the year into a cycle of 100 days. Define for yourself those horizons that you would like to achieve. For example:

- To improve the skills of negotiations with debtors;
- To increase the rate of transfer of debtors for compensation;
- To practice new speech life hacks within the framework of existing techniques;
- To increase the amount of debt obligations for which payments have been made;
- To reduce the number of delays in promised payments.

There should not be many peaks to achieve—no more than 3-5. Measure your goals by the achieved results. Be sure to keep a “100-day” diary, record achievements and failures, and conduct regular summaries and analyzes. Improve yourself professionally and in non-standard ways.

- **Challenge**

The word “challenge” itself in the ordinary interpretation is understood as “gage”, “competition”, “dispute”, “difficult obstacle”, “task to be completed”.

Create a role model for yourself, a cult figure on the list of questions and tasks that still do not submit to your decision, and follow the results that someone else has already achieved. The challenge is a good solution for creating a healthy competitive environment within a separate department (lawyers, the face-to-face collection, call center operators). Employees can use this tool to provide each other with role models and higher goals. An employee can implement this case, both independently and in the context of an HR tool from the company's management.

The challenge combines perfectly with other techniques and feels comfortable in the “hundred days” environment.

! Self-study assignment:

Within 10 minutes, use the Architect of ideas case study to suggest your association options.

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How does the debtor think and how does he/she see the problem of debt.

Always remember these simple truths in working with a debtor. On the doors of the prisoners, there are signs with their deeds, so that the guards always remember who they are guarding and do not give slack. So, let's outline the key landmarks.

The fact that recoverer is an exploiter and collection is evil has become a real sociocultural meme of our time. No one will deny that, unfortunately, the market is hunted by “parasites” (the so-called “gangster collection”). However, equating the professional community indiscriminately is tantamount to banning all public catering, if suddenly someone is poisoned by the station's fast food. It is easy to hear in the information field that collectors go bankrupt and take away “honestly acquired” without any reason. Well, first of all, the grounds are usually legal. In any civilized country, there have long been fairly clear “can” and “can’t” in relation to the debtor. Second, we have no right to consume happiness without producing it. In my opinion, this is a “consumer TAO” for each of us. As the well-known lawyer M.A. Korkunov said, “Everything that a person has the right is allowed, but not everything that a person has the right to”. It is reasonable to characterize the third thesis with the saying “charity begins at home”. There is such a pose in sex—69. It is worth exchanging places for the creditor and the debtor, as—“voila”! It is not without reason that ones say that those who lend have a better memory than those who borrow. After all, the debtor's forgetfulness can be regarded by the recoverer as a disrespectful attitude to the work of the creditor invested in the goods or services for which the debt was formed. Therefore, it is very important and correct to never jump to conclusions and to know which side of the barricade you are on. Debtors tend to self-flagellate. For example, the victims of a foreign exchange mortgage imagined themselves to be the most important and prudent, taking a loan in dollars or euros at a rate below the market ruble one. But when the rate jumped sharply, everyone was guilty (the State, the Central Bank, banks, collectors), but not they were. I have come across many metaphors about the collector as a participant in the economic process. Most of all, however, I like the concept of “antibiotic”—the remedy that should be used carefully, selectively, under supervision, and strictly according to the prescription. After all, when the debtor does not count, this bears negative consequences for other participants in the civil turnover. Some cultural scholars see problems of low payment discipline in our socialist past, but what about the United States, where the level of debt burden is extremely high? Most likely, the grain of the problems is the same everywhere—financial infantilism, lack of fear of the consequences. In the eyes of the debtor, the collector is “the fiend of hell and the embodiment of this fear and punishment”. How else can you explain the farce when the debtor is stopped at the border and not allowed abroad? Not checking your debts before departure is a huge risk of ruining your vacation for yourself and your loved ones. Just imagine yourself in such a situation! The recoverer and the bailiffs remain guilty here, and “unconscious incompetence”, in the debtor's opinion, has nothing to do with it. For some debtors, not paying bills has become a kind of sport. Cheating and

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avoiding punishment in the most subtle way possible is cool. Thus, a kind of double standard is formed. When nothing threatens us, we scream abusively that cops and politicians are bastards and it would be better if they all kill each other. However, just a little, touch us with misfortune—we run to the mayor's office and the police and hope for justice. As it is fashionable to call it now, we are driven by cognitive dissonance. It's the same with debt. This is the pose 69 in action. If we are in debt, the collectors are bloodsuckers. If you owe us—then you are the saviors. And yet, despite all the obviousness of the role of recoverer in the ecosystem of any economy, the collector's meme continues to be endowed with purely negative connotations. Mental germs and viruses are desperately climbing out of all media gaps. We are convinced from the same television screen that the collectors are evil, and after the “commercial break”, they say that debts must be paid on time. Populism creates an environment of legal nihilism and dislike for the creditor (like a taking hand). Although as a “giving hand”, it suits everyone and in everything. In general, “indulgence” is a phenomenon of Russian reality. In the provinces, this phenomenon is especially common in the utilities. Management companies reason as follows, “Tenants do not pay us for maintenance and repairs—we will save on cleaning the entrances”. “They don’t wash our floors—and I won’t pay (and if I do, then last of all), but we will wash on the floor ourselves,” an informal group of residents makes a decision. And they wash themselves. As a result, “their” 4-5% of non-repayment of the total amount of debt is formed from nothing.

And the collectors are to blame for the general summary, being, in fact, the “executive power” in resolving the issue of collection. People do not want to be a party to the conflict. Although this concerns them more than directly. The escapism is the most common type of debtor's behavior.

