

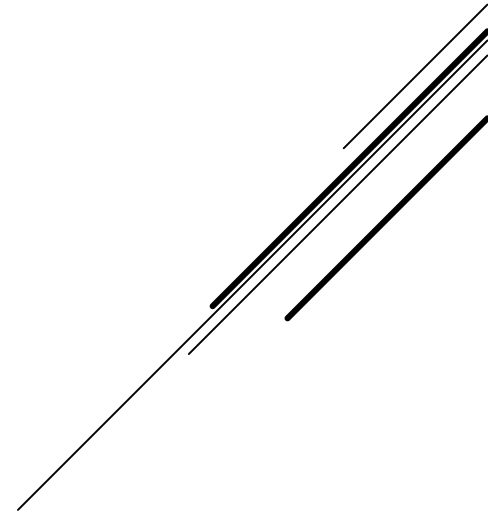
CUSTOMER FIRST!

CUSTOMER FOCUSED CREDIT & COLLECTIONS

BOB KARAU
MANAGER OF CLIENT FINANCIAL SERVICES
ROBINS KAPLAN LLP



FIRST THINGS FIRST...



ROBINS KAPLAN LLP

- ▶ **CUSTOMERS/CLIENTS: DOMESTIC AND INTERNATIONAL**
- ▶ **STAFF OF FIVE**
- ▶ **GOOD RELATIONSHIP WITH MARKETING**
- ▶ **WORK CLOSELY WITH BILLING/EBILLING**
- ▶ **PRESCREENING OF PROSPECTS**
- ▶ **HAVE AUTOMATED NBI (NEW BUSINESS INTAKE) PROCESS**
- ▶ **ESTABLISH AND MONITOR CREDIT LINES**
- ▶ **COLLECTION WORKFLOW WITH AUTOMATED PROCESSES**
- ▶ **MONITOR KPI'S**
- ▶ **GENERATE A/R REPORTS FOR INTERNAL CLIENTS**

OUR WEBINAR GOAL

***Utilizing a Customer First Initiative, Discuss
and Discover Ways to Maximize Profits,
Minimize Risk and Accelerate Cash Flow
While Better Serving Our Customers***

MISSION



Maximize
Company Profits



Minimize
Company Risk



Maintain A
STRONG Cash
Flow



Manage
Everything with
World Class
Customer Service



FIRST MISSION



Manage
Everything with
World Class
Customer Service

TERMS/DEFINITIONS

VOICE OF THE CUSTOMER (VOC)

“Collective insight into customer needs, wants, perceptions, and preferences gained through direct and indirect questioning. These discoveries are translated into meaningful objectives that help in closing the gap between customer expectations and the firm's offerings”

<http://www.businessdictionary.com/definition/voice-of-the-customer.html>

TERMS/DEFINITIONS

Customer Experience CX

“In commerce, **customer experience** is the product of an interaction between an organization and a **customer** over the duration of their relationship. ... A good **customer experience** means that the individual's **experience** during all points of contact matches the individual's expectations.”

Wikipedia

TERMS/DEFINITIONS

Customer First

Putting the customer first, in simple terms, means that a business puts the needs and requirements of a customer ahead of anything and everything else.

They are oriented towards serving the customer's needs and measure customer-satisfaction levels in order to determine the success of their business.

A CUSTOMER EXPERIENCE



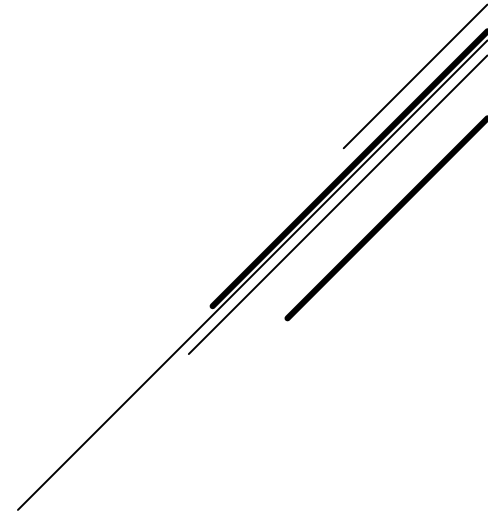
WHY CUSTOMER FIRST?

