



# Help from collection agencies can improve profitability

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Marlborough, MA; [American Profit Recovery](#), a collection agency based in Michigan and Massachusetts has long known many small businesses lack the staff and experience needed to effectively manage internal accounts receivables and that help from a reputable collection agency aids in settling overdue accounts. In a volatile economy, it is easy for even the most reliable customer with the best credit to struggle paying their bills. Facing debt can cause customers to become overwhelmed and delay settling their overdue accounts. This situation leaves many business owners facing the dilemma of confronting customers with overdue bills.

“Collection agencies that treat clients with respect and diplomacy can provide methods that assist customers with facing their debt and prioritizing their bills,” says Jeff DiMatteo, partner at American Profit Recovery. “A sound collection agency will employ proven methods of success that boost a businesses’ bottom line, firm up internal collection methods and preserve long-term relations with devoted customers. Knowing what to look for in a collection agency enables companies to find the best fit for their specific internal needs to flourish in any economy.”

American Profit Recovery believes the following collection agency practices have proven effective for many businesses by dramatically improving accounts receivables through consummate customer service:

- **Act early:** In order to increase accounts receivables with improved debt collections, it is necessary for a reputable agency to act as early as 30-days on past due accounts. Early intervention is not always feasible for small businesses as it requires an around-the-clock workforce focused primarily on a company’s bottom line. Since many businesses are unable to provide this service in-house, an outside source improves profitability by increasing the volume of outstanding debts collected. Treating customers respectfully in the process is an added benefit that provides strong long-term relations.
- **A diplomatic approach:** [Collection agencies](#) who act early in conjunction with a respectful mail-based system, have greater success in recovering past-due accounts. A written demand sent early in the mail gives customers a tangible request to resolve their accounts. This kinder, less threatening approach also aids in prioritizing patron’s bills by putting a businesses’ invoice at the top of the heap when it arrives first.
- **A flat-fee system:** One issue most businesses must consider is if they can afford help. Collection agencies who offer a flat-fee system make it affordable to follow up on overdue accounts by only charging an average of \$10 to \$15 per account, regardless of the dollar amount being collected. This practice enables more businesses to hire collection agencies, which in turn helps keep costs low.
- **Full disclosure:** Most businesses hesitate to seek help from a collection agency as they are uncomfortable relinquishing their accounts and turning over clients with whom they have nurtured relationships with for years. A collection agency that offers full

disclosure enables owners and operators to manage their accounts through a web-based system anytime day or night. This feature speeds up the debt recovery process, saves time and money managing debt collection and strengthens client relations by giving businesses access to accounts at times that meet their hectic schedules.

Seeking help from a reputable collections team that follows a proven system of recovery with the methods mentioned above will help retain customers and get a business on the road to profitability.

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