

GRAPHIC DESIGNERS

Among the professional trades having a need for the services of NCS are graphic designers. Operating in much of an independent manner, graphic designers often cannot afford to carry a multitude of past due accounts on the books and require a systematic billing and collection method to maintain a steady flow of cash.

Assorted Services Provided by Graphic Designers

- brochure design
- market development
- logo design
- typesetting
- package and promotional design

A parallel, market to the printing industry, graphic designers prepare the master from which a printer will produce the plates for their press. Some projects are more complex than others. For example, a 100-page technical manual will obviously require more design work than a single-page slick advertisement for a shoe store.

A graphic designer takes the basic elements that their customer would like to convey, and arranges them in a fashion with photographs and graphic images which will be easily read and understood by the desired target audience. Graphic designers will commonly work on a project up to the point where the artwork is "camera ready," then it is passed on to the printer for reproduction.

Typically involving commercial accounts, graphic design work is frequently done for people who are in business themselves. Maybe an inexpensive flyer or a highly detailed brochure or financial report, the degree of difficulty and quality of the product directly influence the cost.

NCS has been quite a help in motivating past due customers in this industry to pay up. On lower balance accounts averaging \$1250, NCS is recovering an average 56 percent. On the higher end of the scale, NCS is recovering an average 64 percent of the accounts with balances averaging \$4,975.

Whether the problem is slow pay, no pay, or a disputed amount due, NCS can display equal diplomatic courtesy. Graphic designers enjoy the fact that they can select the intensity of the first NCS contact with respect to the account being assigned. There is a big concern over diplomacy, as even a customer who is 90 days past due is still viewed as someone with the ability to provide the graphic designer with future business. When presenting NCS, stress the diplomacy factor and the luxury of sending a formal thank you letter in response to a payment. These are big features in the eyes of a businessperson who is concerned with developing a solid network for customer referrals.

The decision maker in this industry will be the owner, usually the head graphic designer himself. It is not uncommon for graphic designers to work alone, or with a support team possessing multiple talents. Many times the business name contains the owner's personal name, so determining the decision maker's identity is easy.

Graphic designers provide a gateway to an assortment of referral possibilities. Ask to be referred to businesses in the printing and publishing industry. There are also paper and art product suppliers which have a need for a third party recovery system such as NCS's. Through helping one graphic design client to get their cash flow moving, quality referrals to others who need your assistance will come your way.

GRAPHIC DESIGNER MARKET REPORT

Average age of accounts submitted:	90 days	
	Smaller Balance Accounts	Larger Balance Accounts
Average balance:	\$1250	\$4,975
Average NCS recovery:	56 percent	64 percent
Major problems and concerns:	customer retention slow-paying accounts non-paying accounts	
Typical internal collection procedure:	past due statements, phone calls	
Key individual to contact for decision:	owner	
Key individual to get ARA numbers:	owner, bookkeeper	

GROCERY STORES

Grocery stores and supermarkets offer an abundance of opportunities for ambitious NCS sales representatives. The industry is simple and straightforward, enabling newer reps to build a crystal clear understanding of how NCS benefits retailers.

The majority of delinquency problems experienced by grocery stores are NSF checks. When considering NSF check programs for prospective clients, there are basically two types of NSF check writers. The first includes the people who are just trying to carry the float in their bank accounts, while the second group includes people who intentionally write NSF checks. The NCS service has effectively motivated both groups to clear their debts. When a bad check program is followed to the letter, NCS's recovery will amaze store owners who previously thought a percentage of NSF checks each month was just part of the cost of being in business.

Depending on the degree and accuracy of internal check screening, grocery stores will average from .25 to 2.5 percent NSF of all the checks they receive. A high volume grocery store can experience 200 NSF checks each month. The average NSF balance is \$150, and NCS's recovery hinges on the age of assignment.

When presenting grocery stores, seek out the owner for an appointment. If the owner has several locations, you may be referred to the controller; however, it is usually to your advantage to start at the top. Owners' attitudes will vary, but a great number of them are open to new ideas. They tend to welcome fresh ideas which will have a positive impact on their bottom line, especially a program that will remedy their problems in as troublesome an area as NSF checks.