We Exist To Serve
Our Customer

WHY CUSTOMER FIRST?

Every Collection Problem
Is A Customer Service
Issue!

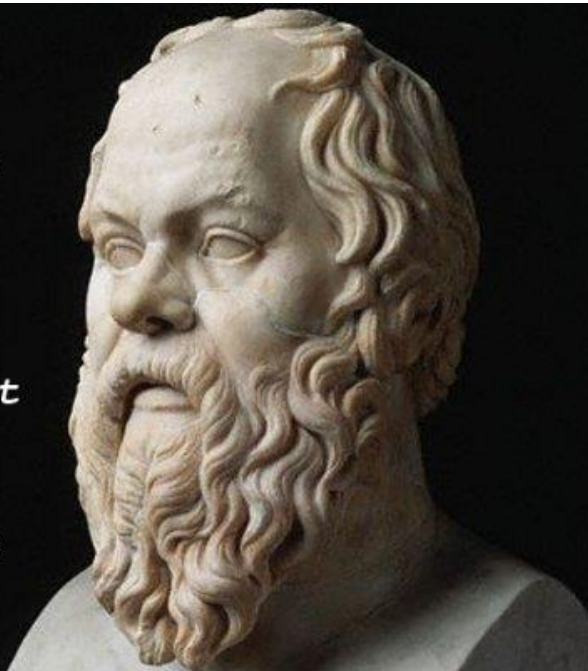
CHANGE IS A BUSINESS CONSTANT



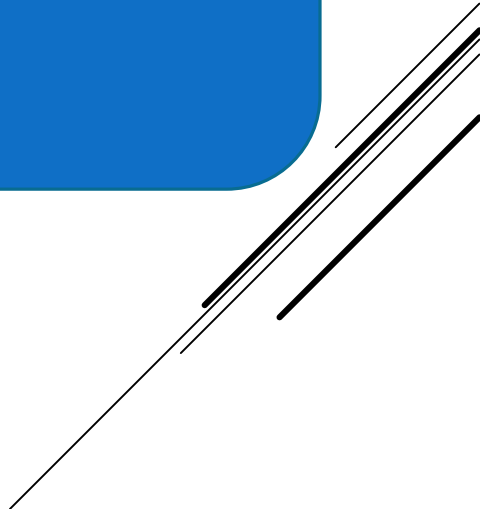
CHANGE

*The secret of change
is to focus all of
your energy, not on
fighting the old, but
on building the new.*

- Socrates



**WE EITHER INNOVATE OR
EVAPORATE**



PERCEPTION BECOMES REALITY

**We don't see
things as they
are, we see
them as we are.
~ Anaïs Nin**

SALES AND MANAGEMENT HAVE A FEAR...



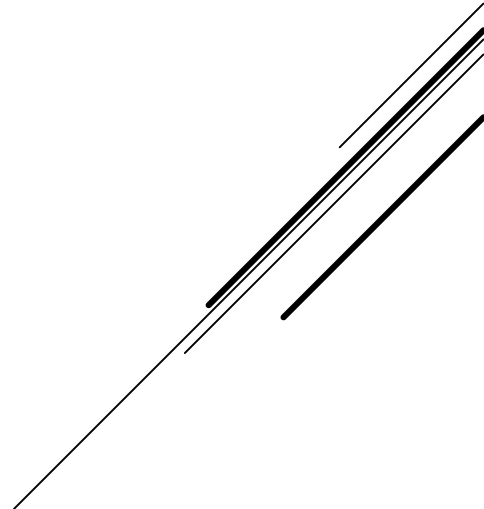
CUSTOMER RELATIONSHIPS CAN BE LIKE...