Let's consider the priority of payments on obligations from the perspective of the debtor. A big ball under a juggler (let's imagine a circus performer as a debtor) is an anchor loan with a pledge—one that is dangerous and “must” not be paid. As a rule, this is a mortgage or auto loan (vehicles, for example, can be blocked remotely using GLONASS). The option is not excluded that this is an obligation without encumbrance, but sealed by “moral bounds” (a loan that relatives, friends took for you) or this debt is competently collected and it is in the pre-collection. As a whole, as the bankruptcy trustees say, this is the “senior debt”. Balls in his hand are obligations that you manage to maintain, but with constant difficulties. Payments on them require gigantic efforts, which entails technical delays. In order to pay off such debts, it is often required to attract “payday loans”, to intercept “short sums” on the side. Balls in the air are something that does not fit into the Procrustean bed of the family budget. Such loans and borrowings more often than others become problematic, falling into a cession or an agency collection. Most debtors serve their contractual relationship in exactly this way. What drives and determines this approach and the priority? In order to answer this question, let's take a look at the pyramid of the American scholar Abraham Maslow. In our opinion, he has described a person's approach to value priorities quite accurately. The debtor has a similar model of landmarks. Briefly, I will mention that Mr. Maslow believes that there is a certain hierarchy of human needs—from physical ones (at the bottom of the

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pyramid) to the needs of self-realization (at the top). The desire to meet these needs and makes us do this or that. The collector's task is to pour oil on Maslow's pyramid, but making the debtor “to slip” is much more difficult. In order to carve out funds for payments, to prevent default, or to pay off the current debt—the household needs to reduce the consumer basket: to buy not meat, but cheap semi-finished products; to change your shirt not every quarter, but every six months; to reduce or to eliminate completely alcohol and tobacco. Other lines of the “regular” budget should be also cut. The reality is that not many are capable of tightening their belts—that is why the debtor is ready to “drop some of the balls”. In simple terms, he/she prioritizes not in favor of a specific creditor, but towards personal needs. Warren Buffet, whose fortune is estimated at more than \$100 billion, saves on breakfast and eats at MacDonald's during the downturn. Unlike the “Oracle of Omaha”, people are eager to spend and to consume not only during the period of growth, but also during an obvious recession, as well as to quite cynically determine where to pay and where else one will suffer.

Let's look at the situation in housing services and utilities. The polls carried out show that of all the “housing” services, the consumer considers communications, the Internet, and electricity to be the most important to repayment. And that is only because if he/she do not pay for them, these services will be limited and disabled. Second, these are heat and water. After all, these are “tactile” benefits that a person feels physically. But consumers have no desire to pay for “upkeep, repair, and maintenance of housing”. People are convinced that this service is simply not provided to them (in full or not in full). Because not everyone knows that resource workers supply heat and water only to the facility and the internal communications through which the resource enters the apartments are monetized by utilities just in the “unpopular” line of payments. Perhaps this is also due to the fact that since Soviet times, housing services and utilities were generally considered to be almost a gift from above. All these examples indicate only one thing: the familiar “Priority Pyramid” is working in the area of payments for obligations. The same approach works in B2B as well. Businesses pay the most painful bills first.

- **Wage fund.** Failures to pay are fraught with interference from the Prosecutor's Office, the Labor Inspectorate, and the institution of a criminal case.
- **Taxes.** Non-payment threatens to block accounts, which, in fact, paralyzes the company's activities.
- **Communication.** Non-payment “suspends” and blocks communication channels with counterparties.

But business partners, as it is impudently assumed, can tolerate. After all, they often have nothing to “ban” you. Thus, we prove that the priority of choice is not emotions, but a logically balanced decision.

All obligations can be conditionally divided into “primary” and “secondary”.

“Primary” obligations:

- a) cancellation of bail bonds (otherwise, they will be tried, the pledge will be collected and sold at the auction);

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- a) cancellation of “disconnected” services;
- b) cancellation of obligations bound by “moral bounds”;
- c) cancellation of obligations for which there may be problems with government agencies;
- d) cancellation of obligations that are actively and competently collected.

“Secondary” obligations:

- a) obligations that have to be repaid due to the limitations of their own needs;
- a) obligations for which there is no collection (*including those for which there are no enforcement actions by the bailiffs);
- b) obligations for housing services and utilities. This type of debt always “loses” the loan one. Since Soviet times, many people have a strong thought in their heads that this “can wait or they can not pay for it at all”.

! Self-study assignment:

Write a short essay on the topic of this chapter. Reflect on what is allowed to the debtor from a moral and ethical standpoint. On a piece of paper, practice the scripts for working with the debtor in the context of the described topic.

Recommendations of anti-collectors to debtors applied vice versa.

There are viruses and anti-viruses. There are debt recoverers and those who sell advice to debtors on how not to pay and to knock off the amount on debt obligations—these are anti-collectors.

In fact, there are two types of anti-collectors. The first ones provide legal consulting services, giving advice and training in avoiding commitments. The latter negotiate with creditors on the discount of the debt, its assignment or restructuring. Let's consider the most popular cases and try to wrap these tips to our advantage.

- **Advice:** Do not apologize to the collector, even if you have collected a bunch of loans and borrowings and have never paid anyone. Listen to accusations calmly. Don't get involved in a discussion.

Reaction of the recoverer: It is necessary to change the narrative format of the conversation to the interrogative one. By questions, you should remove the “protective film”. It is important not only to report the debt, but also to ask questions that oblige the debtor to answer: “why the delay was allowed” and “how does he/she plan to solve the problem with the debt”. Thus, the debtor will be involved in the dialogue and will not be impolite to the collector with artificial silence.

Conclusions of the recoverer: Changing one negotiation tactic to another does not give the debtor an opportunity to quickly regroup. Thus, the “mask of a calm listener” will be removed and the debtor will be forced to answer your questions and claims.