Your thorough knowledge of the competition will be a tremendous assistance when addressing objections. Check verification and guarantee services are used by many grocery stores and supermarkets. These services do not actually guarantee payment on NSF checks, but they do attempt to execute collection. Sometimes their clients are provided with lists of local bad check writers to aid in the screening process. A check guarantee service will usually charge the business owner up to a \$200 set-up fee for each location. NSF checks then go straight from the bank to the service for further processing. The check service adds about \$25 as a penalty fee and retains that amount if collection is effected.

In comparison, the advantages of the NCS system far outweigh any perceived pluses associated with a check guarantee service. NCS offers clients total control of all of their accounts. NCS will not start working an account without the clients' official authorization. A prospect using a guarantee service has little or no control, as all NSF's go directly from the bank to the service. Often, the business owner is not alerted to the identities of their bad check writers for up to two weeks, allowing the opportunity to accept more bad checks from these same consumers. Clients of NCS are permitted to add penalty charges for processing NSF checks. NSF penalties vary from state to state. Instead of the \$25 going to the guarantee service as a cost of collection, NCS clients add this

amount to their own recovery. (Clients should understand their respective state laws before instituting a NSF check fee.)

Even with a court judgment in their favor, creditors can- still experience difficulties collecting on the decision. Considering the excessive time invested to obtain court rulings, NCS clients favor the system's ease of use and speed in obtaining results.

When presenting NCS to a store owner, you may want to share this information. Out of 1,000 NSF checks, 20 percent would pay if their check was sent through the bank a second time. However, banks typically charge a fee per second time NSF check submitted. NCS suggests that checks go through the bank only once, therefore saving a prospect a substantial sum right from the start.

NCS has been most effective on NSF check recovery when this system is followed:

1. Point of Purchase -- Store clerk verifies check writers' identification, address, and phone number.
2. Three to five days -- bank returns all checks designated NSF.
3. Five days -- store sends form letter with "address correction requested."
4. 15 to 20 days -- all unresponsive accounts assigned to NCS.

NCS is based on systematic and consistent contact with debtors. This systematic contact is a strong determining factor leading to NCS's success. The same notion carries over to the system's usage. Haphazardly assigning accounts will not help their recovery, while sticking to the system diagramed above will. If need be, suggest that new policies be adopted to ensure that maximum recovery is obtained.

Offer your assistance in the construction of the store's in-house collection letter. Your guidance will ensure that all the necessary elements are included. The debtor must be notified that: the check was returned NSF, a state authorized penalty fee has been added, and payment is due within 10 days.

If the store has multiple locations, the NCS system should be centralized in a single office. Payments should be made to this location so the accounts can be properly credited. Instructions for payment must be included in the in-house letter. When debtors are allowed to clear their account at the local store, managers have no formal method to inform the system user. To eliminate any misunderstandings, make sure all money is sent the system user.

Grocery store owners are most impressed by:

- NCS's cost and recovery
- Their complete control with NCS
- All money is paid directly to them
- NCS's speed in contacting consumers
- NCS's thank you letter

Establishing a valid address for every account is essential to NCS's recovery. Make sure that all in-house letter envelopes are stamped "Address Service Requested." Those letters not returned can be assumed to have correct addresses and the system user will be notified of new, addresses for debtors who have moved. A high percentage of mail returns will skew the system's total performance and create unnecessary replacement costs.

GROCERY STORE MARKET REPORT

Average age of accounts submitted:	30 days
Average balance:	\$150
Average NCS recovery:	50%
Major problems and concerns:	customer alienation conventional agency's ability to work small balances collection cost
Typical internal collection procedures:	in-house collection letter, phone calls
Key individual to contact for decision:	owner
Key individual to get ARA numbers:	owner, controller

HEALTH CLUBS

The health craze that hit America in the '80s is still going as strong as ever today. Health clubs, like other businesses, are in the business of staying in business. No matter how high the ideals of the owner are, a healthy bottom line keeps a club operating.

Health clubs have been able to adapt to the changing needs of their customers. For instance, racquetball used to be very popular, but now has given way to aerobic exercise and Nautilus weight machines. Club owners have continued to fill the demands of their clients, however, they are often poor business managers.

Typically, clubs offer yearly membership programs. New members sign a contract locking themselves into 12 monthly payments. Once the contract is signed, members are legally bound to make the payments, regardless of how often they use the facility.

Research has uncovered a tendency in the industry to let delinquent accounts build up with the hopes that past due members will pay voluntarily. Club operators seem to shy away from collection agencies because of the high contingency fees charged by most. Many health clubs have not been approached by a firm like NCS offering a flat fee service. When used properly, NCS will breathe some fresh air into those past due accounts.