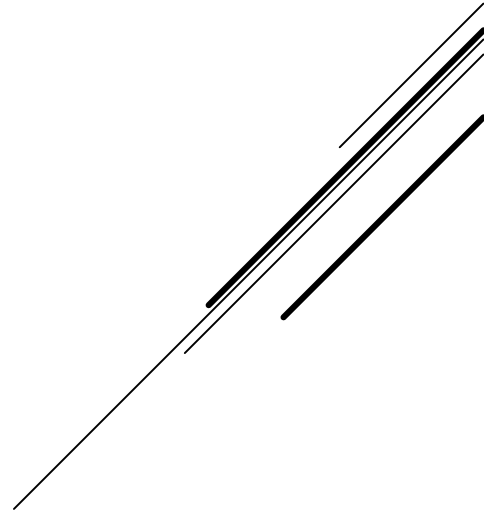
TAKING YEARS TO GROW BUT ONLY MOMENTS TO DESTROY



DO OUR INTERNAL PARTNERS UNDERSTANDING ALL ASPECTS OF THE CUSTOMER RELATIONSHIP?



ARE WE CORRECTLY UNDERSTANDING ALL ASPECTS OF THE CUSTOMER RELATIONSHIP?



GENESIS OF CHANGE



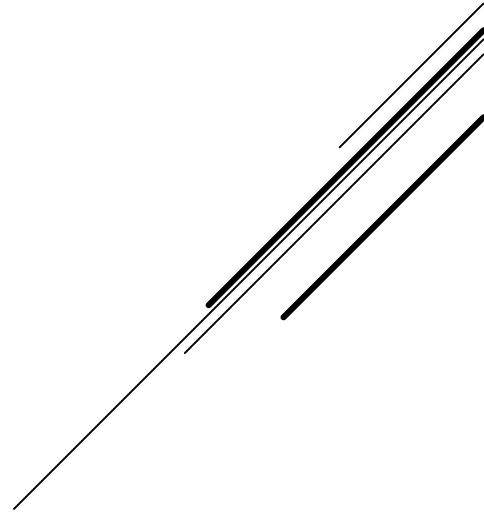
CUSTOMER FIRST BILLING

- 1) Customers will begin using the push function for new business bids
- 2) Advanced Analytics and grading of Company will become more apparent
- 3) Partners will be ranked and some may be excluded from new business

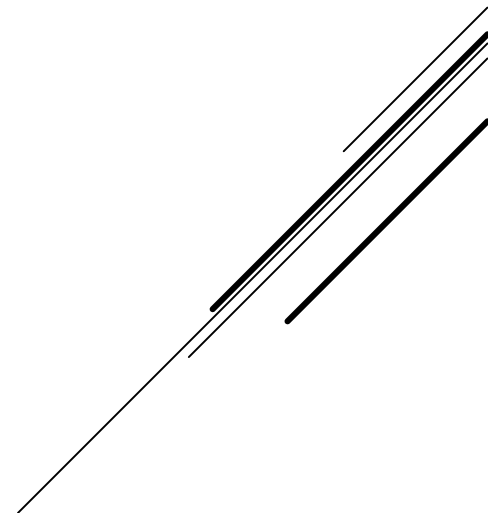
LEVERAGING WORLD CLASS SERVICE IN CREDIT



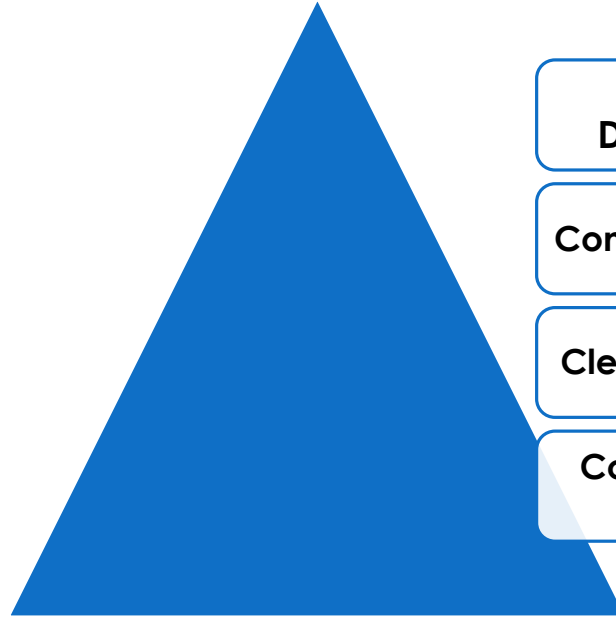
Gateways
to Success



WHY DOES YOUR COMPANY CHECK CREDIT NEW CUSTOMERS?