- **Advice:** Control your emotions. As soon as the collector sees your weak point, he/she immediately starts hitting it. If the debtor is afraid of the court, then immediately the whole dialogue begins to revolve around the procedure for judicial collection and the associated legal consequences. If the debtor exacts a clear and sincere concern with the arrival of the bailiffs and the arrest of his/her property in front of his/her family, then this topic and message will become central in the negotiations between yours and the collector. Therefore, in no case give in to provocative questions. The collector will deliberately begin probing you in order to understand and to detect your fears.

Reaction of the recoverer: If it becomes obvious that the debtor is “thick-skinned” and you cannot find his/her “pain points”, it is recommended to abruptly terminate the negotiations, to ascertain the existence of a debt, to summarize the inevitability of the trial, and to end the dialogue.

Conclusions of the recoverer: Firstly, it saves time and energy in a specific dialogue. Secondly, most debtors “close” only from the outside, in fact, they experience tremendous stress from communicating with you, the final chords and scripts—the most important in the format of a working session. The debtor's decision to pay also depends on how you summarize the meeting. As Eastern wisdom says: a small straw broke the back of a camel.

- **Advice:** In a conversation with the collector, refer to that it is planned to enter into negotiations with the creditor, to “bring down” the penalty, and, thereby, to reduce the debt amount. This means that you are not going to pay.

Reaction of the recoverer: If there is a possibility of granting a discount from the creditor to the debtor (in terms of writing off fines and penalties), the recoverer should offer the debtor this option. If the debtor is really willing to pay off the obligation through debt forgiveness, then the puzzles converge in favor of both parties to the negotiations. Provided that the debtor, having received this offer, begins to deny, to marinate the recoverer, and to look for reasons not to pay, the collector is advised to point out the fact of deliberate evasion and to return to negotiations on repayment.

Conclusions of the recoverer: In the best case scenario, the collector will agree to compensation; in a negative scenario, the debtor is caught in evasion of obligations and deception, which gives carte blanche in work and strengthens the negotiating position of the recoverer.

- **Advice:** In a conversation with the collector, refer to that you are planning to refuse to interact with the creditor/recoverer under the opportunities provided to the debtor by FZ-230 (the *Collection Law*).

Reaction of the recoverer: In this case, the collector should lean on preparing the debt for the Legal stage or (if there is a court decision)—for the middle stage and focus the debtor's attention on the fact that this will undoubtedly worsen his/her situation, so it is better and more correct for him/her to agree out of court.

Conclusions of the recoverer: If the debtor is “ground in this issue” and uses various instruments responsible for payment, it means that with a high probability he/she has money to pay off, therefore, he/she has something to lose.

- **Advice:** In a conversation with the collector, refer to the fact that you are not ready to pay only one creditor, since you have other obligations to banks and legal entities (utility debts, microloans).

Reaction of the recoverer: To offer the debtor the services of an anti-collector, provided that he/she begins to repay your customer a specific amount (at DEBT HOLDING, we practice such a case) and enters the regular schedule.

Conclusions of the recoverer: If the debtor really owes a lot of creditors, then your proposal may interest him/her. If the debtor is disingenuous or refuses the service, he/she should be instructed that the debtor should include your obligation in the general repayment budget.

- **Advice:** Refer to what you owe yourself and that is why you cannot pay off the debt.

Reaction of the recoverer: Offer the debtor to use the Set Off Requirements service (at DEBT HOLDING, we practice such a case) and to apply for debt collection to a collection agency or even to exchange (through the compensation mechanism) the existing obligation to write off the debt to your customer (the debtor's creditor).

Conclusions of the recoverer: In the best scenario, the collector will agree on the offset of claims and solve the debt problem; in the worst case, he/she will catch the defaulter of

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evading obligations and deception, which again does not give grounds to strengthen the already strong negotiating position.

! Self-study assignment:

Practice scripts for each anti-collector tip on a piece of paper. The time for completing the task is 2-3 minutes for each advice.

Learning to ask the right questions

If the recoverer wants to receive the necessary information from the debtor in return, he/she should learn to ask questions correctly. By asking questions, we hold people accountable. In Frank Cesno's *How to Find Out Everything You Need By Asking the Right Questions*, the author cites the example of the famous detective Columbo, who solved crimes by asking the right questions at the right time and in the right place. The suspect (in our case, the debtor) began to get annoyed and eventually admitted his/her guilt (in our case, he/she found solutions to the task of repaying the debt).

Try to ask questions not one by one, but serially. Consider the type of debtor, his/her phobias and triggers. Try to have a checklist of questions before the “work session”. String the questions. Cut them out in the technique of negotiation processes.

Let's consider the main thematic blocks:

- **Diagnostic questions.** They can be called “maternal”. It is on them that the recoverer relies, setting all subsequent ones. By asking diagnostic questions, we formulate the problem and create a road map for its future solution. Imagine that you are suffering from a toothache. You go to the dentist. He asks you where it hurts and when—when do you eat or when do you drink? He taps, picks with a probe, pours cold water, and does this until you start bouncing in the chair. In this way, the dentist diagnoses the pain and determines how to proceed with your dental caries (debts).
Example: [Do you fully realize that you are a debtor?] [Do you understand that a collection agency will work with you now?]
- **Strategic questions.** Those questions that relate to the more distant prospects and long-term goals of the debtor, his/her vision and understanding of the outcome of the unfavorable development of events.
Example: [Did you know that non-payment of obligations can result in personal bankruptcy and the sale of property?]
- **Empathic questions.** Questions that allow you to look into the depths of the soul, to know the personality of the debtor. Empathic questions are designed to clarify what makes people act, think, fear, and feel. They are not directly related to the current benefit and only express sincere interest in the interlocutor. These are questions that build trust between the recoverer and the debtor.
Example: [How does it feel to be in this situation now, in such an unstable time?] [What worries you the most right now?] [What is causing you great anxiety?]
- **Questions-bridges.** Questions that should push people to communicate, even if they initially don't want to. Such questions help to obtain information, to clarify details, to assess the intentions and capabilities of the debtor.
Example: [Tell me more, why is there a delay?] [Do you have any ideas how to fix this situation?]