To date, NCS has been very effective at persuading members to satisfy payment. NCS enables club owners to exercise the impact of third party intervention while still maintaining control of each account. They also receive each payment in full directly and are kept abreast of all debtor correspondence.

When prospecting health clubs, speak to the owner or general manager only. Remember to be courteous to the support personnel, but they will not be able to influence this type of decision. When meeting the owner, keep in mind they can be quite ego conscious. Give them a compliment on their physical shape and the appearance of their club. A few well-worded, sincere compliments will set the right tone for your presentation.

Stress the fact that keeping your body fit is good, and like a body, a business must be in good shape, too. Delinquencies are like those extra pounds and inches that need to be worked off. Present prospects with the feature that impresses them the most -- increased cash flow.

Primarily, health clubs will assign membership fee accounts, but there may be some miscellaneous account charges also. These could include locker rental, food services, or additional charges for services provided.

To achieve superior recovery rates, accounts should be assigned at 30 days. If the decision maker is apprehensive toward 30-day assignments, show the flip chart page

which displays how much value is lost when accounts are permitted to age. Ask if the owner would like to lose an average of 20 percent of the delinquencies just because they waited an additional 60 days to turn the accounts over.

Club members are usually 30 to 40 years old, joining to get themselves in shape. They are generally home owners or long-term renters who are financially stable. They are typically capable of paying; all they need is some third party inducement.

Make sure to push your consulting abilities. As mentioned before, the majority of owners are not good money managers. Their main concern seems to be the facility and equipment. Show them you are a financial consultant with the proper advice to turn their business into a lean, mean, profit machine! Make certain to follow through and provide your professional servicing.

Another great aspect of this market is the abundance of referrals. Health club owners attend and meet at various trade shows held across the country. Once you have sold one, ask for referrals to other health club owners in the area. Chances are the new client will know every owner in town and several out of the area.

HEALTH CLUB MARKET REPORT

Average age of accounts submitted:	90 days
Average balance:	\$470
Average NCS recovery:	48%
Major problems and concerns:	slow-paying membership accounts Non-paying accounts diplomacy flat fee collection cost
Typical internal collection procedures:	past due statement, phone calls, discontinuation of club privileges
Key individual to contact for decision:	owner, general manager
Key individual to get ARA numbers:	same as above

HEALTH FOOD STORES,, .

Over the past 20 years the health food market has proliferated to become a multibillion dollar industry. What were once considered to be products used by the truly eccentric or so-called "health nuts," have become mainstream and are widely accepted by many consumers.

Located in shopping centers and malls throughout the country, health food stores carry a wide variety of products and are very customer oriented. They provide specialized service to highly health conscious consumers. Some store operators even put on seminars to help customers get informed on the various health products and services available through the store. Listed below is a selection of common items available from most health food store operators:

- diet supplements
- weight loss / gain formulas
- protein mixes
- vitamins
- bulk grains and herbs
- natural / organic products
- raw dairy products
- unique house-ware items

There are a number of business ownership situations present in the health food store industry. Independently owned stores, franchise operations, and chain store situations all exist. When prospecting in this market inquire about the individual location's ownership status. In a franchise or independently operated health food -store, the owner will be the decision maker. In a chain operation, seek an appointment with the corporate controller or chief financial officer. By doing a little research beforehand, you will be well prepared to ask for the proper individual and get directly to the appropriate party who can make a decision.

Health food stores experience a number of problem account types. Some stores carry open accounts for their regular customers. Other delinquencies occur with NSF checks and credit card charge-backs. These are the primary causes of troubling accounts receivable, but fortunately NCS is adept at resolving each of them.

NCS health store clients are experiencing an average 56 percent recovery on account balances averaging \$225.

One of the best ways to approach a health food store prospect is in person - get out and see the people. Show an interest in their business itself and prospects will be more inclined to meet and get to know you as a professional in accounts receivable management. NCS helps all type of businesses with these common A/R ailments, so be confident in your offering and express a sincere interest in helping each prospect with their individual situation.

The health food store industry serves the specialty needs, of those who seek it out. Seek out the store operators in your area and specialize in this growing market.

