Collection Connection

Industry News, Insights and Updates for NACM-IUG Credit & Collection Professionals

May 2015

AN ASSOCIATION FOR CREDIT PROFESSIONALS
IN THE UTILITY INDUSTRIES

Letter from the Chairperson

By Debbie Smithee– SMUD

As the 2015 Chairperson of the International Utilities Group (IUG), National Association of Credit Management (NACM), I would like to thank you for joining us at the 119th Annual Credit Congress and Exposition in St. Louis, MO. May 17-20, 2015. The officers and directors of IUG have worked hard since our Planning Session in Sacramento to organize and plan our conference.

On Monday, May 18th we will kick off Industry Day with our annual IUG luncheon. As our only fundraiser, the proceeds go directly to our group which allows us to bring this conference to you. Thank you to everyone who takes this opportunity to support the IUG while having lunch and networking with other members. In addition to Industry Day presentations and discussions, the Credit Congress offers an opening day keynote speaker, vendor expo and book store.

In listening to our members who wanted the opportunity for other networking opportunities, there will be one evening vendor sponsored event on Tuesday, May 19. Though these events are always rewarding, our membership requested time to take part in other activities sponsored by various vendors and NACM and maybe to fit in a bit of sightseeing as well!

We look forward to networking and sharing best practices with fellow utility members in a utility-focused environment. See what is new in the utility industry and as well as discuss changes and challenges in the credit world. Whether directed by a Commission or a Municipality, there is always great information to be gained from the conference.

We look forward to seeing you in St. Louis!!

Table of Contents

Letter from the Chairperson……………………………………………………………1

Bringing Back a Little Face Time………………………………………………...….5

Keys to Developing Good Relationships…………………………………………..….7

Natural Gas Service to a New Market of Clients………………………………....10

Enhancing the Customer Experience through Technology……………………...12

Vision– The Key to Leadership Success…………………………………………..….14

Now I am the Beneficiary-Looking at Counter Party Credit Risk………………..18

Alerts– Improving Customer Satisfaction and Business Metrics……………..…20

Improving the Customer Experience at Citizens Utility Group…………………...22

2014-2015 Officers

Chairperson: Debra Smithee
Sacramento Municipal Utility District
Email: debra.smithee@smud.org

Planning Chair: Carrissa Woolstenhulm
Salt River Project
Email: carisa. woolstenhulme@srpnet.com

1st Vice Chair: Penny Helton
Citizens Energy Group
Email: phelton@CitizensEnergyGroup.com

Treasurer: Stacey Davis
PacifiCorp
Email: Stacey.davis@pacificorp.com

AARGON
COLLECTION AGENCY

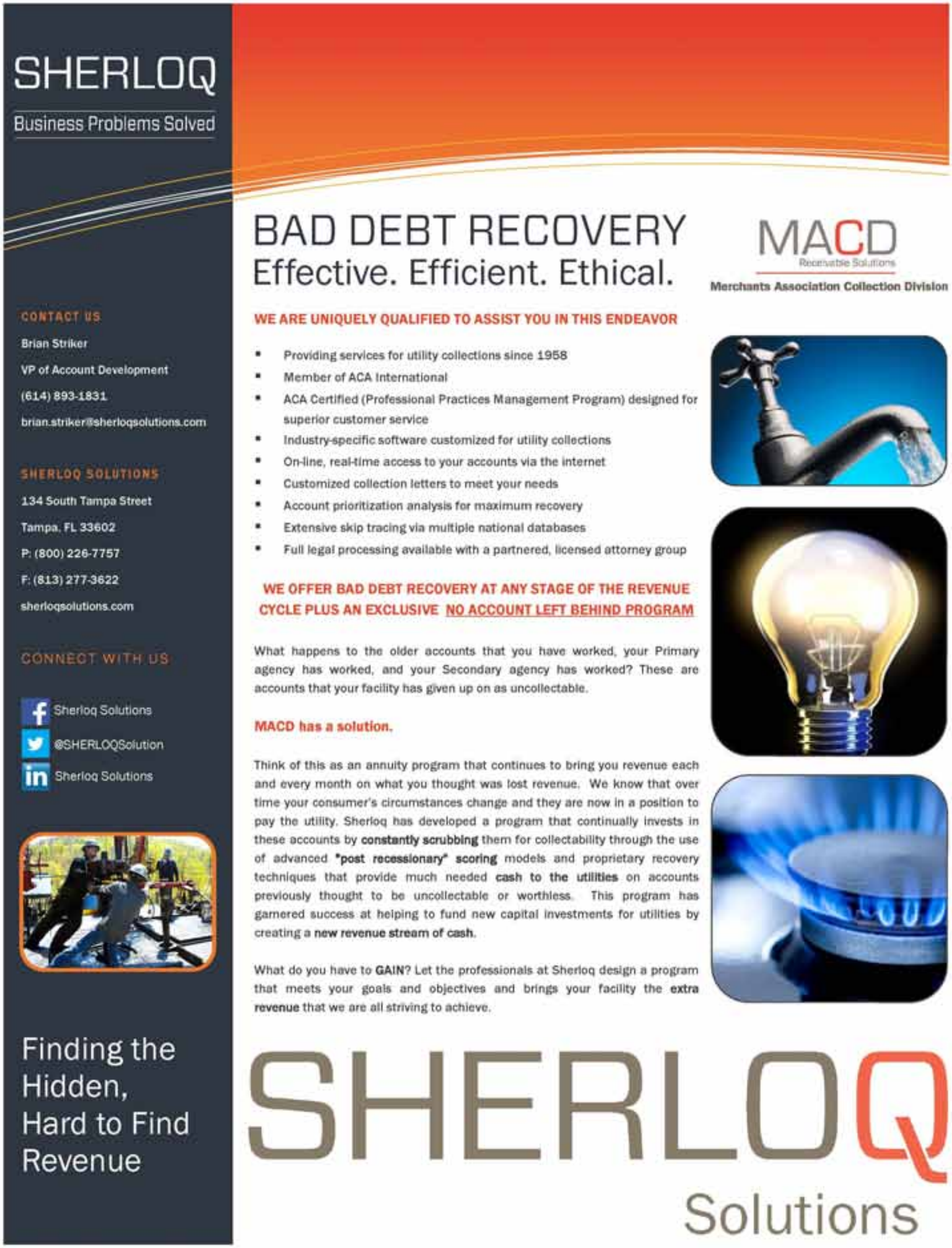
www.aargon.com

Since 1996, Aargon Agency has provided all segments of utility-based recovery solutions for some of the largest service providers in America. When choosing Aargon you not only get an experienced collection vendor, you also get a business partner that will do more consulting than selling to customize and tailor your collection platform. Our goal is to provide to our clients the highest quality of reimbursement services in a professional and innovative manner while understanding that we are a reflection of our client's reputation. We outperform our competition while maintaining a no-complaint philosophy.

