



MORE is better than less.

## Dear Friends:

Summertime is here, and what a relief it is! A bit hot maybe, but isn't it great to put most of last year's sobering restrictions behind us?

Our company has another big reason to celebrate. Fifty years ago, in 1971, Pete Szabo created Szabo Associates, Inc., the first and only "pure play" collection service for the media industry. Our feature article chronicles some highlights from the past five decades, from the company's humble beginnings to the present.

Speaking of technology, Media Finance Focus 2021, a virtual conference that began on May 11, continues through July 29. Although nothing beats the camaraderie and face-to-face sharing of information (and the parties) that we have enjoyed in years past, MFM and BCCA are delivering dozens of enjoyable and informative sessions and opportunities to network remotely.

We also look forward to our annual Szabo Quality Awards Banquet on August 23 in Atlanta, where we honor the achievements of our talented associates.

Many thanks to our clients and friends, who have helped to make Szabo Associates successful through the years. Have a great 4th of July and a wonderful summer!

Robin Szabo, President  
Szabo Associates, Inc.

## Szabo at 50 . . . A Half-Century of Service to Media!

How do we begin . . . to think about, talk about, smile about events of the past 50 years in business? The media industry of today is startlingly different than it was in 1971, the year Pete Szabo began to realize his vision of a collection service like no other—a media-specific "pure play" agency that not only collected debt but also preserved his clients' relationships with their customers. Perhaps we should begin by saying that Pete's original idea, which worked so well from the beginning, continues to succeed today—a respectful and disciplined approach to collecting debt.

We in the industry have navigated our way through numerous economic ups and downs in the past 50 years. Since Szabo Associates began, media have suffered through seven recessions: Oil Crisis (November 1973-March 1975); Energy Crisis (January-July 1980); Iran/Energy Crisis (July 1981-November 1982); Gulf War (July 1990-March 1991); 9/11 (March-November 2001); Great Recession (December 2007-June 2009); and finally, COVID 19, which began in February 2020. Credit managers have always had the difficult job of balancing sales and credit risks, and recessions such as these inevitably increase interdepartmental tensions as well as DSO problems.

Media have also had to embrace the many challenges and opportunities that technological advances have brought to our industry. During the 1970s, the decade Pete started the business, we began to see the emergence of customizable and mobile forms of media technology. Tape recorders, VHS, Sony's

Walkman, and cable TV enabled people to exert more control over how, when, and where they consumed media. Few could have imagined back then how rapidly information technology would change the entire media landscape!

But back to the humble beginnings. Pete had a terrific idea, a surplus of enthusiasm, and a willingness to doggedly pursue his dream of a specialized debt collection service with expertise in the media industry's unique challenges. He also had a small Atlanta office and a phone.

### First Call.

Jim Rouse got a phone call from Pete in 1971. As controller of WQXI Radio and Television (now WXIA), Rouse's many duties in employee matters, finances, and the normal flow of business left him with little time to argue over discrepancies and collect overdue accounts all over the country. Then he got a call from Pete Szabo. And another, and another.

"I started to like this guy," says Rouse, now retired. "He had a good personality, a sense of humor, and he just kept calling me."

Pete invited him to lunch to talk about collecting. "He was driving this old car with a hole in the floor," recalls Rouse. "He was so excited and had studied up on the business, and he really wanted to work with media. I felt sorry for him, so I bought lunch."

That lunch resulted in WQXI becoming Pete's first client.

"I gave him a couple of problem

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accounts that nobody had collected,” recalls Rouse. “We were ready to turn them over to D&B or local attorneys. Well, Pete collected them. So I gave him another, and he collected that one.”

Soon after, Rouse received a call from a media company in Birmingham asking about Pete. “I had four words to describe him,” says Rouse. “I said, ‘That dog can hunt.’”

Rouse then became president of IBFM (Institute of Broadcasting Financial Management), later to become MFM (Media Financial Management), a professional association dedicated to the unique interests and needs of business and finance executives in the media industry. Hoping to engage members across the U.S., Pete wanted to present a program at the organization’s annual conference. Rouse advised him to slow down and take the time to study the cultural and engagement differences among media organizations in various parts of the country.

“I had a personal theme song, ‘Don’t p\*\*\* off our clients or we’ll lose them,” says Rouse. “Pete understood that sentiment very well.”

Rouse offered a way for Pete to introduce himself to prospective clients at the IBFM conference. Pete created and distributed his company brochures in the host hotel to all registrants. The following year, he became a true participant, and his involvement with the organization grew. In 1973, Szabo hosted its first hospitality suite in New Orleans, followed by many more over the years which became legendary. In 2003, Szabo began sponsoring the opening reception for the annual conference, a tradition that still exists today. Today, MFM boasts an active membership of more than 1200 media professionals.

“That involvement was one of the best things I ever did for the industry,” says Rouse. “That and giving Pete those accounts.”

In 1976, the Georgia

Association of Broadcasters endorsed a collection firm for the first time, and that firm was Szabo Associates. Pete continued to grow the business and broaden his contributions to the industry through the ’70s, helping to write credit manuals for the Broadcast Credit Association and the National Association of Broadcasters.