HEALTH FOOD STORE MARKET REPORT

Average age of accounts submitted:	45 days
Average balance:	\$225
Average NCS recovery:	56%
Major problems and concerns:	NSF checks slow-paying open accounts credit card charge-backs customer alienation high cost and low effectiveness of conventional collection agencies
Typical internal collection procedures:	past due statements, phone calls, write-off accounts
Key individual to contact for decision:	owner- independently operated or franchise controller or chief financial officer
Key individual to get ARA numbers:	-corporate chain store operation same as above

HEATING, VENTILATION, & AIR, CONDITIONING (HVAC) CONTRACTORS

Regardless of the season, a need will always exist in the marketplace for providers of indoor climate control. Otherwise known as air heating, ventilation, and air conditioning (HVAC) contractors, these trained technicians assure that homes and businesses across the country will be warm in the winter and cool in the summer.

Although no corporate affiliation is required to provide heating and air conditioning services, they do specialize in specific system make and models. Contractors are usually licensed by their home state and can become authorized dealers for manufacturers such as Lennox, Rheem, or Trane. When called upon to repair a specific make of cooling or heating system, contractors with the authorized dealer classification are most suited to perform the work.

These contractors install brand-new systems in addition to repairing those already in place. Regular; periodic maintenance such as filter replacement and regular cleaning are required to keep systems operating at their maximum. Upon purchasing a new system, maintenance agreements or service contracts are often signed and provide for future upkeep.

Cash flow problems for heating and air conditioning contractors can occur in a number of areas, including unpaid service calls, emergency service charges, and unpaid service contracts.

Unpaid service calls represent the majority of a contractor's problem collections. Heater and air conditioning breakdowns can be dire emergencies when they happen, but once repaired these crises can assume a low payment priority. System breakdowns on weekends or late at night will also commonly garner an extra surcharge for immediate attention. Payment for service contracts agreed to at the point of purchase are frequently spread out on an installment plan. A contractor's cash flow is impeded proportionally when payments are not made on time, or at all.

NCS has long assisted HVAC contractors in recovering their accounts. NCS's professional approach mirrors that of the licensed contractor who provides top quality service, yet just wants to be paid. NCS averages a 60 percent recovery rate on these contractor account balances which average \$700.

Many businesses in this market are independently owned and operated, but most contractors operate their own businesses. When prospecting these contractors, call on them very early or late in the workday. Before 8 a.m. is a good time to make contact with an owner as they are usually making last minute adjustments to their upcoming day's schedule in the field. After 4 p.m., when the workday is typically complete, is an opportune time as well.

Customers' in the market are evenly split between commercial and consumer, although commercial accounts are more likely to carry service; contracts. Diplomacy is important

to HVAC contractors, however, they want and deserve prompt payment for their services rendered. NCS's third party intervention enables them the opportunity to recover their delinquencies in the most cost effective and diplomatic fashion available.

Prospect the contractors in your area and warm up their receivables with NCS's cool recovery.

HVAC CONTRACTOR MARKET REPORT

Average age of accounts submitted:	90 days
Average balance:	\$700
Average NCS recovery:	60%
Major problems and concerns:	past due statements emergency service calls service contract payments high cost of conventional agency
Typical internal collection procedures:	past due statements, in-house letter, phone calls
Key individual to contact for decision:	owner
Key individual to get ARA numbers:	owner, office manager

HOME HEALTH CARE

Over the past few decades, health care costs have risen dramatically. These jumps have driven costs up, reaching levels which are not within easy grasp of a significant segment of today's society. Corresponding with these increases, the lower costs associated with the home health care industry have contributed to its growth.

Home health care encompasses personal service extended by a trained medical technician, often in conjunction with medical equipment either purchased or rented from a medical supply store. The technician, or nurse, sees to it that the patient's immediate needs are met and possibly even does some light housework around the patient's home. This type of home health care is much less expensive than extended hospital stays or establishing residence in a full-time nursing home.

In the home health care industry, nearly every account is insurance related. Many times, medical insurance policies do not cover 100 percent of the amount charged, and a balance is created. Some health care providers will bill the insurance companies themselves, and bill the patient for the balance left uncovered.

Other health care providers bill the patient for 100 percent of what is owed, leaving the burden of filing the claim forms to the patient themselves. Regardless of the billing policy, a number of slow-paying/non paying problems exist in the home health care industry. And NCS has the courteous diplomacy to bring these situations to light. With the tact of a professional arbitrator, NCS brings two sides together so that an amicable agreement can be found.