Services Provided

- *Early/out (EOB) Final Billings*
- *Primary/Secondary Debt Recovery*
- *Tertiary/Warehousing/Debt Purchase*
- *Collection Software Solutions*
- *24/7 Online Account Information*
- *Nationally licensed in all 50 states*

8668 Spring Mountain Rd. Las Vegas, NV 89117
Phone: (800) 326-7118 Email: sales@aargon.com
NEVADA • HAWAII • FLORIDA • COLORADO • MISSOURI



SHERLOQ

Business Problems Solved

BAD DEBT RECOVERY

Effective. Efficient. Ethical.

MACD

Receivable Solutions

Merchants Association Collection Division

CONTACT US

Brian Striker
VP of Account Development
(614) 893-1831
brian.striker@sherloqsolutions.com

SHERLOQ SOLUTIONS

134 South Tampa Street
Tampa, FL 33602
P: (800) 226-7757
F: (813) 277-3622
sherloqsolutions.com

CONNECT WITH US

Sherloq Solutions
@SHERLOQSolution
Sherloq Solutions

WE ARE UNIQUELY QUALIFIED TO ASSIST YOU IN THIS ENDEAVOR

- Providing services for utility collections since 1958
- Member of ACA International
- ACA Certified (Professional Practices Management Program) designed for superior customer service
- Industry-specific software customized for utility collections
- On-line, real-time access to your accounts via the internet
- Customized collection letters to meet your needs
- Account prioritization analysis for maximum recovery
- Extensive skip tracing via multiple national databases
- Full legal processing available with a partnered, licensed attorney group

WE OFFER BAD DEBT RECOVERY AT ANY STAGE OF THE REVENUE CYCLE PLUS AN EXCLUSIVE NO ACCOUNT LEFT BEHIND PROGRAM

What happens to the older accounts that you have worked, your Primary agency has worked, and your Secondary agency has worked? These are accounts that your facility has given up on as uncollectable.

MACD has a solution.

Think of this as an annuity program that continues to bring you revenue each and every month on what you thought was lost revenue. We know that over time your consumer's circumstances change and they are now in a position to pay the utility. Sherloq has developed a program that continually invests in these accounts by **constantly scrubbing** them for collectability through the use of advanced **"post recessionary" scoring** models and proprietary recovery techniques that provide much needed **cash to the utilities** on accounts previously thought to be uncollectable or worthless. This program has garnered success at helping to fund new capital investments for utilities by creating a **new revenue stream of cash.**

What do you have to **GAIN**? Let the professionals at Sherloq design a program that meets your goals and objectives and brings your facility the **extra revenue** that we are all striving to achieve.

Finding the Hidden, Hard to Find Revenue

SHERLOQ

Solutions

Bringing Back a Little Face Time!

By Melanie Brown, Ameren Illinois

Years ago, many utilities closed their local offices in favor of funneling all customer transactions through a centralized location: The Call Center. More recently there has been a push towards self-service and digital communications. Go to our website! Like us on Facebook! Follow us on Twitter! While for many, these are great options to stay connected, there are those who still crave face-to-face interaction.

At Ameren Illinois, we recently took our Customer Service Team on the road to four communities in our territory. We planned our outreach events to coincide with the end of winter moratorium so that we could encourage customers to take advantage of the moratorium rules on payment agreements before its end. Our team was on hand to answer any account questions, to discuss billing programs like Budget Billing, supplier choice, etc. We also found that topics like energy assistance and energy efficiency belonged in this forum. We brought Energy Advisors from our own organization and partnered with the local LIHEAP agencies as well as smaller social service agencies in each area offering assistance to both low and moderate income applicants. Many were lured to the event with the possibility of receiving a grant towards their utility bill.

So what did we accomplish? With just six CSRs we handled nearly 1200 customers at the four events. We deflected calls that would have been in queue at our Call Centers. We prevented truck rolls for disconnection. We provided access to over $131,000 in energy assistance. But most importantly, we reminded our customers who we are and what we do – solidifying our brand in the minds of the community's residents, the community leaders and even State consumer advocacy organizations.

© MARK ANDERSON, WWW.ANDERTOONS.COM

"As soon as I text, IM, tweet, and update my status to 'getting right down to it,' I'll get right down to it."

ETAN INDUSTRIES | CPA L.P. CREDIT PROTECTION ASSOCIATION an ETAN company

New Name, Same Great Service.

As we approach our fifth decade in operation, we are pleased to announce that have recently completed some changes to the company structure.

At the beginning of this year, Advanced TeleSolutions or "ATS" began operating under the name of our parent company, ETAN Industries, LLC and continues to focus on contact center services and billing and account management. Credit Protection Association, L.P. or "CPA," our collections business, as a wholly owned subsidiary of ETAN, continues to operate as a separate entity under the CPA name.

This is an exciting time for our company as we look forward to combining our capabilities to offer a more extensive suite of collections, customer service and transaction management capabilities. Our clients can expect the same quality and results they have come to expect from our organization, but with enhanced efficiencies and capabilities resulting from these consolidations. Thank you for your continued business and support of the new ETAN Industries!

UTILITIES
Providing knowledgeable, forward-thinking and responsive customer service and delinquency management solutions for Utilities.

CABLE
Offering solutions designed to reduce churn and manage the operational costs of service disconnection.

