

## The (Surprising) Actual Goal of Successful Debt Recovery Agencies

*Hint: it isn't just about collecting a debt*

What is the goal of a debt recovery service? One might guess: to collect a debt. While conceptually correct, this answer is far too simplistic to capture such a constantly evolving and rapidly-changing industry. In fact, most players in the debt recovery space whose goal is simply “to recover a debt” find themselves quickly outpaced and unprepared. As it turns out, there are better and worse ways to go about this business, and the teams who survive (and thrive) are those that view themselves as partners in debt recovery, rather than a strong-armed adversary.

[In a \\$15 billion industry like debt recovery, where the top 50 companies manage over half of the business](#), insiders know that the keys to providing outstanding services are much more far-reaching and complex than collecting funds. Agencies are not only utilizing today's expanding suite of online tools but also diversifying, identifying crucial ways to boost clients' bottom line and become long-term assets. As a result, the modern era of debt recovery involves creative problem-solving, a collaborative mindset, and extensive knowledge of the industry.

### A More Successful Debt Recovery Approach

A multi-faceted business approach is essential to maintaining a spot among today's top performers - one that takes into account the needs of all parties involved: clients, consumers, and employees. As the market for these services continues to steadily grow, staying competitive will require careful attention to three vital pillars:

- 1. Regulatory Compliance:** Debt recovery regulations are constantly developing, and the consequences of being uninformed can cost both agency owner and client enormously. Agencies must keep up with frequent changes to financial stipulations if they want to maintain client trust and avoid legal entanglements. Many debt recovery agencies rely on an in-house compliance committee that meets often to review both state and federal laws. Retaining legal counsel who can offer additional insight or provide guidance is also a great way to mitigate risks, adding further peace of mind. Once legal updates are identified, teams must also utilize an effective system for disseminating this information to account representatives, loan specialists and other key roles to ensure all are up to date.
- 2. Top-Notch Customer and Client Service:** Access to seamless communication, detailed reporting analytics, and portfolio forecasting are all essential to ensuring excellent customer service and performance in this evolving industry. Companies that view themselves as empathetic, knowledgeable allies to both clients and

consumers are far more likely to earn long-term trust and stay competitive. They are also more likely to find areas to help their clients outside of delinquent account recovery - such as partnering to create a consumer finance program or providing a loan servicing solution - where they can offer greater value to all involved and become a sort of “one-stop shop” for business owners and buyers. One way to add value is to incorporate the latest technological advancements, offering 24/7 “agentless” options for:

- Making payments
- Seeking financial assistance
- Managing account details
- Offering instant real-time credit approval (which can help capture up to 80% more sales for clients)

Additionally, the companies that thrive (and exhibit excellent customer service) are often those that view employees as valuable assets, finding ways to:

- Support a healthy work-life balance
- Offer ample support to help meet career goals
- Make sure they are well-trained and empowered to manage their daily tasks - particularly in specialized roles where up-to-date regulatory knowledge is essential for success

- 3. Consumer Education:** One way to help consumers avoid the debt collection cycle altogether is to play a proactive part in educating them on healthy debt management. While all debt is not necessarily “bad,” managing debt well is a key way to build or rebuild good credit - an essential tool for big-ticket purchases like houses, cars, or rental contracts. Many consumers are not aware of these aspects, and it results in decisions like taking on too much debt or neglecting to consider other means of paying off debt besides personal savings. When it comes to debt collection, increasing consumer knowledge on how to build or rebuild good credit and manage their financial obligations is a powerful (though sometimes overlooked) industry tool in maximizing recovery for clients while earning satisfaction ratings from consumers.

Ultimately, staying competitive as a debt recovery agency requires a shift in mindset from “debt collector” to “financial solutions provider.” A willingness to embrace new technological advancements, keep up with trends or regulations, approach client problems creatively, support a healthy team, and expand service offerings will contribute to a solid reputation as an industry leader, giving agencies more staying power in the bright future of debt recovery.

**About Monterey Financial Services:**

**Monterey's mission statement: To empower every business with the ability to optimize their sales through financing while maximizing growth and cash recovery.**

Monterey Financial Services has forged a reputation for unparalleled customer service, developing tailor-made consumer finance solutions for businesses selling products and services to consumers. Solutions are built to fit clients' requirements, whether they bundle Monterey services together or use what appeals to their specific needs. With services such as [consumer finance](#), rent-to-own financing, [loan servicing](#), custodial services, and delinquent debt [collections](#), clients have the opportunity to profit from consumer receivables of all credit classifications and all stages of the receivables life cycle. With industry-leading results, Monterey remains committed to combining the best technology with its talented staff to achieve a primary objective for its clients to optimize portfolio performance. For further information, please visit the company's website at [www.montereyfinancial.com](http://www.montereyfinancial.com).