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- **Confrontational issues.** Questions that are not asked as expected, but thrown in the face of the interlocutor with a “wet towel”. They blame and hold the debtor to account. Example: [Do you realize that you are a part of a problem that we are discussing and cannot solve?] [Why don't you take steps to avoid delays?]
- **Creative questions.** They make people think about things that are beyond the ordinary. They are pushing for original and even risky solutions. Example: [Do you have a dream to close all your debts? What are you ready to do to achieve your dream?] [What would you do if you could close your debts in one fell swoop?] [Are you ready to take a credit for this?]
- **Mission issues.** Questions that make you think about a common purpose and high goals, which are likely to help solve the existing problem. Example: [Can we work together to solve the task of closing the debt?] [We are always ready to help contact people to resolve their issues with debts, if people meet us halfway and they are ready to help themselves. How can we be useful to you?]

! Self-study assignment:

Practice asking questions from each thematic block (you can even abstract from the topic of the debt). On a piece of paper, write your versions of the questions that you would ask the debtor in the context of each thematic block.

Ways to improve communication skills.

Developed speech and communication skills are key qualities of the collection specialist. Let's look at the recommendations that will help the collector make their speech more natural and of better quality, thereby increasing the KPIs of the negotiations in the working session.

It should be noted that the proposed life hacks and “simulators” are used by politicians, TV journalists, and other public figures.

- **Avoid verbal “contaminants” and “parasitic filler words” in everyday and professional speech.** This helps to uproot a “garbage” from the speech circulation.
 - ✓ Pause placeholders: “uh”, “erm”
 - ✓ Particles: “well”, “kinda”, “yes”
 - ✓ Pest words: “sorta”, “anyway”, “in general”
- **Learn rapid sayings and counting rhymes**
 - ✓ Train your sense of rhythm
 - ✓ Help hone sounds
 - ✓ Improve the functionality of the articulation apparatus
- **More active reading** (meaningful reading). 30 minutes (but not exclusively) a day is enough to multiply your speech. Replace TV and social media with reading.
 - ✓ Increases your vocabulary
 - ✓ Broadens your horizons
 - ✓ Develops verbal “vigilance”
- **Learn poetry**
 - ✓ Improves memory
 - ✓ Promotes the speech rate development, improves the speech aphoristic
 - ✓ Thinking becomes vivid and imaginative
- When working with a defaulter, “absorb” the speech patterns of the debtors like a sponge. This will help you learn to adapt to the desired target audience, to understand it better, and to feel the mood more subtly.
- **Use aphorisms, catch phrases, proverbs about debts in a conversation with the debtor.** However, do this infrequently so as not to look ridiculous. It's good to have mustard in time, not after dinner.
- **The art of speaking is the art of persuading.** This means, in our case, to bring the debt to pay. Do not let the thread of the negotiations go from the “ear” to the ear of your counterpart. Remember that the whole point of what was said should be towards a refund.
- **Try to involve the interlocutor in the conversation, make him/her nod his/her head, agreeing with you.** Brainwash him/her.

- **Negotiate.** Do not dive into the debtor's wanton speech. Answer the debtor's remarks within 3-5 seconds. Don't let the dialogue take over. Do not speak about something at great length. Do not make it difficult to exhibit the debt to one or another target audience where it is not needed. Highlight the storyline of the message in your speech.
- **Better less but better.** It is not the abundance of arguments, but their quality that makes what you hear more weighty. Use only convincing arguments. A trump ace will never jump out of your sleeve without prior preparation.
- **Your work session scripts should be relevant and constructive.** Be sure to match the context and logic of the work session. Remember, there is no golden rule of communication that applies to every situation.

! Self-study assignment:

Work through all the cases using the example of a “fictional debtor”; if there is no a counterpart for training (a relative/friend), then you can do it in front of the mirror with yourself: change places, presenting yourself in different guises—the debtor and the recoverer.

- dialogue: a format of a tête-à-tête conversation with the debtor. Discussion of repayment. Exchange of thoughts;

- polylogue: a format of a conversation with the debtor consisting of more than two people (recoverers working in pairs + the debtor; the recoverer + the debtor + the surety). Recoverer can juggle formats, abruptly cut off the discussion, and give information in a “one-reader” mode, or, conversely, pound the boundaries of what is permitted, allowing the debtor to express their position. The collector is guided by *Vae victis* (winners' justice) and he/she himself/herself “engine” the design of the negotiation process.

The success of the negotiations and the initiative of “embattling” goes to the one who is better prepared and knows how to develop the “negotiating behavior pattern”. Typically, the visit/call of the recoverer is treacherous. The debtor is not expecting anyone, so the surprise factor must always be played. For this, it is important to consider the following:

- ✓ Before the debt exhibition, thoroughly familiarize yourself with the history of work on this debt obligation;
- ✓ In accordance with the notation of the company, determine the upper and lower levels of compromises that can be made in negotiations with the debtor;
- ✓ To work out the routine processes used when exhibiting the debt (preparing a paper claim, taking a *mise-en-scène* for negotiations) until it becomes second nature;
- ✓ Prepare carefully for each work session. Mentally (in columns) list the main advantages and disadvantages of your proposal for the debtor;
- ✓ Work out your line of reasoning. Prepare three or four of the best creditor’s arguments.
- ✓ Observe the structural stages of pronouncing scripts in the process of negotiations.