TELECOMMUNICATIONS
Working closely with the industry to help define payments, collections and first-party best practices.

TOLLING
Building comprehensive toll enforcement that's easier for the toll authority and easier for the driver.

13355 Noel Road, 21st Floor Dallas, Texas 75240 800.800.6499 www.etanindustries.com

Keys to Developing Good Relationships

By Wes Friesen, CBA, Portland General Electric

“Treasure your relationships, not your possessions”. Anthony J. D'Angelo

People are naturally social creatures – we crave friendship and positive interactions, just as we do food and water. The better relationships we have in life – including in the workplace – the happier and more successful we will be. President Teddy Roosevelt was on the mark when he said “The most important ingredient in the formula of success is knowing how to get along with people”.

How can we build stronger relationships that will help us be more successful – and add value to the people we are trying to serve in our lives? Let me share Twelve Principles of developing good relationships that may be helpful.

Twelve Principles to Build Good Relationships

Here are twelve principles that can help build good relationship with people:

Develop Your People Skills. Good relationships start with good people skills. People skills are primarily “soft skills” like collaboration, communication and conflict resolution. How do we assess our current level of people skills and identify areas for improvement? Having trusted mentors or close friends that have the freedom to speak into your life is helpful – as is periodically taking confidential surveys and soliciting honest feedback.

Develop relationships with ALL people. Some people are very status conscious when it comes to building relationships. These people focus on establishing relationships with people perceived to be important in the hierarchy – those viewed as low on the totem pole are given little attention. But the people we most admire are those that treat *all* people as important. I resonate with the Bill McCartney when he said “Anytime you devalue people, you question God’s creation of them”. And I agree with Ann Landers when she says “The true measure of a man is how he treats someone who can do him absolutely no good”.

Be a giver – not merely a getter. Commit to being a *servant leader* who gives of oneself to help meet the needs of others. We can give of our time, knowledge and resources to help people around us. Giving of ourselves is the ultimate win-win that benefits both the receiver and the giver. Winston Churchill said “We make a living by what we get. We make a life by what we give”. Anne Frank reminds us that "No one has ever become poor by giving”. And A.L. Williams reminds us that selfless giving also benefits us when he said “The greater you help others, the greater your own success”.

Employ active listening techniques. Carefully listening to what people are saying is crucial to developing good relationships. Rachel Naomi Remen emphasizes the importance of listening when she advises “The most basic and powerful way to connect to another person is to listen. Just listen. Perhaps the most important thing we ever give each other is our attention … A loving silence often has far more power to heal and to connect than the most well-intentioned words”. Active listening techniques include maintaining good eye contact, asking clarifying questions, and repeating back to the person what you think you heard him or her say.

Promote open and effective communication. The starting place in developing open and effective communication is to be a good listener as we just covered. In addition, relationships are enhanced when we encourage people to freely express their thoughts in a non-judgmental manner. It’s also important to communicate with respect, and to stay rational and avoid being overly emotional. Also, we all have our preferred channels of communication (e.g. face-to-face, phone, e-mail, texts, etc.) so using preferred channels can enhance communication effectiveness.

Work on building trust. Trust is foundational to good relationships. Tips to build trust include consistently following through on what we say we will do; never break confidences; and avoid bad mouthing others behind their backs.

Get to know people on a personal level. To really develop good relationships with others, we need to find ways to get to know people on a personal level (within reasonable boundaries). Asking non-probing open ended questions is a good starting place. Then look to build bridges and find connections. Joseph Newton said "People are lonely (disconnected) because they build walls instead of bridges". To build bridges that connect you to people in a lasting way, share common experiences with them. Share meals. Go to a ball game or other events together. Take people to meetings with you. Participate on work projects together. Anything you experience together helps create a common history and build connection.

Be mindful – and know when to dial it back. Being mindful means taking responsibility for our words and actions. Those who are mindful are careful and attend to what they say, and they don't let their own negative emotions impact the people around them. Being mindful also includes knowing when to have fun and when to be serious, when to be over the top and when to be invisible, and when to take charge and when to follow.

Appreciate others. Showing sincere appreciation whenever someone helps you opens the door to great relationships. Prominent psychologist William James spend much of his career researching what our deepest needs were – and landed on the need for appreciation being at the top of the list for most of us.

Be positive, not negative. Focus on being positive. Positivity is attractive and contagious, and it will help strengthen relationships with those around you. On the other hand, no one wants to be around someone who's negative most of the time.

Be willing to compromise. Compromise involves each party getting something that he or she wants so that everyone wins (think Stephen Covey's "win-win" concept). People are drawn to those that are not self-centered and willing to put relationship over having everything done my way.

Practice common courtesy. A simple exchange of smiles and a "Hi" can be the first step in building a relationship. Making eye contact, saying "thank you" and picking up after yourself are also common courtesies that bring people together. Zig Ziglar was right when he said "When you choose to be pleasant and positive in the way you treat others, you have chosen, in most cases, how you are going to be treated by others".

Building better relationships with people will enhance your influence and help you have greater success in achieving your goals. How will you use your greater influence? I resonate with Booker T. Washington when he said "Those who are happiest are those who do the most for others". I wish you the best as you pursue better relationships with people and add even more value to the lives of people around you!

Wes Friesen, MBA, CBF, CBA, CMA, CTP, CMDSM, MDC, EMCM, MCOM, ICP,, CM, CFM, APP, PHR is the Manager of Billing, Credit and Payments for Portland General Electric, a utility in Portland, Oregon that serves over 830,000 customers. Wes teaches university classes and is a featured speaker at national Conferences like MAILCOM, National Postal Forum, NACUMS, and other regional and local events. Check out his personal web-site for free information (wesfriesen.com). He can be contacted at pchefdebi@comcast.net.

TSI Total Solution Inc

Proud to support NACM IUG

Tools that make meaningful and measurable contributions in all aspects of the utility credit cycle.

There are only three times in a utility customer's lifecycle when you need to be concerned with what you know: Before, during and after they are customers. TSI offers a comprehensive array of hosted and in-house tools that ensure you are positioned to take the right action at the right time.