GATEWAY TO SUCCESS



**Great
Documentation**

Complete Information

Clear Payment Terms

**Collections Review
With Customer**

GATEWAY TO SUCCESS



Credit Checks

Protect the Company?

Protect The Customer?

Gateway To Success

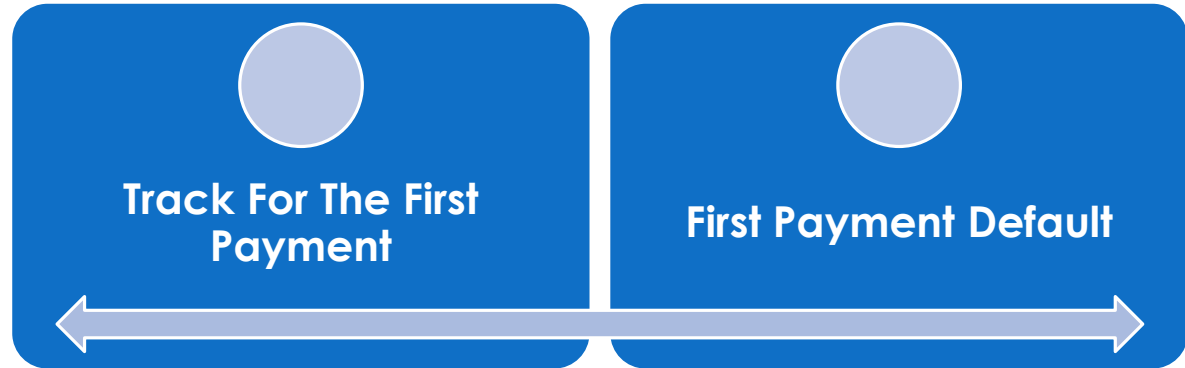


**Secretary of State
Search**

OFAC

Suit, Lien & Judgement

GATEWAY TO SUCCESS



CASE STUDIES



ABA Study



D&B Study



OCC Study

GATEWAY TO SUCCESS



Teach Partners To Value The Services You Provide And Do Not Make Excuses For Customers Not Paying Your Company. Do Not Enable Your Customers To Pay Late.

GATEWAY TO SUCCESS



Train and Educate All Parties



CUSTOMER FIRST INITIATIVE

ROBINS  KAPLAN LLP

August 4, 2016

“To Serve
and
Collect”

Money Matter\$

Client First

In the past, our Client Financial Services Group goals were:

- Minimize Risk
- Maximize Profits
- Maintain A Strong Cash Flow
- Manage All Areas with the Highest Level of Client Service

While we believe these are valid goals, we have changed them slightly to mirror our commitment of focusing on our client first. To this end, we have made a small change to these goals:

Signature Client Service

In July, a large, national client of our firm had invoices age over 45 days. While the Billing Partner was tempted to just wait to see if the situation would resolve itself, he called our department and asked Bob Karau to contact the client. Bob called the client and the client stated that they would research the problem. The client later contacted Bob and stated

CUSTOMER FIRST CUSTOMER SERVICE



Invoice
Design

Call Prior
To Sending

Review of
First Bill

E-Billing Set-up
With
Customers

PRIOR CALL - CASE STUDIES

Days To Pay

- Terms of 30 Days

No Calls

- 67 Days

Calls

- 19 Days

MAP YOUR PROCESSES

New Client Intake Process Narrative

- 1) CFS Specialist receives new client intake form from one of three sources:
 - a) Records Department
 - b) Billing Partner/LAA
 - c) Practice group chair