Stage “a”: the starting script

Greeting the debtor.

Uttering the statutory characteristics of the recoverer required by law.

Stage “b”: the intermediate script

Depending on the context, scripts aimed at the debt recovery are pronounced.

Stage “c”: the final script

Final scripts specifying the repayment amount, repayment date, and other parameters that determine the essence of the negotiation process.

The recoverer should regularly conduct an “internal quality audit” of his/her negotiating skills and dialogue structure. Improvements should not only come down from above, but also sprout from below. As a practitioner, a person working in the “field”, the collector is obliged to analyze and to record his/her successes and shortcomings and, on their basis, make changes to his/her script tool.

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Use the mind map as an auxiliary tool for preparing negotiations. Outline the key objective of the negotiation: “to collect the debt”. Next, make a bold branch from the main goal and designate it as “stages of the debt exhibition”. From them, make the following branches and call them “ways of implementation”. By the “implementation methods”, we mean scripts that you will use as blanks in the storerooms for each case of negotiations and the type of debtors.

Script types

As a part of the face-to-face collection specialist activity, two technologies are available: direct negotiations with the debtor and a wordogram.

Direct negotiations with the debtor is the debt exhibition and actualization of information directly in the dialogue with the debtor. It is constructed from scripts.

A wordogram is the implementation of negotiations with third parties that have potential contact with the debtor in order to transfer information through them to the debtor. It is constructed from scripts.

A script is a typical basis of speech units for negotiating with a debtor/third parties.

Scripts are divided into starting, intermediate, and final scripts.

Starting script

1. The specialist introduces himself/herself, in accordance with the requirements of the industry legislation:
 - at the beginning of each case of direct interaction, it is necessary to inform: last name, first name, patronymic, position, name of the creditor, the name of the collection agency, as well as notify that audio recording of conversations is in progress.
2. The specialist specifies the name of the interlocutor and identifies him/her with the name of the debtor.

*Comment: The interlocutor is obliged to confirm that he/she is the debtor or the surety for the debt obligation. To do this, in one or another speech interpretation/wording, he/she should report: (yes, it's me), (yes, my name is: he/she calls his/her full name). If the interlocutor does not identify himself/herself (does not confirm that he/she is the debtor/surety), it is necessary to convey that he/she is disturbed from the collection agency and asked to call back by the company's contact phone number (then the phone number is announced). If the interlocutor evades identification, the face-to-face collection specialist forms the Visa to the door.

Intermediate script

1. The face-to-face collection specialist uses modules and technologies, presentations within the framework of the Curriculum. The face-to-face collection specialist independently determines the negotiation strategy depending on the current situation of the working session.

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2. After working through the working session with the debtor, the face-to-face collection specialist proceeds to the final script.

Final script

The face-to-face collection specialist is guided by the modules and technologies presented in the Curriculum.

The key task at the stage of the final script is to speak out the amount of the debt and to indicate the date of the expected payment.

! Self-study assignment:

On a piece of paper, practice the scripts that you would suggest during the working session for each proposed semantic block.

Training in working with the debtor's property*

In preparing this chapter, I was at times tempted to include in the text a description of the functionality of the bank's collateral service. Its competence includes verification of ownership, analysis of liquidity, and determination of the collateral value.

However, just touching on this topic, one immediately understands that the topic is so vast that it is disastrous to “attach” it to collection questions. For those interested in collateral issues, I would recommend *The Collateral Specialist* by Nikolay Volkhin—everything about bank collaterals in the first person. This publication will 100% cover your need for this section of knowledge.

We will consider recommendations for the face-to-face collection specialist at various stages of the field-collection.

Field-home recommendations (an arrest at the debtor's place of residence)

It is necessary to control the minimum amount of the distrained property. Certainly, an own individual quota is possible for each creditor and debtor. We offer an amount of at least 30,000 rubles, since, in accordance with Article 87 of the Federal Law-229, it is with such a bar (in the absence of disputes) that the recoverer can petition the bailiff to retain the property to pay off the debt.

The guideline for the list of property to be arrested

- TV
- Cell phone/smartphone
- Furniture (made of fine wood)
- Jewelry
- Fur products
- Computer
- Home theater system
- Other electronics
- Object d'art and interior design items

Field-auto recommendations (an arrest of the debtor's vehicles)

When a vehicle (or a self-propelled vehicle) is arrested, the recoverer makes an inspection:

- Vehicle name;
- License plates;
- Makes;
- VIN number (on the windshield, under the hood, on the side of the right door in the self-propelled vehicle cab).

There is a reconciliation of data from the document “in hand” with the actual identification characteristics. Checking a trailer and a semi-trailer is similar to checking a vehicle.

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It is also recommended to take a photo of the vehicle for visible damage, to record the mileage. It is advisable for the recoverer (preferably) to make sure that the vehicle is working, at least, he/she should start the engine. When evacuating, an agreement with the car evacuation company should be secured in advance (if there are no ready-made data from the main office); during the evacuation process, you should be on the sidelines and not take direct part (do not touch the transport) at the time of ascent, loading, lowering.

Field-estate recommendations (an arrest of the debtor's real estate)

It is necessary to analyze the presence of individual elements in the property and to record this information in the report for the company. Photos of all angles of the property are taken. Photos of address landmarks (in the absence of the object, neighboring buildings are removed) are taken. The photographing of the infrastructure equipment of the building, the presence of fire alarms and physical security is carried out. The recoverer monitors the use of locking tape by the Federal Bailiff Service employee on the front doors of the arrest facility. The location of the object in the territory with a special access control should be reflected in the report.