New Accounts

New applicants can (and should) be run through a good matching process to see if they have had prior accounts. If the account was paid then you can maybe breathe a bit easier as they come back. If not, now's your chance to collect the balance and, if allowed, a deposit.

Active Accounts

Monitoring active accounts is a month to month, if not day to day challenge. While only 20% of the portfolio may be delinquent at any one point in time, only half of them usually represent significant risks to the organization. The challenge: to know which 10% is just a little behind and will pay and which will do its best to increase your charge-offs.

Final and Charged-off Accounts

Final accounts represent another type of challenge. Without the ability to disconnect service, most utilities are outside their core competency when it comes to tracing and collecting final and charged-off accounts. However, knowing which accounts will pay from those that probably won't provides the credit manager with critical information about how much good money to expend chasing the bad.

Visit our web site, www.totalsolutioninc.com
or call us at 866.737.5328.

Learn how TSI can impact your results in meaningful and measureable ways.

www.totalsolutioninc.com

Total Solution Inc. | 12017 Flint Drive |Homer Glen, IL | 60491
T 866.737.5328 |F 630.214.7545 | e-mail contactus@totalsolutioninc.com

Natural Gas Service to a New Market of Clients

By David Erickson, Northwest Natural Gas Company

From the “Left Corner” of the United States [Pacific Northwest] we are being offered commercial opportunities to provide services to operations that have not previously part of our customer profiles. The information below is being shared so that Utility Credit Managers in other regions can have some exposure to new operations before the laws are passed in the other states. This is not an issue that we are endorsing, just complying with our obligation to serve our customers by providing utility services.

The footprint for Gas Service for NW Natural covers two jurisdictions – that of southwest Washington and Western Oregon. Recently, there have been changes in the legalization of the sale of marijuana in these two states, and as a result new companies are starting to service this market. Any ‘grow’ operation will have the need for utility services and could rely on electric or solar power – however due to cost comparisons and number of sunshine days the power alternatives are being evaluated.

In western Oregon and Washington, grow operations, like other nurseries and hot house vegetable companies are more economically heated for additional warmth with gas fired boilers and or steam heat. The grow houses themselves are subject to security and photo surveillance. Retail operations would have gas furnaces to keep sales area comfortable for employees and customers. Additionally the retail operations are enforced protect against forced break-ins or robbery.

The Washington market opened for medical grow operations in 2013 and a lottery for licenses for retail sales in 2014. Oregon is open for dispensaries and in mid-year 2015 will be open for retail shops.

We have been able to verify retail store licenses as listed by the Washington Secretary of State when accounts for gas service have been requested. If the retail operation is not on the list, we are asking for further identification and copy of US Treasury EIN filing as identification. Similar steps will be used in Oregon for knowing your customer identifications.

The greenhouse effect did not show up with any obvious names as new structures arrived in the customer mix. The assessment of deposits to cover Washington greenhouses comes under our approved tariff and sets a deposit of 2 months average usage [if a prior greenhouse operation]. If a new operation the assessment is based on square footage and required to be prepaid before service started.

An interest was gained as some creative customer names started to pop into the new retail commercial accounts. Here are some examples:

Case #1 A “series for letters” LLC was set up with an EIN number. The interest arose with the email address tag of the primary contact being in part ‘the herbery’. Payment of deposit was assessed and paid before activation. Each month payment as agreed, hence we have not had a technician on the property for any issues.

Case #2 Under an LLC set up a “*Forest Tree* Cannabis” sales operation. As it was set up as an LLC, the member used their SSAN to establish the account. We verified that it was registered with the Secretary of State. The disorganization of this ownership management was only affirmed with a double payment of their deposit, which we gratefully accepted and held against a future bill.

Case #3 – “””Pot-nickname” [Company] opened three meters at one location in 2013. With each meter a deposit was assessed. Each of the three meters at the Washington address have been paid as agreed and the deposit was released after 12 months of prompt payments, per our tariff. This location has a glass furnace that is used to make the appropriate glass items used in the paraphernalia market.

The creative names of the different organizations are available for investigation on the Washington State Liquor Control Board – frequently Requested Lists. There is additionally the Washington Recreational Marijuana Retail Map and Directory. That site may be blocked access from your office PC.

Check, Cash or Bankcard payment? Banking issues - in most cases commercial banks and credit unions have been reluctant to establish commercial deposit accounts for these operations because of the Fed Rules against handling controlled substance or drug money. The conflict of State and Federal marijuana impact how these operations pay their utilities, their tax obligations and their employees. A new creative naming methodology for their companies have allowed them to register with the state of jurisdiction , open a checking account, open accounts and pay their utility bills.   It is not clear of the Federal Regulations against controlled substances will affect the banks handling cannabis profiteered money. One bank in the “Left Corner” region has gone on record to set up accounts and is doing so with good know your customer safeguards

Oregon retail operations start in mid-2015. We are in a wait-and-see what the Oregon State Liquor Control Commission assigns as permits or licenses. We know that whoever starts a new retail operation will not have prior credit experience in that type of store and pre-opening deposits will be under high review.   This whole new group of commercial clients will have high security needs at their locations and if we need to terminate service for non-payment, we are fairly certain that the locations will be staffed and will have abilities to readily settle outstanding utility payments.

The way our company approaches this will surely continue to evolve as the situation is ever changing. The advent of a whole new market of clients that public utility [and commercial banks] have not served before is an interesting challenge for all of our utilities. But as we have learned thus far, with proper documentation and knowing your customer, the adequate assurances of account deposits should be your safeguard.

THE
AFFILIATED
GROUP
PROVEN. PROFESSIONAL. COMPLIANT.

Mike Korte
507-250-6471
mkorte@theaffiliatedgroup.com
www.theaffiliatedgroup.com

SERVICES:

- PRE CHARGE-OFF DEBT SOLUTIONS
- PRIMARY AND SECONDARY DEBT COLLECTIONS
- NON-COMMODITY DEBT EXPERTISE
- PROPERTY DAMAGE
- DEBT PURCHASE AND SERVICING

PROVEN.

PROFESSIONAL.

COMPLIANT.