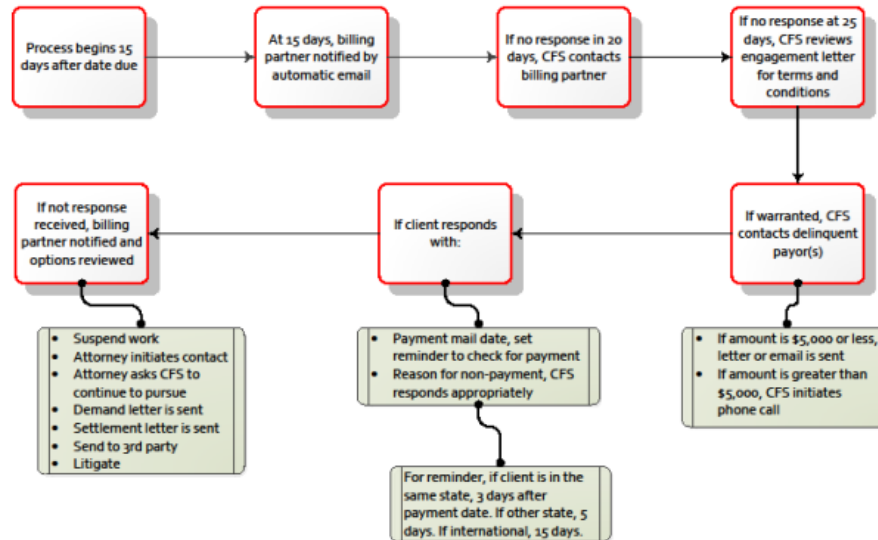
- 2) CFS Specialist performs research from various sources and databases:
 - a) Domestic – D&B and/or Experian reports pulled and report is sent to CFS Manager
 - b) International – Look up reports available from SkyMinder and send a list of them to the CFS Manager
 - i) CFS Manager determines which report(s) to order and advises CFS Specialist
 - ii) CFS Specialist orders appropriate report(s)
 - (1) Depending on time before report(s) delivery, CFS Manager may also notify Records and billing attorney of possible delay in processing
 - c) An OFAC screening is performed on all international clients by CFS Manager

- 3) CFS Manager reviews information to determine credit line
 - a) If information is sufficient for anticipated billings, CFS Manager signs off on new matter form
 - b) CFS Manager may also contact billing partner for additional information or to discuss anticipated risk(s). After discussing, one of three options then occurs:
 - i) A retainer is requested from client
 - ii) Decision is made to move forward and grant appropriate credit line
 - iii) Decision is made to turn down engagement. Records is then notified of this, if form had come to CFS from Records

- 4) If client engagement is accepted, completed and signed, the new client intake form is sent to Records

MAP YOUR PROCESSES


Collection Process



MAP YOUR PROCESSES

CONTENTS

PROSPECTIVE COMMERCIAL	- 2 -
CLIENT PRE-SCREENING (fix this as it looks like two different things)	- 2 -
CFS NEW CLIENT INTAKE Commercial and Consumer (New Headings)	- 2 -
CREDIT LINE	- 2 -
CLIENT STATEMENT	- 2 -
COLLECTION	- 2 -
SHORT PAYMENTS	- 2 -
WRITE OFF	- 2 -
APPEALS	- 2 -
THIRD PARTY COLLECTIONS	- 2 -
Process Map	- 2 -
• Prospective Commercial Client Pre-Screening	- 2 -
• CFS New Client Intake	- 2 -
• Credit Line	- 2 -
• Client Statements	- 2 -
• Collections	- 2 -
• Short Payment	- 2 -
• Write-Offs	- 2 -
• Appeals	- 2 -
• Third Party Collections	- 2 -

Client Financial Services		Procedure Number: TBD
Function/ Title CFS NEW CLIENT COMMERCIAL INTAKE PROCESS	Effective Date 07.15.2016	
Revised By / Approved By R Karau	Revision Date 07.15.2016	

Purpose

The CFS New Client process allows the firm to better understand our commercial client's financial situation and enable us to act in the best interest of the client. It provides for the authorization of an initial credit line for each new client. The research to establish a line of credit also assists the firm in risk management by limiting its potential exposure to non-payment.