Field-work recommendations (an arrest of the debtor's property at the place of his/her business)

It is necessary to photograph the place where the arrest is executed from all angles (an office space, a department store, a production workshop). In the case of an arrest procedure in the office, emphasis should be placed on the arrest of the office equipment and furniture; when arrested in a store and workshop—on the arrest of goods. When goods for sale are arrested, we do a random check. Depending on the group of goods, we check the conformity of the goods with identification signs:

- Jewelry (a platemark, for precious gems—a certificate of conformity)
- Deep-frozen meat products (a veterinary control mark on the carcass)
- Alcoholic products (federal and excise stamps)

This method is relevant for a large range of homogeneous groups of goods.

As a whole, the topic of an arrest is so multifaceted that it is reasonable to write about it, perhaps, in a separate book.

After all, anything can become the subject of the field-collection: oil products, rolled metal products, coal, medical supplies, filling stations, food, cattle. And everything has its own specifics.

Moreover, today there is no specialized literature on how to quickly and profitably realize such a “legacy”. So, we will assume that this chapter is of an overview nature and it is a preamble to a more serious study. As a Hollywood director would say, “There is a hint of a second part”.

We hang work on a hanger along with a cap.

The everyday life of a person is divided into three relatively equal parts: sleep, work, personal time. However, it is often the work that becomes our alter ego. Moreover, on the worst side of this wording... Just as a teacher, who, for no reason, excessively, edifies his/her children and a doctor, who is too picky about the hygiene of his/her households, a collector begins to suppress people close to him/her reflexively, in a dictatorial way forcing his/her “truth” in everything, trolls and hates, transfers the working style of communication to the family.

How to learn not to take “work” home? How not to use offensive aggressive tactics of behavior in the personal (free from work) sphere? Here are ten recommendations for recoverers:

- Remember that your loved ones are not in debt! They don't owe you anything! From the point of view of their attitude to the debt, these are “outsiders”. You have no right to immerse them in other people's problems of other people. And with third parties, it is important to behave like a diplomat: to grovel, to encourage, to please.
- Look for “gear and mode switches”. If during the day you are forced to work in a negative environment, when returning from work, change your “speed and course”. Plunge into another dimension: sports, playing with children, walking the dog, reading books, hobbies. It's like “togglng” slang. Think of yourself as a teenager. Coming home, you switched from “street” jargon to home style and communicated with your parents. Apply this experience now. These cases are the same.
- Imagine that your loved ones are your super loyal debtors. They reciprocate you, get paid, and you behave with them as friendly as possible. This will allow you, at a minimum, not to rush into your household at home after a hard day's work.
- Remember that maintaining a work-family balance and a clear dividing range qualitatively helps productivity in the end and improves KPIs. Remember this when it starts to seem to you that, being at home, “You are lazy, you are wasting time not thinking about work”. Your home is a siesta between working days.
- Practice freewriting after work. Release your anger on paper. Swear, insult, be rude—but only with a pen on a piece of paper. In 3-5 minutes you will be like after a sound sleep: rested, refreshed, and balanced.
- Family is what you end up working for. It is foolish to displace your anger on to those for whom you are working because of the troubles of the place where you are working, so that those for whom you are working live better. Remember this!
- Gamify your work activities. Imagine that you (the collector) are holding the joystick and fighting “monsters” (debtors), but only when you are working; when you cross the threshold of the house, the game ends. You are the ordinary you again. Work is a quest, and in the entrance hall of your apartment, GAME OVER comes.
- If you work in a remote format (relevant for call center operators on the home-office system), allocate a special work area for conducting operational affairs. It is important that when you move from your desk to your favorite sofa, you would understand that

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it is time to rest and to disconnect from collection. If it is not possible to create a physical partition, visualize it. It's apples and oranges.

- Plan time management carefully, taking into account leadership quotas and the capabilities of your own life resource. Don't overload yourself beyond your real abilities. Otherwise, you run the risk of turning into a character in the parable about “the tortured ox and the endorse mule”. And this leads to stress and relaying problems to the circle of people close to you. Accept the bottom line in order not to leave tasks open and thereby reduce the anxiety rate. Free your brain from the need to store large amounts of information, to focus, and to organize your thoughts.
- Be in the flow. Enjoy every moment of your life! Always try to act with awareness—whether it is at work when collecting a debt, whether it is household chores. Life is beautiful and work is part of a harmonious existence, even if it is a work of a debt recoverer.

! Self-study assignment:

Train one recommendation every day. Be guided by Latin: NON SCHOLAE, SED VITAE DISCIMUS (we learn not for school, but for life). Completion of this task should be checked “from above”. The ability to hang work on a hanger along with a cap is needed, first of all, for you.

Stress tolerance. Negative response protocol.



The work of the recoverer is oversaturated with stressful situations. Large companies put sleep capsules in their offices for a short siesta of their staff. Some of them offer their employees mini-football, ping-pong, table hockey, and even a golf course as “goodies”. Some of the tips and cases are nothing more than placebos, but most are really good as healthy auto-training elements.

There are a lot of stressors in the collection, or rather, they are every now and then. There are various options for introducing a system of psychological support for the staff in a collection agency: from training “connecting” managers in the basics of anti-stress counseling to creating a situational center.

In this chapter, we will look at the cases that the recoverer can apply on its own, without the involvement of external support.

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- There is a real history of the Holocaust. One prisoner (who managed to survive and to tell the story) asked another Jewish prisoner, a professor at the University of Berlin, “Why do you remain calm and cold-blooded?” To which he received the answer, “I look at all this (gas chambers, ovens of Auschwitz) as a certain ‘historical stage’”. Manage your mood. See everything as a stage in history. Treat events “evenly”. Remember that before that in your life you had difficult, as it seemed to you, “hopeless” situations. But you got out, recovered, and later remembered them with a smile. This stressful situation is exactly the same stage in history. Life is a strip of white and not white... That's all.