Enhancing the Customer Experience through Technology

By Celeste Settles, Ameren Illinois

As anyone in Customer Service knows, the time it takes to complete a specific business transaction has a tremendous effect on the customer experience. In addition, receiving inconsistent information can make a customer even more frustrated. Over the past several years, Ameren Illinois held several focus-groups with both our customers and our employees to determine what could be done to simplify our business transactions. One item stood out above all others: Payment Agreements. Due to the complex regulatory guidelines and inconsistencies caused by manual payment agreement calculations, transactions for delinquent calls took an extraordinary amount of time to complete. We soon recognized making changes to this process would be most beneficial to all involved.

While designing the new process, the Public Utility Commission in Illinois also issued a final order to adopt a new set of rules. This order changed the Payment Agreement rules significantly and added yet another level of complexity. Without creating system support for these changes, compliance would become very difficult. Acknowledging the need to simplify this process, Ameren Illinois introduced a Payment Assistance Window designed to streamline multiple facets of a delinquent call. With just a few clicks of the mouse, our Customer Service Representatives are able to view all available payment arrangements specific to each individual account. The Window not only computes eligibility but also calculates the necessary down payment requirements, due dates and provides scripting to ensure that the Customer Service Representative correctly conveys the terms of the selected agreement. In addition to payment agreements, the new Window also addresses topics that are frequently associated with delinquent calls such as contact information for assistance agencies based on the customer's ZIP code and Medical Hardship eligibility requirements if the customer mentions a medical need in the home.

We have found this enhancement reduces representative error, provides assurance that the company is compliant with regulations, increases consistency and allows Customer Service Representatives to focus more on the needs of the customer rather than the associated calculations. In addition to enhancing a caller's experience, it was also a goal of the company to deflect the number of delinquent inquiries received. The Payment Assistance Window is also available online for customer’s to log-in and self-serve. Since implementation, over 11,000 customers have utilized the online payment assistance option. This has increased customer satisfaction and trust, allowing our agents to be available to those customers experiencing more complex issues. Our next endeavor is to provide payment assistance options through the IVR to enhance the customer experience even more!

Regardless of how these options are communicated; whether it be over the phone, online or through our IVR, our company can be assured consistent information is given to every customer, by all channels, every time. Creating trust through consistency has reduced call handle time, after call work, supervisor callbacks, Commission complaints, and is expected to increase our Customer Contact Index (CCI) and JD Powers scores.

DebtNext
SOFTWARE, LLC

MAXIMUM results
MINIMUM costs

Seamless Integration

Complete Automation

Partner Ecosystem

Advanced Analytics

Securely and efficiently optimize the management of every aspect of the placement and recovery of your accounts receivables.

Right Accounts
Right Agency
Right Price

www.debtnext.com
1.330.665.0400
Sales@debtnext.com

Vision – The Key to Leadership Success

By Wes Friesen, CBA, Portland General Electric

“There is no more powerful engine driving an organization toward excellence and long-range success than an attractive, worthwhile, achievable vision for the future, widely shared” Bert Nanus, *Visionary Leadership*

One of the first and foremost responsibilities of successful leaders and managers is developing a Vision of a better future for their team. Theodore Hesburgh, President of Notre Dame University, cuts to the chase by saying “The very essence of leadership is that you have to have a **vision**. It’s got to be a vision you articulate clearly and forcefully on every occasion.” Leadership success always starts with a vision. John F. Kennedy famously dreamed of putting a man on the moon. Eleanor Roosevelt envisioned a world of equal opportunity for women and minorities. Henry Ford dreamed of a car families could afford. Steve Job envisioned an easy-to-use computer that would unleash creativity. The vision we have for our teams will not be as world-changing as the examples cited – but can make a world of difference for the teams we are leading.

Extensive research on the Best Practices of High Performing leaders by the University of Michigan found that the best leaders “get everyone on the same page, and focused on the purpose of the organization”. The Gallop organization’s research on the practices of the country’s greatest managers found that one crucial best practice was to “set expectations, and define the right outcomes”. Let’s dig into defining what a vision is, characteristics of a good vision, and some ideas on forming a vision.

What is a Vision?

What is a vision, and what characterizes a good vision? One definition of a vision comes from Bert Nanus, a well-known expert on the subject. Nanus defines a vision as a **realistic, credible, attractive future for an organization**. Let's dissect this definition:

Realistic: A vision must be based in reality to be meaningful for an organization/team. We need to consider the parameters we live within - such as constraints of budget resources, IT support and potential of team members. At the same time, a vision is also *idealistic* in that it paints the picture of a better future and shows what we can be if we all work together for a common aspiration.

Credible: A vision must be believable to be relevant. To whom must a vision be credible? Most importantly, to the employees or members of the organization. If the members of the organization do not find the vision credible, it will not be meaningful or serve a useful purpose. One of the purposes of a vision is to inspire those in the organization to achieve a level of excellence, and to provide purpose and direction for the work of those employees. A vision which is not credible will accomplish neither of these ends.

Attractive: If a vision is going to inspire and motivate those in the organization, it must be attractive. People must want to be part of this future that's envisioned for the organization.

Future: A vision is not in the present, it is in the future. In this respect, the image of the leader gazing off into the distance to formulate a vision may not be a bad one. A vision is not where you are now; it's where you want to be in the future.

Potential Benefits of a Good Vision

Nanus goes on to say that the right vision for an organization - one that is a *realistic, credible, attractive future for the organization* - can accomplish a number of things:

It attracts commitment and energizes people. This is one of the primary reasons for having a vision for an organization: its *motivational effect*. When people can see that the organization is committed to a vision that points to a better future, it generates enthusiasm and increases the commitment of people to work toward achieving that vision.

It creates meaning in workers' lives. A vision allows people to feel like they are part of a greater whole, and hence provides meaning for their work. The right vision will mean something to everyone in the organization if they can see how what they do contributes to that vision. Consider the difference between the Credit Customer Service Rep who can only say, "I work credit reports" to the one who can also say, "I'm part of a team committed to becoming a world class provider of credit and collection services that is comparable to any operation of similar size anywhere in the country". The work is the same, but the context and meaning of the work is different.