NCS is highly proficient in settling home health care accounts. On balances averaging \$2,900, NCS is recovering an average 65 percent.

The size of these balances makes it imperative that some type of reasonable action must take place to influence recovery, and NCS is best suited to handle these accounts. Whether the matter involves a slow-paying insurance company, or the patient's portion of the amount due, NCS performs with diplomatic flair. And NCS's low flat fee enables clients to utilize an effective means of managing their accounts receivable without losing a significant percentage when a collection is made.

With fS1, the client knows exactly what is being communicated to the past due patient. Familiarity with NCS's contacts breeds a sense of comforting confidence that past due patient accounts are being handled in a most highly ethical fashion. Then, when a slow-paying insurance company is holding back payment due, the system user can shift gears and select the "intensive" option. This built-in freedom of system use is but another reason why NCS is the preferred third party choice of over 30,000 satisfied clients.

Unless some type of corporate affiliation exists, home health care providers operate under private ownership. A simple request to meet with the owner or managing director

will reveal the title of the real decision maker. Target the presentation of NCS toward being an internal tool which eliminates friction and puts more money back into the business. Maintaining steady cash flow is essential so that overall patient care does not suffer due to a decrease in available revenue.

After establishing NCS's effectiveness in Phase I, ask a few qualifying questions to determine whether ACM is a desired option for the new client. The sizes of the outstanding balances almost demand some type of more aggressive action, and The Cash Recovery System can provide the professional service which yields the best results.

HOME HEALTH CARE MARKET REPORT

Average age of accounts submitted:	90 days
Average balance:	\$2,900
Average NCS recovery:	65%
Major problems and concerns:	diplomacy flat fee collections control over accounts in Phase I payments sent directly to client past due statements, phone calls
Typical internal collection procedures:	owner, managing director
Key individual to contact for decision:	same as above
Key individual to get ARA numbers:	

HOME IMPROVEMENT CENTERS

Found in numbers across the country are home improvement centers. With consumers constantly looking for the least expensive way possible to complete home improvement projects, these stores have become increasingly popular. All qualified potential users of The Cash Recovery System, these typically high volume operations are prime marketing opportunities for NCS sales reps.

Home improvement centers carry products such as doors and windows, plumbing supplies, paint, house-wares, building materials, hardware, and much more. Basically, they have everything necessary to complete minor and major repair and improvement projects around the home.

A number of discounters have also entered the scene recently, promoting more of a serve-yourself atmosphere inside the retailer operation. These stores have positioned themselves to target both consumers and building contractors alike. Consumers feel as though they are receiving a professional or trade discount, and are obtaining their products at the lowest retail price available.

Problem accounts typically take the form of NSF checks and credit card charge-backs. Open accounts established for businesses also exist and can develop into a slow-paying or non-paying situation. Among the three types, however, NSF checks occur with the greatest frequency and require a systematic solution to effect their speedy recovery.

Sometimes retailers operate under the impression that it is less expensive and more effective if they attempt recovery of the NSFs themselves. This in-house procedure often entails making phone calls to the check writer and contacting them through the mail. Both methods can open the retailer up to allegations of harassment and third party disclosure, not to mention the money lost due to second submissions to the bank and delays in making the checks good with cash.

The decision maker in this industry will usually be the general manager or owner, if independently operated. If the store is part of a chain, the controller or vice president of finance may be required for a decision. Sometimes when there is corporate affiliation, such as with a chain, the individual store manager is capable of making a decision. By asking how NSFs are handled internally, whether they are worked at the store or sent to a centralized location, the decision maker's authority can be easily determined.

When prospecting home improvement centers, conduct yourself as somewhat of an industry expert. Perhaps send a sales letter to the proper individual which mentions the names of other businesses utilizing NCS and their collection performance. Store operators are naturally curious as to how their competitors handle the types of operating problems which are common throughout their industry. By getting a written introduction on NCS in front of the decision maker and following up with a phone call or personal

visit the next day, an appointment can be set and the mood primed for an effective NCS presentation.