Scope

This process is for all new incoming commercial clients whose matters are not classified as pro bono or contingent. In some circumstances, the Client Financial Services Department may also be asked to check the credit on a contingent client where the client is still expected to pay costs or some part of the representation expense.

Big Rules/ Observations

The amount of information pulled to establish a credit line for the client is partly based upon the projected size of the representation. In order to maximize this process, we require the billing attorney to provide an accurate assessment of fees and costs. Completing this process effectively is a key to providing premier service to our client.

Responsibility

CFS Manager
CFS Specialist

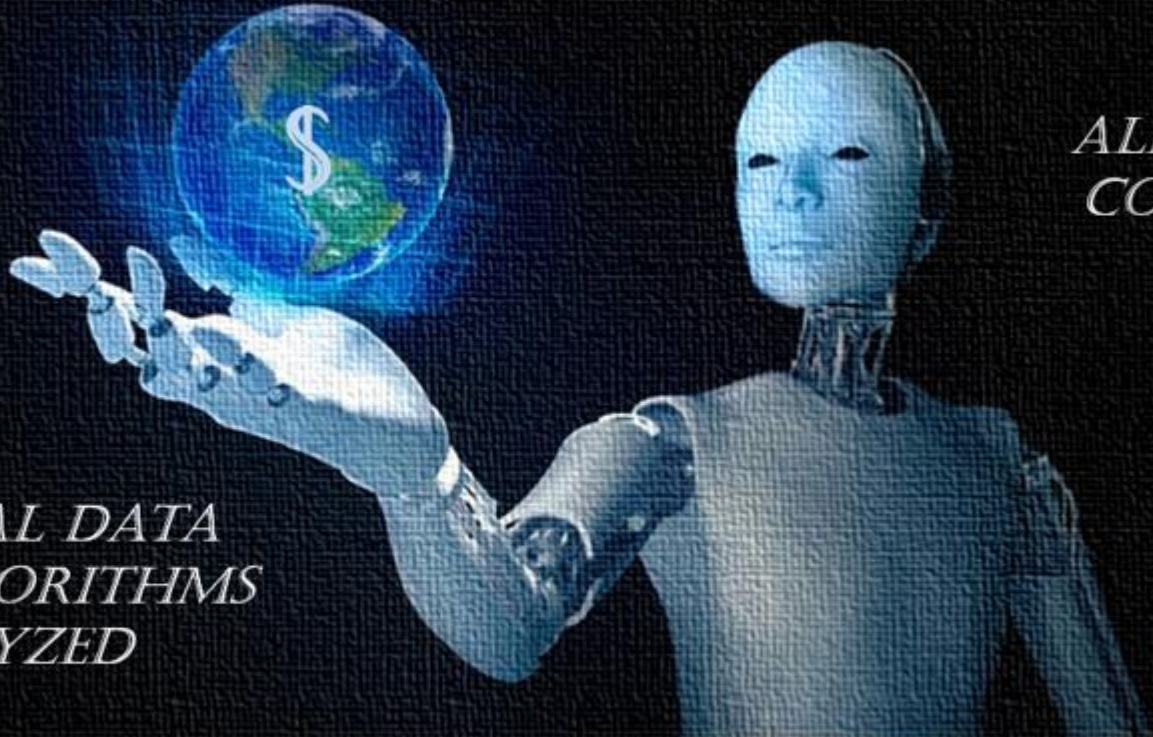
Procedure

1. CFS Specialist receives new client intake form from one of three sources:
 - i) Records Department

GATEWAY TO SUCCESS – DECONSTRUCTION



Artificial Intelligence in the Credit Department



*ALL WILL BE
COLLECTED*

*EMPIRICAL DATA
AND ALGORITHMS
ANALYZED*

A Topic Influencing Your Company, Your Career and Your Future

EXAMPLE: CUSTOMER FIRST PHILOSOPHY IN ACTION

- ▶ **New Director Of Credit**
- ▶ **Company That Was In Growth/Acquisition Mode**
- ▶ **Largest Acquisition In History Of Fortune 500 Co.**
- ▶ **Cost Of Capital Was An Issue**
- ▶ **Status Quo Was Not Enough**