### **Enter Robin.**

Meanwhile, Pete’s brother Robin was attending Florida State University. After Robin graduated with a degree in finance in 1977, Pete invited him to join the firm. Robin remembers that conversation well. “We both agreed that keeping our good relationship as brothers was of paramount importance,” says Robin. “Pete suggested that we give it a go for a year to see how things worked out. If they didn’t, no hard feelings.” Obviously, things did work out!

In 1982, Robin became vice-president of Szabo Associates. In 1983, the dynamic duo and the exceptional staff at Szabo Associates celebrated a landmark year, when the company took on case number 100,000. From the beginning, Szabo has recognized that superior client service is contingent on personalized attention, which is why, even today, our debtor case load remains approximately 180:1, the lowest in the commercial industry. At the same time, Szabo has delivered more media debt dollars to its clients than the combined total of all other collection firms in this business.

### **Ahead of the Curve.**

Szabo’s relationship with its clients is a partnership. The company makes every effort to stay ahead of the shifts and trends in our rapidly changing environment so our clients can focus on their businesses. Anything that affects media is our business also, whether it is advertising liability, debtor and creditor rights, legislation, or new technology.

*Technology in-house.* Always eager to embrace cutting-edge technology, Pete became the first to integrate computers with collections in 1979, increasing efficiency while eliminating the time and waste of paperwork. The World Wide Web entered the popular vernacular in the early 1990s, and

our website went online in 1997. Influenced by the requests of our clients, it has undergone many additions and enhancements over the decades, including our secure client portal, which streamlines clients’ everyday account management and reporting functions as well as all current and historical account data. More recent innovations offer instant “snapshots” of information, allowing clients to monitor account progress, analyze customers’ behavioral patterns, and uncover opportunities for improvement within their businesses. Our system accepts input from multiple sources, including faxes, emails and scanners, and our custom-developed proprietary middleware and software provide workflow solutions for electronic document access, review, delivery and storage.

*Industry engagement.* One of the best ways to keep up with our rapidly changing industry is to stay involved with professionals on the front lines. We give time and expertise to many professional organizations focused on media, commercial credit, collection, and general business. Team members speak frequently on the latest trends in credit and collections, accruing more than 100 speaking engagements for national and international associations.

Written works by our team members appear in books and articles published by the Broadcast Cable Credit Association, Broadcast Cable Financial Management Association, Media Financial Management Association, National Association of Broadcasters, and others.

### **Good to Know.**

Among the most important value-added services we provide our clients is information on virtually every subject relevant to media collections.

*Collective Wisdom.* The first issue of our industry newsletter rolled off the presses in 1986, when Pete recognized that the company could provide added value to media credit departments with timely and useful information related to credit and collections. The original format featured brief feature articles

about how to improve credit and collection processes; "Collector's Corner," a Q & A forum to address clients' specific concerns; "True Collections," humorous short stories about the collection business; and "Szabo's Forecast," where Pete discussed his economic predictions for the coming quarter.

In 1994, the newsletter was redesigned in format and content to reflect the growing complexity of legal, technological, and organizational issues facing media. Longer, "meatier" articles replaced the shorter ones, as we wanted the newsletter to provide the depth of information that more complex subjects required. Besides the feature and the President's Letter, one other element has stayed with us from the beginning, and that is the cartoon featuring our favorite character, "Flo." Starting out as a "ditz" in every sense of the word, Pete decided that the character should evolve with the times. The Flo of today is ageless as ever, but her wise-cracking wisdom keeps the office crew on their toes.

With this, our 141st issue, our goal has remained the same—to stay ahead of the curve with information that is valuable both to seasoned credit professionals and to new staff members in our

clients' organizations.

**Resources.** Szabo's up-to-date database, DebtorNet®, containing information based on our firsthand experiences with more than 650,000 agencies and advertisers worldwide, has saved our clients millions of dollars a year in potentially lost revenues. Our Library Resource Center houses industry surveys on issues such as DSO, aging, and bad debt as well as up-to-date legal information to help clients determine risk factors. When clients need a little help with a particular situation or an employee needs help with collection techniques, they can rely on "Szabo 411" for free advice.

**Legal.** Our in-house paralegals, who often are aware of developments before they are published, are available to our representatives as issues arise. Our people are also experienced in navigating the complexities of debtor bankruptcy, protecting clients' rights as creditors, negotiating settlements in preference actions, and advising clients who are considering issuing credit to Chapter 11 debtors. Should litigation become the best alternative, we offer a network of specialized legal resources, including those with expertise in foreign legal systems, that is unsurpassed among collection services.