Sometimes retailers use a check guarantee service to eliminate NSF's, so become familiar with their routine practices. When comparing a guarantee service to NCS, the results can be astounding. Prepare a cost analysis which details the amount charged to guarantee all checks accepted, regardless of whether they are good or NSF. It is typically a percentage of the check amount, such as 3 percent. Then there is a monthly fee for equipment used to verify checks at the point of purchase. If the check writer has passed an NSF to another client of the guarantee service, the retailer is alerted upon verification. The retailer is then supposed to refuse the check based on the check writer's past, as the guarantee service will not replace the amount if the check is accepted and later returned by the bank stamped "NSF." NCS's one-time fixed fee and the client's ultimate control over the collection process far outweigh any perceived advantages of a check guarantee service.

HOME IMPROVEMENT CENTER MARKET REPORT

Average age of accounts submitted:	60 days
Average balance:	\$490
Average NCS recovery:	57%
Major problems and concerns:	high cost of conventional agencies control of collection process diplomacy (i.e., thank you letter) Status Reports
Typical internal collection procedure:	phone calls, in-house letters
Key individual to contact for decision:	Independently operated -- owner Corporate controlled -- general manager, controller, or vice president of finance
Key individual to get ARA numbers:	same as above

HOMEOWNERS ASSOCIATIONS

In recent years, housing complexes and condominium tracts have become more plentiful throughout the nation. A growing number of homeowners are leaning toward residences that require little or no maintenance and can include some country club-like privileges.

Most condominiums, town houses, individually-owned apartments, and even some single dwelling tracts, are maintained by their own homeowners association. Property owners within the housing community are generally required to join the association, pay monthly dues, and abide by its charter rules. The association is governed by a board of directors elected from the membership base. Regular meetings are held in which the cumulative membership discusses and acts upon issues germane to the association.

Homeowners association, or HOA, privileges can include: common area landscaping and maintenance, swimming pool use, golf, tennis, club house use, and more depending on the area's exclusiveness. Members share neatly trimmed lawns and well kept landscaping without having to spend their Saturdays doing yard work. Many of these housing communities emit an atmosphere similar to a country club with the assorted activities and lush surroundings.

Along with monthly dues payment, HOA members are also required to comply with various rules and regulations. Most have a number of automobile parking restrictions that limit members and guests to certain areas. Auto maintenance in a homeowner's driveway is oftentimes prohibited. In some single dwelling tracts, HOA's require that property owners each employ a gardener to keep up their yards. It is not unusual for HOA's to enforce home painting requirements, such as colors and frequency, upon their members. Violations of these or other association codes result in fines levied against members guilty of the infractions.

NCS is perfectly suited for the needs of a HOA. In the area of monthly dues and fines, NCS clients experience an average 48 percent recovery rate. Account balances average \$520. System sizes range from 100 accounts to 1,000.

When prospecting HOA's, set an appointment with the president or chairman of the board. Make certain to build your credibility as an expert in accounts receivable management offering a unique service that dramatically increases cash flow. Usually the board, or even the cumulative association membership, will vote on whether to use NCS. Voting members should be made aware that a portion of their dues often compensates for those who neglect to pay.

In an effort to collect overdue accounts, HOA's typically send a late notice. Depending on how organized the association is, the notice could go out anywhere from three to 14 days overdue. After two weeks, a late fine is frequently assessed. This fine could be a flat amount or a percentage of what is owed. At 30 days an association representatives often makes a personal visit to the delinquent member to arrange future

payment. When a member fails to meet their promise to pay, the account should be turned over to NCS for immediate action.

There really is no competition that can touch NCS. For under \$ 25 per account, NCS clients are offered the luxury of selecting what approach they desire, diplomatic or intensive, depending on the individual situation. NCS contacts debtors up to five times, yet the system user retains complete control. They receive all payments directly and are kept informed monthly of collection activity. Also, be sure to share the thank you letter that can be sent to members who have satisfied their accounts.

The HOA possibilities are plentiful within each state. Explore the avenues in your area and cash in on the opportunity.

HOMEOWNER ASSOCIATION MARKETREPORT

Average age of accounts submitted:	60 days
Average balance:	\$520
Average NCS recovery:	48%
Major problems and concerns:	monthly dues violation fines diplomacy
Typical internal collection procedures:	late notice, personal visit from association rep
Key individual to contact for decision:	President, Chairman of the Board
Key individual to get ARA numbers:	treasurer, same as above

HOSPITALS

Over the course of time a NCS sales rep goes through various stages of development. The initial stages are spent in training by learning the NCS story and fine-tuning the presentation delivery. Next comes hitting the streets where most reps will work a variety of businesses, selling smaller sized systems and getting some experience under their belts. The latter stages of development are for those individuals who sincerely desire to work hard and reach for the stars. These top flight sales representatives will select vertical markets or major industries upon which to concentrate their efforts. It should be understood that taking this step is only for those who are serious about themselves and their future with NCS.