As Yuri Nikulin said, “When we smile, even artificially, at least, one small microbe dies in our body”. After each stressful case, look in the mirror and smile to yourself—squeeze a smile, and you will feel much easier.

- Act like a pranker (English *prank*—mischievous tricks, drollery, monkeyshines, cantraip, joke). Prankers make phone calls to their “victims” and, through provocations and banter, force a person to respond vividly. Certainly, the current legislation obliges the collector to present himself/herself in the set form, however, if you treat your work (prank is more relevant for call center operators) as a “fun walk”, there will be less stress.
- Physical techniques. The load on the body is felt by the brain. Breathing helps to effectively resist stress and to relieve tension. Take a regular breath and then a long breath. Let the exhalation be about three times longer than the inhalation (and remember that it is better to breathe through the nose, that is, it is recommended to keep the mouth closed). Do a joint warm-up, express gymnastics, arrange a short sleep (for 10-15-20 minutes). After such a “spa”, you will be able to work more efficiently and the stress will subside. Keep colored pens or markers handy during your work session. Alternatively, it is recommended to use a children's coloring book as a tool. Take notes in vivid colors more often. They dispel gray thoughts and saturate the brain with positive.
- Become an energy vampire. Enjoy receiving feedback in the form of the debtor's emotions. Feed on the “life force” of other living beings. Look the debtor in the eye and take away his/her energy. Torment the debtor over the phone, getting moral pleasure from it. Become a psychological sadist.
- “Bandler's grunt”. A simple and effective technique for quickly changing the emotional state. It is named after one of the fathers of NLP, Richard Bandler. The method is that it is enough to simply growl (Roar!) or start grunting (Oink-oink-oink!). Bandler noted that the physiological reactions caused by the production of this sound are associated with the mental process and interrupt the undesirable state.
- Rename negative to positive. Monitor your speech and filter out all parasitic words and phrases, talk about good and pleasant. And if something suddenly goes wrong, as we would like, then instead of three-story mats inhale and exhale say, “It's nothing!” Block and don't run into your head the negative emotions you get from the debtor. Inflate any negative, devalue it. Remember that thought is material.

Remember that debtors communicating with you either see you for the first time (in case of the face-to-face collection), or do not see you at all and they will never know

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“who you are and where you are” (in case of remote collection). Statistics show and the rating confirms that the profession of a collector, contrary to the stereotype, does not belong to the category of the dangerous ones. Therefore, you should not worry about debtors who sometimes behave aggressively and “catch” stress from them.

- Praise yourself every time after a successful negotiation. Compliment your professional skill and experience. Encourage personal enthusiasm with your own indicators (if, of course, your KPIs correspond to the goals and forecast of the management). Fool your brain with memories of cases where and when you were at your best.

People who work in effective teams are less stressed. Do not hesitate to ask colleagues for support, ask how they coped with this task. Learn from each other. Involve colleagues in the shop in solving similar problems; perhaps they have already skipped this problem a long time ago—they will teach you too. Look for like-minded recoverers on specialized forums and sites, practice networking.

Plan your day in such a way that there is no minimum fuss in business. Keep the order and the order will save you and your nerves from stress.

! Self-study assignment:

Train one recommendation every day. Read the “parallel” chapter. “We hang work on a hanger along with a cap”. Determine which recommendation is best for you.

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Comprehensive project management system in collection

If a process in a company is a kind of constant, a constant algorithm of actions, then a project is a temporary phenomenon in the life of an organization. It seems to “wedge itself” into everyday work. For it, goals are determined and resources are allocated. The implementation of the project in collection is not unique, but, at the same time, it has its own characteristics. Let's consider the basic requirements for such projects and the ways of their implementation, taking into account modern methods and techniques of management. After all, all activities in the collection are projected.

A project is a set of activities to achieve a unique goal within the given constraints.

Like in processes, projects have a goal, a head, steps, stages, KPIs.

Example:

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Goal: achieving the economic efficiency specified by the client for the debt portfolio (for example: bank portfolio—collection of at least 10% for 12 months from the transferred register of debt obligations).

Head: Directorate management for collection/project manager (depends on the structure of the company).

Stages: displayed as a part of the “Portfolio Work Plan”.

KPI: Monthly achievement of the collection rate of at least 0.8% of the current balance of the portfolio, according to the transferred register of debt obligations.

(*this KPI is important to achieve the stated goal of the project).

SMART planning. Depending on the purpose and specifics of the portfolio, the project manager forms the stages of implementation.

In accordance with the meaning of the abbreviation SMART, they should be:

Specific (the tools used for the technology portfolio are clearly defined);

Measurable (the company should have its own verified model of efficiency and causality from each applied technology):

- a) Soft (non-verbal) – commission up to 0.5%
- b) Hard – commission up to 1.5%
- c) Legal – commission up to 0.7%;

Significant (there should be no idle tasks that can become such, taking into account the development of the portfolio)

For example: the amount of debts is too small and holding hard on them is unprofitable; the stage of enforcement proceedings is not foreseen—therefore, there is no potential for middle and field.

Limited in time (each stage should have its own chronological deadline);

Achievable (it makes no sense to raise target KPIs to unrealistic heights). If historically the indicator for similar portfolios is in the range of 0.7-0.8% per month, then it is unreasonable to hope and demand 2.5-3.5% in the same interval.

