

Common Goal + Teamwork = Success

Wow, what happened? I'm sitting on the beach. Alone. 15 minutes ago I finished my first speech for +100 executives. The response was amazing. Unbelievable. A lot of people came to me and said "thank you for an inspiring speech. I learned a lot. I would like to know more." Etc. I was in Toscana, Italy and our debt collection partner asked me some years ago to have a 45 min speech and tell about our success in decreasing outstanding debt the year before.

I will first tell you what we did and at the end you will get my advices for more rapid debt recovery.

A clear and challenging goal

A late evening in January some years ago I got a phone call from our Nordic Credit Manager. At that time I worked as Debt Collection Manager in Norway for a Nordic based leasing company. We were not the core activity for our owner and therefore they had decided to either sell or find another funding model for the leasing company. The Norwegian branch had grown quite a lot the last years and the amount for outstanding accounts receivable had increased. That was the reason for the Nordic Credit Manager to call me. "Lotta, we have received a demand from the board to reduce the outstanding accounts receivable in Norway with 75% by the end of the year." My first response was, "you're kidding me. " No! He was not. He said, "I know it is extremely challenging, but we have no choice. You have to try".

Decide to succeed

That evening, I walked back and forth in my living room. How am I going to make this happen? I was new in my role and knew nothing about debt collection. We had outsourced the debt collection activities to a partner. I was in the process to establish a small department with two FTEs. At a point that evening, I just made a decision. We are going to make it happen! How? I did not know. We at least had the most important element fixed for any challenge – a clear goal. We had a situation with a sense of urgency, the clear need to make it happen and it helped for getting the right focus and priority.

Believe in making it happen

The next day I informed my colleagues. I was honest about the challenging situation, the extremely "hairy goal", but I never ever showed or even let myself be in doubt about going to make it happen. My believe was so strong. You could "feel" it every time I spoke about it, in all my choices and actions. I got this comment from one of my co-workers after we had succeeded: "Lotta, first I didn't believe we were going to make it, but your believe was so strong and clear, that I started to believe in the goal myself after a while".

Involve in planning

Together with the TEAM we started that first day with a workshop to find out how to start and what to do. Who is best at doing what? What do the numbers say? What reports are available? How to best measure progress on targets? Who can we best team up with to help us?

The three of us working in the debt collection department had very different experiences and personalities. One was very effective and liked to work with many and smaller outstanding debts, going for the volumes. The other one had more experience and liked to work on the more complex cases. I had no experience with debt collection, but I do have a background in leadership, project management and business in general. Instead of everyone doing everything, we organized ourselves in a way that everybody was working on tasks that we were really good at. This made the TEAM extremely effective.

As is situation in numbers

We analyzed the numbers in depth. How bad or how good is it? We looked into the reasons why our customer did not pay as we wanted them to. Who couldn't pay? Who could pay but did not? Customer complaints? Other reasons? After a while we started to get a clear picture of the whole situation. At that point I realized that we needed to involve others as well. It turned out that the number of claims was high. We had to work on the high outstanding debts at that specific moment and next to that also trying to find solutions in order for no new arrears older than 60 days after due date to occur, which was clearly our target.

I got permission from the board to involve our external partner, to explain to them the situation and the plan, the numbers and why we were going to do this. After that point in time we shared information and reports with them on a weekly bases.

TEAM work

We organized another workshop and did kind of the same exercise, but now between our company and the debt collection company. Who is going to do what? What do the numbers tell us? How to cooperate in the most effective way?

Those two workshops helped us to get the processes very lean. We got a clear picture of the as is situation, which was challenging. I noticed early in the process that most of the people involved were uncertain if and how we were going to make it. They looked at the target as having to climb "a huge mountain". I love numbers! Numbers tell you a lot and numbers helps you to show where you are and what to do. We formulated objectives for each month and week, to make the "huge mountain" look less overwhelming taking it week by week.

Maybe in hindsight one of the most important aspects was the fact that we and our partner in debt collections got a clear common understanding of the ambitious target, which helped everybody to focus and prioritize. Time and speed were of the essence but more important was the need for our customers to be treated with a clear but respectful and friendly collections process. We wanted to keep them as good customers.

Measurement and follow up

To secure motivation I wrote an e-mail every Monday morning to all involved, both internal and to our external debt collection company. The e-mail contained an overview of where we were against the plan. I used the e-mails to trigger new focus based on last week's performance. Also we celebrated the small steps in the right direction. We created moments of recognition when someone had done a great job in executing the plans. All in all the mails helped the TEAM to focus and prioritizing for week ahead.

We were in the midst of executing a very clear and detailed roadmap with a very structured way of working having the best people on the tasks with factual measurement of progress still treating the customers fairly.

We started to see a lot of progress and the TEAM (both internal and external) showed increased motivation, inspiration and energy although we were not there yet as we still had a too many invoices in the category “can pay but do not want to pay”. I personally took the role to clarify customer claims that were caused by mistakes from ourselves and/or from our partner. Our approach was to both solve the actual claim and the root cause to prevent the same situation from happening again in the future. The effect was much more lean, effective and efficient processes in almost all departments that took part in the project. Actually we “taught” our biggest partner in debt collections a newly invented best practice process. It was a real win-win situation for all stakeholders. The customers paid on time, and our partner got rewarded as the company with best focus on cash management within their own European organization.

Our goal was to reduce outstanding debts with 75% by the end of the year. We not only achieved the target but we even exceeded the ambition by finally getting to – 83%! It was a lot of work that year, but so much FUN! A common goal+a sense of urgency + TEAM work = SUCCESS. This formula made it possible to succeed. Sometimes success is explained by luck, but then please understand that luck is where preparation meets opportunity!!!

This was all that I was talking about in my speech. I hope you’ve got an understanding of what we did and how we did it and I hope it has inspired you. All situations and challenges are different but when it comes to solutions there are some success criteria that always apply and will facilitate success. Here they are;

- #1 A CLEAR GOAL and a timeline
- #2 MAKE THE DECISION to succeed
- #3 To BELIEVE in making it happened

- #4 Right PEOPLE on the right tasks
- #5 MEASURE and follow up frequently
- #6 TEAM work; motivate, inspire, celebrate and recognize

We worked under a kind of “label” as follows: **Common Goal + Teamwork = Success** and a success it was.