It establishes a standard of excellence. A vision serves a very important function in establishing a standard of excellence. In fact, a good vision is all about excellence. Tom Peters, the author of *In Search of Excellence*, talks about going into an organization where a number of problems existed. When he attempted to get the organization's leadership to address the problems, he got the defensive response, "But we're no worse than anyone else!" Peters cites this sarcastically as a great vision for an organization: "Acme Widgets: We're No Worse Than Anyone Else!" A vision so characterized by lack of a striving for excellence would not motivate or excite anyone about that organization. The standard of excellence also can serve as a continuing goal and stimulate quality improvement programs, as well as providing a measure of the worth of the organization.

It bridges the present and the future. The right vision takes the organization out of the present, and focuses it on the future. It's easy to get caught up in the crises of the day, and to lose sight of where you were heading. A good vision can orient you on the future, and provide positive direction.

How Do We Develop a Vision?

So how can managers define the right outcomes, set a vision and get everybody on the team on the same page? The 360-degree approach is one wise strategy. Find out where your boss and the *senior management* want the organization to go, and then determine how your team can help them get there. Coordinate with your *peers* and find ways to partner. Solicit participation from your *team members* – their participation leads to their buy-in and better quality decisions.

Great managers are aware of the concept of “stakeholder symmetry”. Stakeholder symmetry recognizes that an organization has multiple stakeholders (e.g. investors, customers, employees, and community). The organization - and your team - should try to add value to each stakeholder, and maintain a reasonable balance between their competing interests.

When developing the Vision don’t forget to answer the “Why” question. The Vision will address “Where” the organization is heading – but we also need to explain the benefits of *why* we are pursuing that future state. I agree with Friedrich Nietzsche when he said “Given a big enough **why**, people can bear almost any how.”

The final outcome for your team should include a Vision or Mission Statement that helps inspire your team to strive for excellence. Following is a sample Vision Statement of the Print & Mail Services team at my company:

Vision:

Our vision is to be a “world class” provider of Credit and Collection services. We desire to be recognized as a premier service provider that is comparable to any operation of similar size anywhere in the country.

Our purpose is to provide timely, high quality products and services at a cost equal to or lower than any other potential provider. We desire to achieve a consistently high level of customer satisfaction, and to maintain a working environment that dignifies and motivates our staff.

Developing a Vision Statement does not end our leadership responsibility as Warren Bennis emphasizes by saying “Leadership is the capacity to *translate vision into reality*”. Here are a few tips to help with the translation of the vision into reality: Supplement the Vision Statement with annual and quarterly goals, and several performance metrics covering all important areas of performance (e.g. cost, timeliness, quality, customer satisfaction, efficiency, safety). Review progress on a monthly basis, discuss results with your team, and celebrate improvements and the reaching of goals. The outcome will be a highly motivated team working together for common purposes.

Here is a final quote of mine: “You can choose to be mediocre, or you can choose to strive for excellence … the choice is yours”. Good luck as you and your team intentionally strives for excellence!

WEST ASSET MANAGEMENT

AN ALORICA COMPANY

West Asset Management is a leading utilities-focused communications provider offering solutions based on actionable analytics and multi-channel communications. We are now a Minority Business Enterprise with over 55 domestic locations that aim to Maximize your Service Levels and Performance Results through Customized Contact Center Solutions:

First Party Credit & Customer Care Communications

- Move In/Move Out
- Billing Inquiries
- Cold Weather Rule
- Low Income & EBD Verification
- Back Office Services
- Pre-disconnect Payments
- Special Campaigns

Third Party Collections

- Pre-Collect
- Primary

Our clients have improved their bottom lines by lowering expenses, increasing recoveries,improving CSAT and enhancing the overall customer experience.

alorica

PASSION • PERFORMANCE • POSSIBILITIES

866-ALORICA • INFO@ALORICA.COM

Now I am the Beneficiary– Looking at Counter Party Credit Risk

By David Erickson, Northwest Natural Gas Company

In my career path - I spent the better part of 25 years at US Bank being the go to officer constructing and issuing a wide varieties of letters of credit for many diverse purposes. The greatest skill I developed was to craft standby letters of credit issued on behalf of bank clients.

Standby Letters of Credit were created and issued for a plethora of financial promises that ranged from the redemption value of concert tickets to the liquidation of a large business in the beer brewing industry. Several growth areas for financial assurance were fulfilled when organizations entered into Industrial Revenue Bonds – and the financial backing for the interest payments and bond retirement were created with irrevocable standby letters of credit. In those days of utilization of bank lines of credit to provide bank clients with assurance engagements that their vendors and suppliers would have payment for delivered products – we crafted standby letters of credit that embodied trade discounts and extended invoice terms. Our bank client was able to get discounts and extended invoice terms because the seller of the goods or services had the strength of US Bank behind the buyer in the event payment did not occur per contract.

Now 13 years later, I have moved position of employment in my career path and now have the credit position where I can ask contracting companies to issue a Standby Letter of Credit in favor of our company. I now have the ability to accept or reject the proposals that finalize deals with financial guarantees behind them.

When the counter party in a commercial transaction now needs to provide assurance that they will pay their statement/invoice – the decision is broadened to include the “who” the counter party is – and if they are not strong enough on their own, the use of a standby letter of credit is requested. The standby letter of credit enables our contracting party to have their bank step up and to be the strength for the financial decision.

The steps to get to a standby letter of credit often go in a series of offerings:

First offered for financial assurance is the company or corporate guaranty. The decision to accept a guaranty is based on the credit analysis of the offering guarantor. If the counter party in the commercial transaction does not have strength in financial statements, the corporate guaranty does not afford much more support. Often the counter party has closely held financial information and they do not open their kimono to share the numbers.

Second offered can be an affiliate or parent guaranty. Again the financial picture of the offering guarantor needs to be discovered. The chance that a rating agency like Moody’s or Standard & Poor's has rated the parent may exist and the credit worthiness analyzed and rated. The majority of larger corporate guaranty's are rated by the long term rating. For the most part a minimum of Baa is acceptable for proper assurance.

