

The Szabo Difference – Thanks To Our Many Loyal Customers

Dear Friends:

We've been cranking out "Collective Wisdom" since July of 1986, so this issue marks our fourth anniversary. In honor of this auspicious occasion, we'd like to focus on ourselves a bit this time around. While our feature article, "The Szabo Difference," may seem somewhat self-serving (and it is), our broader goal is the same as always – customer satisfaction in the form of personal attention and results.

As we've grown, the pressures of maintaining that goal have grown along with us. To that end, we welcome your comments about what we have to say about ourselves, and we promise to respond to any suggestions and criticisms you may have.

Keep those cards, calls, and letters coming, and have a wonderful summer!

Best wishes,



Pete Szabo, President
Szabo Associates, Inc.

Since opening its doors almost two decades ago as the first and only firm specializing in media collections, Szabo Associates, Inc. has enjoyed considerable growth. The company that began with one person and a phone in 1971 employs forty-three computer-assisted staff members in 1990. With over two thousand clients to serve (ten times that of fifteen years ago), the firm's management constantly reevaluates its policies and procedures to accommodate the dynamics of growth.

The company established a "team" concept to maintain the level of personalized service that Szabo clients had come to expect. In this approach to customer service, the account executive assigned to an account reports to a team manager who, in turn, reports to the president. Addressing the individual needs of clients is a group effort, whereby everyone in the team hierarchy becomes familiar with the account and contributes to its management. The account executives have a dual role: they're involved in collections, and they act as liaisons to the client.

And what if the account executive is not available when a client calls? "Then the call is forwarded to a manager," says team manager

Nolan Childers. "Ordinarily, one call is all it takes." This accessibility of management becomes apparent as soon as a client initiates a call. The receptionist doesn't respond with, "May I ask who is calling?" On the contrary, if the person requested is available, the caller is immediately put through to that person, including the president.

Team managers Andy Carros and James Strickland share Childers' opinion that customers are generally better served by this organizational strategy. Both point out that the pool of resources created when a number of professionals contribute to finding solutions to collection problems results in greater creativity and effectiveness.

"Our manpower gives us the ability to respond to individual client needs immediately," adds Strickland. "We constantly interact, test, learn, and modify. Our decision-making processes are driven by personal and company values rather than from our size and the number of clients we have."

Investigative and collection processes are also driven by company values, according to Carros. "These processes can be lengthy if they are done with diligence,"

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he says. "But ours is a service-driven and not a cost-driven environment. That translates to equal and thorough treatment of all claims, large or small." Over the years, this formula has been rewarding to both Szabo Associates and its clients.

"Of course essential to this formula are quality people," Carros is quick to point out, "and that's also partly a function of size. The larger the company, the better able it is to attract quality personnel. They know the business is well established, and they receive better compensation for their services, including a company-funded profit sharing plan."

Strickland makes mention of another phenomenon that comes with an increased number of staff members: competition. "The company competes with itself in the bottom line sense," he says. "But we're also driven to succeed individually in a healthy way by peer pressure. That works to the client's benefit."

The range of services that Szabo is able to offer can also be of significant value to the client, according to Carros, who cites litigation as one example. "Many agencies don't touch it," he says. "That's because litigation services don't make money for the agency. When an agency doesn't provide these services, however, it puts the problem of contacting an attorney, negotiating a fee, and monitoring the progress of the lawsuit back on the client. Failing to provide this service to our customers wouldn't be representative of our company's philosophy."

"Errors and omissions" insurance is another "perk" for clients that only a mature and sophisticated agency can usually afford to carry. Similar to malpractice insurance in the medical profession, "errors and omissions" protects clients in the event they are sued for something the agency does or fails to do. Agencies that do not carry this coverage are inclined to tell their clients, "Sorry, but you're on your own now," in the event of such a lawsuit.

A service that lies exclusively within the realm of Szabo Associates is one that is a result of both size and time in the industry. The company pioneered computerization in collections, installing the first custom software in the media collections industry in 1979. The fully integrated business sys-

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True Collections

The following story is true. The names, places, and dates have been changed to protect the persons involved.

The Oldest Living Collections Widow Tells All

We got married in 1925. My father had a fit.

"My baby's marrying one of those bill collectors? For this I had your teeth fixed?"

My father thought collectors were "dumb thugs." You know, people

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"Collector's Corner" is our readers' forum for suggestions, comments, and idea swapping. If you have information to share or input on how our newsletter can better serve you, please write or call. We want to hear from you!

Question: I have an open invoice against a corporation. I have been notified by phone that the corporation is in the process of changing hands. How do I determine whether or not I will be paid?

B.L., Bridgeport, CT

Answer: First, it is important to learn what is being sold. Is it a stock purchase or an assets only sale? Generally, in today's business environment, there are few stock purchase sales due to fear of hidden liabilities that may surface down the road.