The hospital market is among those major industries that qualify as targets for the high flying NCS rep. To date, numerous hospitals across the United States have experienced exceptional results through the NCS service. When approached properly, these clients hold the potential for a multitude of sales and reorders. Before making any contact in this market, there are some facts of which you should be aware. The main problem account types within a hospital are inpatient, outpatient, and emergency room accounts. Approximately 80 percent of inpatient accounts involve insurance claims and have balances up to several hundred dollars.

The number of outpatient accounts is usually greater than that generated by inpatients. Their balances tend to run under \$200 and fewer insurance claims are experienced in this area. Emergency room accounts can be extreme collection problems. Research indicates hospitals often recover only 50 percent of these accounts, no matter what internal efforts are practiced.

Most often hospital administrators or financial vice presidents are the decision makers, but there is work to be done before attempting to set an appointment. In order to see the right person at the hospital, it helps to have some influence. Located nearby almost every hospital is a medical complex filled with doctors' offices. Many times doctors with an office close to a hospital are staff members who might be willing to help you in your quest to be referred to the decision maker. Spend a day cold calling the medical complex. If nothing else, you are bound to pick up some orders. When talking to the individual doctors, ask them questions about the hospital, especially mentioning the administrator. By the end of the afternoon you will have hopefully made a couple of sales, learned more about the hospital and met at least one doctor who will refer you to the administrator.

After you have successfully nailed down an appointment, express your interest in being completely prepared and request a few financial statistics. The controller or financial vice president will be able to tell you the ratio of inpatients to outpatients, their average account balances, and the current status of their accounts receivable.

In addition, ask about their current agency, if they are using one. Get the number of accounts assigned each month, collection cost, and recovery rate, so you can conduct a comparison analysis.

Be certain to put your best foot forward and dress appropriately for this important meeting. A clean, smart fitting suit is the mark of a professional and emits confidence to those around you. It is crucial that the people you meet with have confidence in you and NCS. If the administrator is going to approve a \$25,000 check, you had better look like you deserve it.

There are several different ways to start the presentation, and one of the best is to simply ask the prospect what the hospital's biggest concerns are regarding their accounts receivable. Giving prospects the opportunity to express their concerns opens the door for you to work cooperatively with them to solve the problem delinquencies. Be sure to stress NCS's bottom-line low cost of collection. Also demonstrate how NCS cost-effectively works all accounts, no matter what the balance.

Ask to have the patient account manager present during the meeting. Although these individuals do not necessarily make the decisions, they will have considerable influence. Make sure they understand that with NCS their job will become easier and the collection department's workload will be decreased.

NCS can also be compared to the field of medicine itself. All doctors know the best time to treat a disease is before it has had the chance to set in. Early treatment and monitoring of a patient's progress is believed by many physicians to be the best course of action. It is the same way with collections. The earlier NCS can initiate work on an account, the chances of full recovery are greatly enhanced. Throughout treatment, the NCS online Status Reports monitor the progress of all accounts submitted.

If the prospect has the potential to purchase the largest system you have ever sold, you will probably want your manager present at the presentation for support. You have nothing to lose and everything to gain by asking your manager to accompany you. Having that backup lends added credibility to both you and NCS.

Upon selling the hospital, keep the momentum going. Usually the radiologists, anesthesiologists, and emergency room physicians who work in the hospital are separate entities, although they may be using the same billing service. Approach each confidently stating that you are now handling the collections for the hospital and would like to make them the same offer. With a little extra effort, two or three more substantially sized sales can be picked up the same day or on subsequent visits.

This article is intended to provide some background and give you an idea of how much work the hospital market requires. If you feel you are ready to assume the challenge, talk it over with your manager. Possessing a firm commitment to excellence and your manager's assistance, you will be well on your way to becoming another NCS hospital collection specialist.

HOSPITAL MARKET REPORT

Average age of accounts submitted:	90 days
Average balance:	\$600
Average NCS recovery:	45%
Major problems and concerns:	inpatient accounts outpatient accounts emergency room accounts lab work accounts bottom-line collection costs
Typical internal collection procedures:	periodic statements, phone calls
Key individual to contact for. decision:	chief administrator or financial vice president
Key individual to get ARA numbers:	controller or financial vice president

HOTELS

The hotel industry is a large and profitable market NCS has been effective in serving. NCS currently has many highly recognizable hotel names on its prestigious client listing.