Third – If the corporate or parent rated guaranty is not available or up to the bench mark for your credit decision, the standby letter of credit is a good solution. The strength and availability for drawing on a standby letter of credit is tied to the strength of the issuing bank. As I shared with the NACM National Steel Group – several years ago at a standby letter of credit – size of the bank does matter.

Strength of the standby letter of credit is rated by the total assets of the issuing bank and additionally their credit rating by the rating agencies. If you are offered a nationally chartered bank standby letter of credit, more than likely the financial information is readily available on the web and ratings listed within a moments trace on the web. Federal Reserve and the FDIC have capital ratios that require banks to have adequate capital and retained earnings to back their financial promises.

In that a standby letter of credit is the bank's promise to pay they have to allocate capital to back them up. A standby letter of credit is to be IRREVOCABLE, have a stated dollar amount; a specific document or documents that are to be presented to the issuing bank for payment and the standby letter of credit has an expiry date. Additionally the issuing bank needs to disclose the location of where to demand payment and what laws and usage is to govern. Those are the bare bone requirements of the standby letter of credit. Each financial deal necessitates a fine tuning of the beneficiary and counter party needs and demands.

As a negotiating point to have a standby letter of credit as your assurance of payment – it does not issued or offered into the transaction without a cost. As an issuing bank is require to have adequate capital behind their issued standby letter of credit – they are charging their client [now the applicant] for use of capital and credit. It can be anticipated that charges on per annum basis run from 1.5% to 2.5% of the face amount of the letter of credit. Your counter party may be asking for a discount or a charge share to carry the cost of the standby letter of credit. The charges are not cheap, so don't readily agree to pay charges!

My closing comment – do not accept the first standby letter of credit offered as your financial assurance. Ask to be the editor and commenter before the credit is issued. If you are not sure where or who the issue bank is – have your bank check out the other bank as to stature and soundness.

The Exchange Advantage

Real-Time Data to Achieve Superior Recovery Rates for the Utility Industry.

Exclusively from

ON LINE COLLECTIONS

Does your current agency capture updated debtor contact information in real time whenever they apply for utility service?

The simple fact is only ONLINE can. ONLINE Collections leverages our proprietary Exchange Database to locate debtors faster than traditional agencies to recover your accounts NOW!

Contact us Today!

www.ONLINEis.com (866) 630-6400 Sales@ONLINEis.com

Alerts

Improving Customer Satisfaction and Business Metrics

By J. Shawn McCrudden, Ameren Illinois

Fewer people have home phones, take delivery of their local daily newspaper, only watch the three local TV stations or listen to just the local Top 40 radio station. They do almost everything on their mobile phone or tablet. What's the best local Indian restaurant, use the Yelp app. What's the quickest route to the 24 hour medical clinic, use Google Maps of course. The mobile horse had already left the barn while we as an industry had yet to realize that it wasn't a fad.

From college students to vacationing seniors almost everyone carries a cell phone or a tablet. These are our customers, yet, we still drop their bill in the mail. We have found that these customers want to sign up for service, receive bill notifications, check on outages, get bill reminders, make payments and close their accounts all online. However, to a large extent we were not helping them to achieve their account management Nirvana. Thankfully, that changed in June 2013 when Ameren corporation subsidiaries Ameren Missouri and Ameren Illinois made alerts available to our 3.3 million electric and gas customers.

At that time we transitioned about a hundred thousand customers from a third party eBill resource into our new eBill alert process. We currently have over 5.3M alert contact subscriptions. Ameren Illinois currently offers nine different categories of alerts:

Reported Outage Updates - We generate an estimated restoration time notification during a reported outage and a restored service alert once the outage has been resolved.

eBill – Is a notification that is sent when the bill is generated on the account.

Bill Reminders - This includes a reminder that is sent five days prior to the bill due date and a past due alert that is sent five days after the due date.

Payment Notice – A notification that a payment has arrived for the account.

Budget Billing – A notification is sent to advise the budget billing customer that their monthly program amount will change with their next bill.

Credit Issues – There are five alerts in this group. The first is sent when a final notice prior to disconnection is generated on the account. Then if a payment is made one of two alerts will be sent depending on whether the payment satisfies the final notice or not. Then an alert is sent if the services are disconnected due to the final notice. The final alert is sent after the disconnected services have been restored.

Energy Assistance Pledge Posted – Is sent when an agency posts a pledge to an account.

Weekly Cost Summary – Is sent each Wednesday and provides an estimate on the current bill amount plus an estimate on the projected monthly bill based on the number of days that have passed in the current billing cycle

Cost Threshold – Allows the customer to set a dollar threshold for their account and an alert is generated when that threshold is exceeded.

Usage Threshold – Provides the customer with the ability to independently set usage thresholds on their electric and/or gas service and to receive an alert when either threshold is crossed.

Our alerts are being triggered by both batch and real-time events. Some of the batch generated alerts are eBill notification, bill reminder, and final notice prior to disconnection, budget billing adjustment. Those more time sensitive alerts are tied to real-time events such as payment received, energy assistance pledge posting, reported outage updates and actions against a final notice prior to disconnection.

We provide several avenues for them to subscribe to these alerts; they can text REG to our short code, self-serve on our websites or request specific alerts when speaking to one of our customer service representatives. Customers can register an unlimited number of contact points, an email address or cell phone number, to receive one alert or any of the significant combinations of the eighteen currently available alerts. The management of their alert enrollment can also be handled across these three avenues.

We've found a way to increase customer satisfaction levels by getting the information to our customers when and how they want it. Now how do these alerts benefit us as a company? We will be able to change the ink color from red to black on almost $2M by converting 327k accounts from paper bills to eBill alerts. These alerts have also allowed us to improve most of our measured collection metrics.

What do we see moving forward? We will have temperature driven alerts for a couple of our rate classes this year. Also we are targeting enhanced outage notifications to include power out, two-way outage texting and planned outage notifications. Also two-way texting for payment, service appointment, returned check and payment arrangement alerts for the near future.