### **The Moxie Crew.**

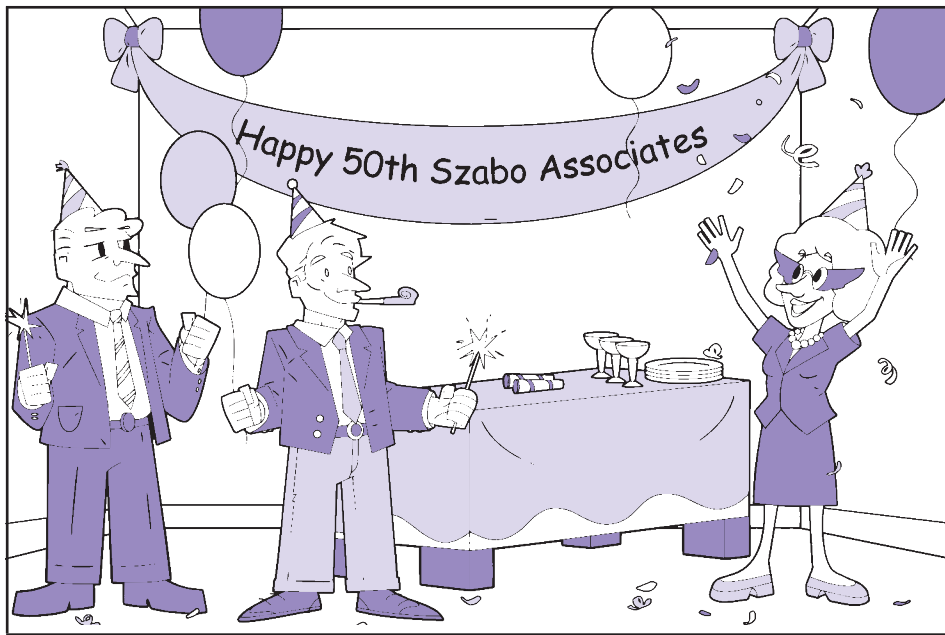
Call us picky, and we will take that as a compliment. Because we regard our employees as our most important asset, it takes moxie to become a Szabo team member. Our stringent hiring process places a premium on character, personality, intelligence, self-reliance, and an ability to learn from training and experience. While most come to us with collection experience, we take them to a higher level, educating them on the media business and enhancing their collection management skills. Of paramount importance in that training are the art of diplomacy and negotiation techniques to both collect clients' money and protect their valuable media/client relationships. Further, we train our employees to become specialists within their divisions, whether it is broadcast and related entertainment, print, radio, online, program syndication, or product licensing.

Our team is available to manage clients' A/R needs on any level, from one really difficult customer to all accounts receivable. Decades of expertise in credit/sales coordination, policies, credit and collection services, and contracts bring efficiency and success to the task, with utmost transparency.

Success breeds confidence, and confidence leads to satisfaction for a job well done. As a result, our employee turnover is low. Our collection professionals average 24 years of commercial collection experience and 14 years with Szabo, while our entire staff averages 13 years with us. Three of our employees, Associate Chuck Langgood, Associate Nolan Childers, and Legal Services Manager Sandi Henderson, have each graced us with their expertise and service for more than 30 years!

### **Pete's Legacy.**

In 2001, Pete was selected to be the first recipient of the BCFM's Jack Zwaska Career Achievement Award. Sadly, Szabo Associates lost its founder and president on July 1, 2006. In accordance with Pete's wishes, Robin Szabo assumed the leadership of the company after serving as



Congratulations on a half-century of superior service to clients and the media industry! And here's to many MORE!

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## *Szabo at 50 —*

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vice-president for 24 years. Upon Pete's passing, Robin paid tribute to his lasting legacy. "Pete had amazingly keen insights and an innate ability to turn a situation on its side and find a solution in a snap," he stated. "He created a business that no one had thought of, then never rested. He was always a step ahead of industry change, always anticipating the needs of his clients. He was a leader and mentor, but first and foremost, he was my brother. The bond of our relationship added a dimension to our work that few people have the opportunity to enjoy."

In the June 2006 issue of *Collective Wisdom*, published days before his passing, Pete marked the company's 35th anniversary and expressed his

confidence in its future by saying, "We look forward to many more decades of change, growth, and leadership as we continue to serve our valued clients."

In the following 15 years, Robin and the dedicated staff of Szabo Associates have continued to be guided by the founding principles of the company. Robin has sustained and advanced the company's involvement in all things media, with numerous speaking engagements, sponsorships at industry conferences, authorship of articles for industry publications, as well as membership on the board of MFM. In 2011, he received MFM's Rainmaker Award and, in 2014, MFM's Chairman's Award in recognition of his lasting contributions to the growth and expansion of the association.

In 2011, as Szabo Associates celebrated its 40th anniversary, Robin stated, "Szabo's guiding principles are the same today as they were when Pete founded this firm in 1971: to give back to the

industries we serve, to exceed client expectations by delivering professional service, to develop a unique culture that attracts and retains the best talent, and to provide leadership in a dynamic marketplace." Ten years later, those timeless principles continue to carry us forward.

Pete's distinctive deep, throaty laugh and straight-shooting style will always be missed and remembered, but we believe he would be pleased to know that our recently adopted slogan, MORE, reflects our determination to continue to deliver more and better services for many years to come. We invite everyone to visit our newly redesigned website to learn more about our team, our services, and our achievements. We would also like to express our sincere appreciation to our many clients and friends, without whom we would not be celebrating 50 wonderful years of success and service! ♦