In the industry, hotels are referred to as "properties." Hotel business is comprised of two areas: hotel guest bills and conventions or business meetings, which are classified as "functions." Hoteliers also associate the term "skip" as a guest who has walked out on their bill. When discussing NCS skips, take the time to explain that they are in fact "mail skips."

Who to contact at a hotel is most often determined by size. With a property of less than 300 rooms, arrange for an appointment with the general manager, president, or owner. When prospecting a large property of 300 rooms or more, contact the general manager first, then work down to the controller. The controller will usually have the power to make a decision and cut a check.

Upon confirming your appointment, ask for the key points of the ARA. Get the average balance, occupancy rate, and number of rooms. Inquire about billing. Is it monthly? Ask about the number of statements sent to a debtor, cost analysis of internal collection procedures, and the status of accounts. Determine what -percentage of the business is conventions and meetings versus that generated by tourism. Some properties handle a high volume of functions, while others deal exclusively with tourists. The percentage will show what type of accounts the property encounters the most. In addition, ask about their current collection agency, if they use one. Get the number of accounts assigned each month, the collection cost, and recovery rate, so you can do a comparison analysis.

Determine if the property is singularly-owned or handled by a property management company. The general manager of a singularly-owned property is usually impressed with NCS's ability to reduce internal staff time-on collections and increase cash flow. Working with a property management company will be different, especially if they own and control several properties. The controller is more apt to look at the bottom line: increased cash flow. A property management company will also offer centralized collections for all of their properties when using NCS. With all this information, you should be able to develop a strategy for your presentation.

Problem accounts will usually fall into one of these categories:

- Long Distance Charges -- Hotel guest leaves behind telephone charges incurred during stay. Bad Checks - Guest pays with an NSF check. Bad Checks - Guest pays with an NSF check.
- Late Checkouts -- Guest pays in advance for hotel stay and fails to leave before the predetermined checkout time, thus incurring a charge.
- Skips -- Guest leaves without paying bill, but property has a good address.

- Credit Card Charge-backs -- There are several ways to incur a chargeback. The most frequent is when the guest establishes a line of credit upon checking in and exceeds that limit during the stay. The hotel will often have difficulty applying the additional charges to the guest's credit card without specific approval.
- Open Billing - Guest with an open account bill going to his company. The bill is sent and not paid.
- Travel Agency Accounts - Agencies which have booked the property and only partially paid the bill.
- Function Accounts - A function planner may pay a deposit for the event and then not pay the balance when the bill is due.

The ideal time for a property to turn an account over for collection is 60 to 90 days. Of course, NSF checks should be turned over immediately. Research shows that if an account is not settled by 90 days, it will take the property up to six months to collect it internally, if ever. Small balances are usually written off as un-collectible with little effort given to recover them.

Some properties are eliminating problems with room charges by using a point of sales computer terminal. Traditionally hotels practiced the honor system and would take the word of a guest. Now, when a guest makes a charge to his room, the cashier will enter it into the computer. The cashier can immediately determine if the guest may charge to their room or if they have already checked out.

Hotel registration cards filled out by guests upon checking in are becoming more complete in terms of the information they request. Many properties had not asked for the guest's home phone number in the past. Without the number, making collections has been difficult. More hotels are now requiring a phone number of someone to contact in case of emergency. Hotel administrators have found that requesting the information in this manner has resulted in additional reliable phone numbers for their guests.

When developing a strategy for your presentation, prepare yourself for any objections before they come up.

For a current listing of hotels, consult the Hotel & Travel Index, published by Murdoch Magazines. The directory is updated four times a year and provides an accurate listing of all hotels across America, along with their size and location. The hotel market is a mainstay of success for many NCS reps. Why not make yourself its next guest?

HOTEL MARKET REPORT

Average age of accounts submitted:	90 days
Average balance:	\$1600
Average NCS recovery:	61%
Major problems and concerns:	guest charges

Typical internal collection procedures:
Key individual to contact for decision:
Key individual to get ARA numbers:

travel agency accounts
function accounts
diplomacy
high cost of conventional agencies
past due statements, phone calls
general manager, controller
same as above