So whether our customers are sitting in front of their home computer, under the umbrella on the deck with their iPad, coaching their kid's soccer game or commiserating on the street corner during a summer outage we are going to be able to meet their goal of getting them the information they want, when and how they want it. Alerts are proving to be very, very good for our customers…and for us!

© MARK ANDERSON, WWW.ANDERTOONS.COM
ANDERSON

"He also says to make sure you like me on Facebook."

Improving the Customer Experience at Citizens Energy Group

By Paul Bamford, Citizens Energy Group

Sam Walton said “Exceed your customers’ expectations. If you do, they’ll come back over and over. Give them what they want – and a little more.” Although, how do we meet customer needs while still maintaining credit policies in place to minimize write offs? This is a challenge all credit professional face. Customers want ease of use and today that has moved to web based self-service options and automated phone services. Our goal at Citizens Energy Group over the past year has been to increase and improve the options available through our website and phone system. Let me share with you our improvements over the last year and the challenges faced to make our goals a reality.

Our first step in this process was to completely rebuild the customer web interface to ease not only customer navigation but also the ability to make changes to their account. This change transitioned into our first upgrade which allowed customers to update their personal profile information on the web after logging in to “My Account” with their user ID and password. After logging on, customers are now prompted every six months to update information such as their mailing address, employer, and phone number. Previously, only customers who called us had their customer profiles updated. Upgrading the customer profile process facilitated the ability to place turn-off orders via the web seamlessly. The most important piece(s) of information we collect when placing a turn-off order is the mailing address and the phone number(s). Updating this information is important should a final bill remain unpaid and it is necessary to place the debt with a collection agency. Previously, turn-off service requests on the web were completed in the back office. By fully automating these orders, back office work was eliminated for this process which freed up customer service representatives to concentrate on other issues. Our requests for turn-offs on the web have been increasing approximately 10%-15% each month since implementation in October 2014, proving customers appreciate this option.

Budget enrollment on the web was the next project we tackled. Our CIS system requires customers to have a $0 balance to enroll in the budget. Our biggest challenge was to design the process to allow a customer to enroll in the budget with a balance if the customer is able to pay their account balance before they billed again. A solution was designed that pends the budget enrollment for the customer until they make their promised payment. If the account balance is brought to $0 before the next bill, a trigger creates the budget in CIS. The design and testing phase ensured the web budget enrollment follows credit policy designed to allow high risk customers the option of enrolling only during certain times of the year. Open enrollment for high risk customers is from March 1 to August 31. In March 2015, we had 8,216 budget enrollments via the web.

Our next project focused on creating payment arrangements and short-term holds (seven day extension of the disconnect date) on the web and the automated phone system. Before testing could begin, we needed to update our two internal decision trees in our CIS system to interface with the web. To that end, the decision trees were modified into a rules based format to meet the needs of the web, the IVR, and the call center representative. The idea behind having rules based decision trees is when credit policy changes, the decision trees can be adjusted instantly, without IT involvement.

Once the decision trees were redesigned, tested, and imbedded into CIS, we began testing payment arrangements and short term holds on the web and automated phone system. We faced several challenges during this process to ensure all platforms relayed consistent decisions.   For example, when there is an unresolved return check on the account, we wanted to be certain the same decision was provided on the web, IVR, and for the customer service representative using CIS. Additionally, because the web was calculating the payment arrangement installment amounts and frequencies, thorough testing was required to ensure the web arrangement matched what CIS would have calculated. Another challenge we discovered is when a customer contacts us via the traditional method of a phone call, there is generally much discussion surrounding payment arrangement qualifications and terms. There was a great deal of discussion and debate with members of the project team on how best to allow customers to create the best arrangement for their account without having a dialogue with a customer service representative. The decision was made that would allow the customer to get one attempt to pick their installment amount on a weekly or bi-weekly basis. If this installment amount was too low or too high, the web would give the customer the most generous arrangement we could offer them. Before accepting the arrangement terms, the customer still has an opportunity to put in a larger dollar figure to decrease the number of overall payments to allow their arrangement to complete sooner.

After implementation of these web self-service options, tracking data and adapting to customers' needs is very important. Analysis of the data led to improvements in budget enrollment and payment arrangements on the web. In regards to our payment arrangement plans, we saw our success vs. denial rate on the web was about 25%. After analyzing the reasons for denial, we made a change to allow customers without a disconnect notice on their bill to set an arrangement online. In the first month after this change, we saw our success rate jump to 55%. We have also implemented a change to increase budget enrollment on the web. Our CIS system requires 13 consecutive months of usage to calculate a budget amount. We were seeing many budget denials on the web because this usage requirement was not met. A change was made to use the average budget amount for the requested service, instead of denying the budget enrollment request. This change contributed to more successful enrollments via the web.

For the future, we are working on a project to allow move-in orders on the web. This project is on hold currently after realizing the complexity of move in orders and the scope of credit policies that come into play. From deposits requirements, new customer screening, debt discovery for old customers, and social security number verification, the scenarios to check and code for are numerous. Currently we do have a system in place on our website for a customer to request a move in; however, these requests are worked manually in the back office by a customer service representative. This takes resources off of the phones and frequently the representative must make contact with the customer to collect an old debt or a deposit. We plan to resume work on this project in October 2015 and have the web self-service move in orders automated, with very little back office work, by April 2016.

NACM-IUG

Members help one another by providing insightful data and information based on experience and lessons learned. Member participation and networking is what make the difference.

The More we Give

The More we Grow

District Directors

Central US
Deborah Bursey
Ameren Illinois
Email: dbursey@ameren.com

Eastern US
Brenda Kay Reddick
Memphis Light, Gas & Water
Email: bkreddick@mlgw.org

North Western US
Lois Douglass
NW Natural Gas
Email: ldd@nwnatural.com

East Central US
Mike Weber
Duke Energy
Email:mike.weber@duke-energy.com

Southern US
Carissa Woolstenhulme
Salt River Project
Email:carisa. woolstenhulme@srpnet.com

INTERNATIONAL UTILITY GROUP
AN ASSOCIATION FOR CREDIT PROFESSIONALS
IN THE UTILITY INDUSTRIES

NACM
National Association of Credit Management