Most buyers opt to purchase assets only. Whether or not you are paid will depend on the new consideration offered by the buyer. If the amount of new consideration exceeds the amount owed to secured parties for encumbered assets, you may be paid.

 **COLLECTOR'S
CORNER**

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who broke your forefinger when you missed the first payment, then sort of kept it up for each missed payment 'til you ran out of things to get broken before they started back on the forefinger that was probably just healed up.

I thought Charlie's career was sort of romantic, myself. Charlie used to tell me stories, you know.

Like that time in Chicago. See, back in those days — I'm talking a long time ago — there wasn't the kind of laws they have now to protect people who don't pay their bills. Heck, now you've got Chapter this and Chapter that. Back then, if you didn't pay up, then you really paid the piper, so to speak.

Anyway, this guy — I'll call him Sal Martino, not his real name 'cause you never know if he might have some living relatives who tend to hold a grudge — well, he owed

something like five grand. Lots of money back in the '40's. Charlie calls Sal up, uses a fake name. Charlie had a whole list of fake names — kept 'em on 3 x 5's so he could keep straight who he told what.

Charlie says, "Sal, this is Rocco Tattaglia (I liked that one the best. Charlie had names from all over the place. "I got no ethnic biases," he used to say. He just chose a name to establish what he called "rap-pore.")

"Sal, you owe five grand, and you got no more time."

Sal says, "yeah, so what you gonna do, break my knees?" Then he laughs. Big mistake with Charlie. See, Charlie was what can I say, firm yeah firm, but he wasn't mean. He was real kind-hearted, my Charlie. I remember one time there was this woman who owed, I dunno, maybe five hundred or so. Charlie kept calling her, saying, "Winona, just send what you can — five, ten dollars a month, I'll quit calling you up."

Everything went good for awhile — five, sometimes seven dollars would come in a month. Then all of a sudden, nothing. Charlie calls her up. "Winona, what's the problem?" She says she's been sick and real depressed about everything and wasn't able to work too much lately. And you know what Charlie did? He called her every day just to cheer her up and finally got the guy she owed money to take a little bit off the bill. I still get Christmas cards from Winona.

Anyway, Charlie waits until about three in the afternoon, 'cause he knows when Sal works his shift. Goes by his cousin's restaurant, loads up the pickup with garbage from breakfast the day before — you know, lots of egg shells and stuff like that. Backs up in Sal's driveway and spreads the garbage from the front door to the street. About that time Mrs. Martino's garden club is just leaving, and she can't even open the door for the garbage and the smell. Charlie got a check the next day.

Of course, now it just wouldn't be the same for Charlie, rest his soul. Things just got so legal and nice in a different sort of way. He used to have a sign on his desk, said, "Old Age and Treachery Will Overcome Youth and Skill." He didn't believe it though. Charlie knew when to check out. My Charlie always had a great sense of timing. ♦

— story contributed by C. T. Heist



"WELL OF COURSE I'M NOT ON VACATION. YOU TOLD ME TO RESEARCH PLACES FOR NEXT YEAR'S CONVENTION!"

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tem also insures accurate tracking of customers' files by Szabo personnel and provides valuable information to its clients.

"Computerization is only as good as the usefulness of the information it supplies," says vice-president and controller Robin Szabo. "We've been compiling information on the paying habits of agencies and advertisers since 1979, and we share this information free of charge to help our clients make decisions regarding extension of credit. The data base now includes information on more than 100,000 agencies and advertisers."

President Pete Szabo believes that exchange of information is essential to the health of the company and to the industry in general. "The climate in the industry changes constantly," he says, "and it's important to stay 'wired-in' to it." To that end, in-house training programs insure that personnel keep abreast of changes within the industry,

and management attendance at seminars and conventions is viewed as an important part of staying in touch.

In this area, the company's position in the market has influenced its level of participation. Szabo managers are often enlisted to make speeches on various aspects of media collections at local, regional, and national conventions and seminars and to contribute articles to industry publications. In addition, Pete Szabo serves on the board of directors of the Broadcast/Cable Financial Management Association.

The maturing of Szabo Associates, Inc. has indeed brought about changes, but one thing in the company hasn't changed — its principal focus. "Our whole business was built around making decisions that protect our clients — that help them, for instance, to avoid litigious situations," says Pete Szabo. "While the focus itself hasn't changed, our growing resources and library of cases allow us to maintain that focus with greater efficiency. Having the market share that we do, however, forces

us to be on our toes as never before. When you are a market leader, your dedication to providing the best service becomes greater."

So in the final analysis, what is the "Szabo difference"? "Clients do enjoy the features and expertise we have developed over the last nineteen years, along with the personal attention they get from the person on the other end of the line when they call us," says Pete Szabo. "We like what we do, and we like the feeling that we're making something happen for our clients." ♦

Calendar of Events

Colorado Association of Broadcasters
Vail, Colorado
July 19-21
(Robin Szabo will speak on Credit and Collections)

Georgia Association of Broadcasters
Jekyll Island, Georgia
August 11-13

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