

Get Your Money

A Newsletter by Assegai Communications

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Dear Reader

Reading time: 4 minutes

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DEBT COLLECTORS: MULTI-SKILLED PROFESSIONALS

Is a debt collector:

- A “hired gun”, or
- A negotiator, or
- A customers service official, or
- An unfortunate necessity?

Sadly, many managers think that a ‘debt collector’ is indeed an unfortunate necessity. They are wrong, because the ideal debt collector is a combination of the first three elements, with very little of the “hired gun” in her. She is also an absolutely crucial member of the customer service team. What!? The salespeople will throw a fit – they see “debt collection” as being the opposite of customer service.

Sales people get a lot of other things wrong, too. They are pampered, rewarded and given continuous training, but few of them realise two basic and essential truths, namely:

- Money recovery is everybody’s business. The deal is not done, until the money is paid.

- To permit money to become a problem is very poor customer service.

If credit controllers and collection people were given half the training and care that is lavished on sales people, they would all be happier, more productive employees. Their function is a vital one, but rarely recognised as such.

Secondly, if sales people would just realise that the recovery of money, handled properly, is a positive customer service function, (apart from being an economic necessity) companies would be far more productive.

PERSONAL TIP FOR COLLECTIONS PEOPLE

Good collectors are happier people. What does it take to get better at what you do? Learn! Acquire more knowledge about the collection process, communication techniques and assertiveness. You will get better at what you do, stress will reduce and your income will increase, together with your self-confidence.

LEGAL NOTE: SEQUESTRATIONS – “DANGER OF CONTRIBUTION”

We are often asked what this means. Here is the explanation, in a nutshell:

‘Sequestration’ is the legal process of obtaining a court order, which declares a person ‘insolvent’. A person subject to insolvency loses his right to manage his own finances – his estate is placed in the hands of a trustee, who gathers all the assets and sells or otherwise applies them to settle the debts of the insolvent, including legal costs and other costs of insolvency, such as the trustee’s fees.

Before a creditor is paid, he (or ‘it’, in the case of a company) must ‘prove’ a claim. Claim forms are completed and lodged with the trustee, for this purpose.

Suppose the insolvent person’s assets are insufficient to pay the costs? Then, the shortfall is recovered from the creditors who have ‘proved’ claims! The lesson here? Before you lodge a claim against an insolvent estate, ask the trustee “Is there any danger of a contribution?” He will usually tell you whether there is likely to be a contribution. If so, there will be no payment to creditors, so your claim will have to be written off. Do not lodge your claim documents, in such a case.
