

## **Telecom Collections - Overview**

Our collection efforts are unique and dynamic. We collect not only on past due accounts, but also on accounts that have the potential to become delinquent based on the originating and terminating locations of the phone calls.

As the debt collector will soon learn, when he or she sees someone calling from the 718 area code, the conversation will likely address the denial and acceptance of phone calls from a prison facility such as Fishkill in New York. The contracts between the prison and the long distance carrier are lucrative. Prison calls create a substantial portion of revenue for both parties. The debt is high.

Phone calls from inmates accumulate to \$1.4 billion per year. This means that the debtor is roughly charged \$5.74 per 15 minute intervals. This is a situation that must be corrected through negotiations with phone companies and prison managers who charge high phone rates in exchange for a share of the revenue. While this might sound difficult, there are ways to simplify these billing issues for a collections representative.

In our department, we collect on past due accounts. Furthermore, we request prepayments from customers who have potential to become delinquent. Basically, we do not want media consumers to use more of the product than they are able to cover because we do not want them to get overextended. This is when we collect an advance payment. We allow customers to bill at two times their highest phone bill. This procedure causes significant problems for the debt collector who has not anticipated the aggressive behaviors of customers who disagree with our policies.

Our training department gives new hires an overview of the collection's process as this relates to prepayments for regular telecom users and collect calls from prisons. Our training department needs to focus more on verbal skills. The collector needs to take control of the conversation without upsetting the customer. This involves persuasive communication skills to reduce stress for the debtor and the collection representative.

There are different types of questions: closed questions, open questions, leading questions, recall questions, probing questions, loaded questions, rhetorical questions, and funneling questions. The collections representative must be able to detect a lie, a partial answer, an avoidance of the question, and an avoidance of the answer. Currently, prison accounts are not given priority during the training process. All employees are equally trained on how to resolve these conversations. The current process is not effective. Collectors spend too much time talking with debtors. The collector needs to succinctly explain our policies to consumers because this knowledge alleviates tension.

Once the groundwork for account resolution services has been established, the collector must have the verbal skills to collect a prepayment. Verbal skills will lead to conversions. Everyone has heard the phrase, “garbage in, garbage out.” To avoid this situation, the collector must ask the correct questions. For example, a collector needs to detect a lie by utilizing open and closed questions. The collector needs to ask the debtor if he or she has enough money to cover the debt. This is an example of a closed question.

### **Technique**

A collector can make great use of the funneling method when the dialogue is started with closed questions. As the conversation progresses, the collector can begin to use open questions to reach truthful answers. Empathy is essential. There are several options for fixing this situation. One method is to devote more time in training on how to handle calls from prisons. This would require more training time. At the end of the current training process, some employees have been so frustrated from talking with irritated debtors that they leave the company.

### **Solution**

Using leading questions, the collector can make progress when giving the debtor various options related to resolving the account balance. Leading questions tend to be closed and bring the debtor to the conclusion that the account will be resolved. For example, the collector should ask, “When would you like to make a payment?” In the future, the collections process could be semiautomatic. Until that happens, verbal training is optimal for successful collections.