

WHAT YOU NEED TO KNOW

Choose Your Collection Agency Wisely

As a successful business, you want your partnerships to be reputable, credible and reliable. The collection agency you select becomes an extension of your organization. The wrong company can lead to huge losses, with your money ultimately being written off as “uncollectible.”

“You want your partnerships to be credible and reliable.”

Do your due diligence. Online tools such as Google, the consumer review site Yelp, and social media channels such as LinkedIn are easy to use and can help you research and quickly learn about any agency you are considering. The Better Business Bureau can be another source. Read company profiles and see what endorsements each company has received.

Don't be afraid to ask questions, to delve into the heart of an agency's business practices and learn what makes it tick. Here are some things to look for.

1. The agency is open about the type of clients and accounts it handles.

A “generalist” agency employs collectors skilled in various industries and business sizes. An agency focused on just one area is a specialist. If a firm won't share its full client list consider it a red flag.

2. The agency is willing to refer you to its current customers.

Request a sampling of clients in various businesses, rather than accept a pre-made list that accompanies a sales pitch. Transparency is key.

3. The agency is candid and if it's the case, admits to sometimes losing a client and explains why.

There are many valid reasons that a company might switch its collection agency. Favor the agency that shares this information with you and even encourages you to check it out for yourself.

4. The agency is mid-sized, rather than a huge conglomerate or a very small, mom-and-pop collection service.

Massive agencies are too often filled with bureaucracy and politics that hinder employee performance. Very small shops might not have the structure or experience to compete. The mid-sized, private agency that allows flexibility, autonomy, transparency, and an organizational structure that enhances connectivity is ideal.

5. The company fosters a competitive team environment, encouraging employees to help and support each other.

Account consistency and accountability fosters trust among the collection team. No one is hijacking other accounts and stealing commissions. Clearly defined incentives and an understanding of how commission works can lead to healthy competition.



Generally there are two types of agencies when it comes to handling your past due accounts. One will get money FOR you, while the other will get money FROM you. Which do you want?