EXAMPLE: CUSTOMER FIRST PHILOSOPHY IN ACTION

- ▶ Tracking Of Payment Patterns Using Oracle And D&B
- ▶ Prospecting New Credit Approved Customers
- ▶ Hard Cut-off At 60 Days, Changed Aging Buckets
- ▶ Monday Service Alert To Management / Sales
- ▶ Changed Our Language and Our Thinking

EXAMPLE: CUSTOMER FIRST PHILOSOPHY IN ACTION

- ▶ **Customer Service Calls On All Large Invoices**
- ▶ **ACH Push**
- ▶ **Credit Department Involvement In Customer Events**
- ▶ **Credit Personnel Has To Spend 3 Days With Sales**
- ▶ **Changes In Reporting**

EXAMPLE: CUSTOMER FIRST PHILOSOPHY IN ACTION

- ▶ **Analyze & Synch All Processes With Terms**
- ▶ **Change The Rules On Aging Guidelines**
- ▶ **Opened New Lines of Communication**
- ▶ **Published Policies**
- ▶ **Re-engineered Credit Application and other forms**

EXAMPLE: CUSTOMER FIRST PHILOSOPHY IN ACTION

- ▶ **Employee Development Plan and Career Track**
- ▶ **Advancement Based on Experience, NACM classes, Mentorship, Online Instruction**



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WHY CUSTOMER FIRST?

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FIRST MISSION



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World Class
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CHANGE IS A BUSINESS CONSTANT

IF YOU
CHANGE
NOTHING,
NOTHING
CHANGES.

CUSTOMER FIRST

As we move towards
greater legal tech...

Will The Need
for positive
human
interaction
increase?

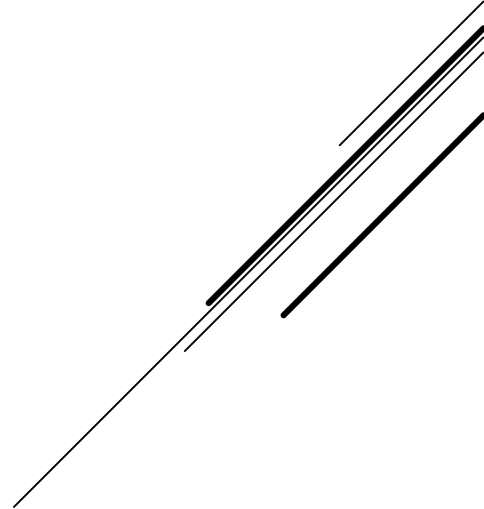
BUILDING AND GROWING TOGETHER

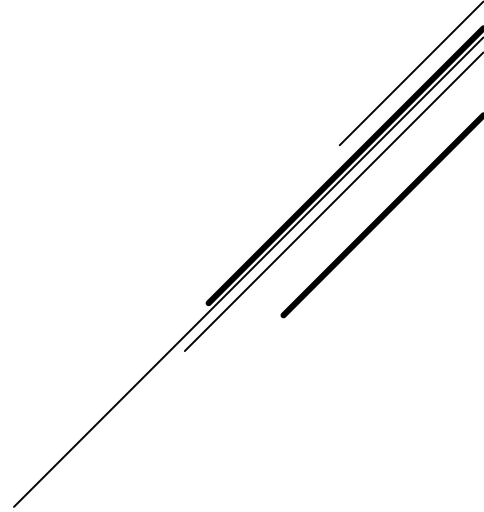


WHAT IS YOUR STORY?



Hopefully A Little
of My
Story....Can Help
You Change
Your Story





THANK YOU!