Adile Project Management System

The key point of “Agile” is that a working product is more important than comprehensive documentation. People and interactions are more important than processes and tools. Cooperation with the customer is more important than the agreed terms of the contract. Being ready for change is more important than following the original plan.

Sharing this approach, add:

- If a portfolio has started to make a profit, but the work on it does not correspond to the plot of the process, then you should not bend under the changing world, let it be better to bend under us.
- If the staff does not grossly violate the composition of the process and does the work with high quality, this is good, not bad. It is not so important if the operator, when working with a particular type of a debtor, applied a different sequence of technologies

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that is fixed by the regulations. Perhaps the process architect should measure the effectiveness of this approach and redesign the concept.

- Do not be afraid to deviate from the “Portfolio Work Plan”. The main thing is to be sure that this does not harm and does not run counter to the economics of the project, does not violate other priorities for this portfolio.

Scrum Project Management System

Scrum is a "framework approach":

In this case, a universal team of specialists (all departments of the company in the collection line) and two managers are working on the project:

Project curator:

He/she controls the project backlog (keeping a log of the remaining work that needs to be done by the team), that is, in fact, controlling the “tails”, according to the “Portfolio Work Plan”

Scrum specialist:

Monitors the compliance of the actions performed by the team, according to the prescribed and approved regulations, the process algorithm.

Motivates the team to achieve results

Coordinates the economics of the project, the implementation of KPIs for the portfolio
Project Management System through the Gantt chart.

This is a popular type of a bar chart that is used to illustrate the plan and timeline for a project. Basically, the Gantt chart is at the heart of any project management CRM. The key concept of the chart is “milestone”, that is, the deadline for the task handover for working with a portfolio. Considering that the diagram consists of bands oriented along the time axis, each band (stage within the “Portfolio Work Plan”) has its own start and end. Deadlines can be shifted and adjusted among themselves, depending on the prompt settlement of cases under the contract.

HR and processes in collection of the future

By my first education, I am a teacher, in connection with which I constantly want to improve the processes and the approach to their didactics. In *Maxims of Recovery* in the epilogue, I have described my vision of the collection in the future.

In this book, I do not want to deviate from this tradition, so I would venture to suggest and assume what the trends in HR and collection business processes will be.

Taking into account the pandemic and COVID isolation, offline training will be excluded as much as possible by the online format (webinars, zoom conferences, seminars and lectures in remote packages).

Gamification of learning processes

Training of face-to-face collection specialists using VR technologies. As an illustrative case, we can present the modeling of situations related to the presentation of debt in the hard-collection.

Using a prompter at work.

In other words, a hint in the ear to the operator or the field recoverer of the actual data about the debtor, for which the collection is carried out in real time, as well as assistance in managing the negotiations in the form of a selection of correct scripts.

As “collector robots” will increasingly replace human operator power, the emphasis in staff training will be on “individualization of negotiation processes”. This means that the market will need competent negotiators, not bellmen operators.

Among the legal staff, there will be a demand for employees who are able to manage complex piece cases (which, in principle, is always relevant), as well as line juniors who are on the market for little money, but at the same time, sufficiently perform the functions of clerks.

The face-to-face collection specialists will need to master the art of controlling drones and other video gadgets to track debtor's property and to organize surveillance processes. Therefore, professionals of a technical mind will be needed.

There remains a strong demand for a strong HR brand of the collection agency as an employer. As the market develops, new companies will appear and, given the lack of an industry talent pool, the struggle for skilled personnel between the players will increase.

With a high probability, in the horizon of 3-5 years, the institute of private bailiffs (IPB) will be introduced, which will put forward new requirements for the qualifications of visiting recoverers.

In terms of the staff incentives, the garland will finally be written off from the basic part of motivation in favor of premium models linked to the recoverer's KPI, namely, the collector's ability to have shares in debt portfolios and to participate in the distribution of profits based on collection from receipts. The catalyst will be the development of the

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tokenization economy. This will allow the staff, without being the owner of a legal entity, to de jure own debt obligations.

The first programs will appear: MBA in collection business management.

DEBT HOLDING. How to cooperate with us, or some of our advertising

According to Michael Porter, every company should make choices about how to achieve leadership, differentiate its product by adding uniqueness and value to the market, or to work with costs, reducing costs and, therefore, the price for the end user. Truth, as usual, is in balance.

Each reader can earn thanks to our projects and cases via this book (if I invested, I would like to read it).

1. Transfer of debt obligations under the agency scheme. You transfer debts—we collect them.
2. Receiving a “lifetime” brokerage commission for the contract provided for work. As long as the contract is valid, you officially receive a certain percentage of it on your account.
3. Providing targeted loans to legal entities of the holding on the security of the acquired real estate at bankruptcy auctions.
4. Investments in investment funds of DEBT HOLDING all over the world.
5. Participation in the capital of the DEBT HOLDING parent company.
6. Participation in the purchase of DEBT HOLDING tokens.
7. Direct investments in the company’s projects around the world.

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Successful investment, friends!

Illustrations: Part I. Maxims of Recovery

1. Why are we talking about Maslow?
2. Philosophy and memes. Citizen.
7. Big Data
20. Debtor's triggers
25. VIP debts
27. Excitement to help

Illustrations: Part II. Collection. HR and processes.

1. Job profile and recruitment in a collection company
7. Organization of incentives for the collection company staff
16. Phobias, triggers, supports of the debtor
19. Collection. Conflict dialogue environment
25. The experience of psychics and mediums in collection
28. Creative writing at the service of collection
29. Law enforcement and private detective experience in collection
30. How to recognize a debtor's lie or deception
32. Work at the PRE-collection stage
34. "Gangster" collection. Causes and echoes
41. Structuring the negotiation process with the debtor
44. Stress tolerance. Negative response protocol