



Building the Foundation
◇ INFORM ◇ For Collection Success

I = Information You Should Have

N = Need to Know – Managing Information

F = Forming a Team with Positive Group Dynamics

O = Outsourcing, the New Norm

R = Resolving Discord With Members

M = Managing the Outcome

"If you can't explain it simply, you don't understand it well enough." Albert Einstein

Managing the outcome of a collection call is tough stuff and depends on the collector developing negotiating skills. The member owes a debt, the credit union needs to collect - simple enough. Not so simple for the member who may be going through a time of stress where emotions are high. Or perhaps the member has not been honest or tries to manipulate the outcome. Your intent is to create a win-win for the member and the credit union without sacrificing the goal of collecting the full balance.

The cause of deadlocks? Not recognizing underlying reason(s) for delinquency, not listening to the emotional issues impacting the member, and the member using manipulation or bullying during the conversation.

The collectors allies? Preparation, calm, clarity and a list of alternate solutions.

- You want to lose your position of authority quickly? Lose your cool. Whatever happens, no matter what crazy stuff is thrown at you, don't lose your cool. You're the adult in the conversational room. If you prepared carefully, you deal from a position of knowledge and can be rational, not emotional.
- If you suspect manipulation, set the tone by making it clear that you are only interested in reaching a mutually beneficial outcome, do not allow yourself to be intimidated. Deadlocks most often occur when one side asks for everything they want up front without allowing for discussion.
- Thoughtfully determine what you want to achieve before the call starts, and approach every call with a list of possible alternative solutions.
- Emotional issues should not be ignored. If emotion is not discussed where it needs to be, any agreement reached can be unsatisfactory and temporary.
- You are in a position of power, but don't forget to acknowledge your members perspective and invite him to express his views, to suggest alternatives, and to react.
- One common negotiation mistake, that sabotages a win-win situation, is to make a steep concession that could lead the member to expect another. People feel more satisfied when a negotiation involves alternatives that they feel are fair – even when the outcome is unfavorable for them.
- You can also enhance perceptions of fairness, after an outcome has been reached, by providing detailed explanations for actions or outcomes. These explanations, though time-consuming in the short run, can help your member develop a much more favorable view of the process and the credit union.

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