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THE BIZ

Credit & Collection News from Caine & Weiner

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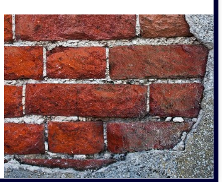

Caine & Weiner wishes you and your family a blessed holiday season.

The Cohen Family: Jake, Greg, Zac, Chris, Cami, and Matt

As 2017 comes to a close and we celebrate a joyful Holiday Season, I wish to express my deep heartfelt appreciation to our esteem clients. We sincerely appreciate the opportunity they've given us to provide innovative *Receivables-to-Cash* solutions and are always mindful that they are the foundation of our success. Representing every major worldwide industry, their satisfaction is our highest priority.

My appreciation is also extended to our respected stakeholders, extraordinary alliance partners, and our trusted international partners, for all having a shared vision, similar core values and a unified commitment to best-in-class service and unmatched performance.

I also want to thank Caine & Weiner's team of amazing dedicated professionals—our Agent Specialists, Administrative Professionals, Client Relations and Client Service teams, Department Managers, Senior Managers and our Executive Officers. Their efforts, teamwork, loyalty and commitment to excellence are genuinely appreciated, moreover the bedrock of our company!

As I conclude my second term as President of the International Association of Commercial Collector Association (IACC), I truly appreciate the deep-rooted relationships and overwhelming comradery, moreover humbled by the trust and faith of our members that allows me to give back and serve the ARM community.

Looking forward to 2018, I am elated about all that we have planned for the future of Caine & Weiner as we continue to grow and work hard toward a successful new year.

I wish you and yours a very Happy Holiday Season from the Caine & Weiner family and my family—continued health, happiness and prosperity!

All the best in 2018 and beyond,

Greg Cohen
Caine & Weiner President & CEO

The Art of Negotiation: Rules to Follow

By Brad Robinson, Caine & Weiner Sr. Vice President of Business Development

Brad Robinson is a 20+ year veteran of the Accounts Receivable Management industry and has a long history of proven results in the executive sales management and strategic business development areas. Brad continues to focus his sales team on the acquisition and management of clients as well as overseeing all business development functions.

Go to **PAGE 4** to see Brad in action presenting these negotiation strategies at an NACM Connect Roundtable!

Dealing with difficult customers who don't want to pay their full balance is always a challenge to those in the accounts receivable capacity. The question they must ask themselves: ***When should I negotiate?***

The hard reality is that your customer owes the amount due, but desires to negotiate a discount on the products or services that you have already delivered. Common practice dictates that when you purchase something, you will have to pay for this product or service. So why should you allow your customer to shirk this same principal? Many businesses face this reality on a frequent basis. So what do you do? Let's review a few basic rules of negotiating debt payment with a customer (see table below):

Rule #1 is the most important rule: Don't negotiate. If you followed all of the terms and conditions of the product or service delivery then you are in a position of power and Rule #1 is simply that you do not have to nor should you negotiate. That being said, circumstances can present themselves which require us to yield on this first and simple rule. So if you have to compromise and move off your #1 Rule, be certain to stay aligned with the rest of your rules in negotiations.

Rule #2: Don't negotiate with yourself. Have them make the first offer. Do not offer additional payments or extra time in addition to their first or reasonable offer.

Rules #3 and #4 are self-explanatory: Never accept the first offer; and Never make the first offer!

Rule #5 is a critical guideline that must be adhered to whenever possible! Listen more and talk less! Silence is your friend in all negotiations. There is an old saying out there, "You can't quote silence." An offer met with silence allows the person who made the offer to digest — and in many cases — question themselves as to whether their offer is going to be accepted. The doubt that comes out of your silence speaks volumes without a word being relayed.

Rule #6 reminds us: No free gifts! This means that you aren't required to offer up additions to anything they offer. Unsolicited credit deletions or pay-in-full letters, etc., should not be included when you are making post-delivery concessions.

Rules #7 and #8 remind us again of a very critical element in negotiations. Know the bottom line impact that this has on your organization; and have no rookie regrets, which means think through the proposed accepted offer as you don't want to be professionally impacted in your job by accepting the deal. Know what the deal means to both you and your organization. If the price is too high, remind yourself of Rule #1!

Rule #9 As we wind down this topic, clue into the final two rules carefully. Never accept the "quick deal," as something too good to be true likely is just that; a good offer can wait. Give yourself time to process the quick deal.

Finally, as you reflect on all of the rules, remind yourself of the rule that was listen more, talk less, and silence is your friend. Because the final **Rule #10** is Do not disclose your bottom line! This is your confidential information. This is your authority, and you do not have to disclose. Disclosing your bottom line can compromise not only this transaction but further dealings with this customer. Additionally, if your bottom line leaks into the buying community, this can truly damage your credit policies going forward.

Best of success in your business negotiations!

Rules	Negotiation Strategies
1. Don't Negotiate	Demand payment-in-full today over the phone.
2. Don't Negotiate with Yourself	Offering payments and extra time unsolicited Informing of credit reporting timeline.
3. Never Accept the First Offer	Counter-offer for more payments and in less time.
4. Never Make the First Offer	Opening offer is for payment-in-full today, wait for their counteroffer.
5. Listen More, Talk Less	Psychological pause, indicators of ability to pay.
6. No Free Gifts	Unsolicited payment-in-full letters or credit deletions.
7. Know the facts. Bottom line impact.	Any and all discounts can have an impact. Know what your costs are. Don't short the firm.
8. Rookie's Regret	Analyze call for opportunities on next call.
9. Always Avoid the Quick Deal	Why the urgency? Trying to buy a car or house? Must resolve balance and can get payment-in-full.
10. Never Disclose your Bottom Line	Never share your bottom line!

Toys R Us and the decline of Brick-and-Mortar—what does it mean for Commercial Collections?

Excerpt from article published by the International Association of Commercial Collectors (IACC)

CLICK HERE to read full article

When Toys R Us announced this fall that it would be closing stores after the holiday season, it became the latest in a string of large retailers that have announced bankruptcy just this year. In fact, according to an April, 2017 report from *The Atlantic*, there have been nine retail bankruptcies in 2017, including J.C. Penney, Radio Shack, Macy's, and Sears, each of which announced more than 100 store closings. Sports Authority has liquidated and Payless has filed for bankruptcy.

According to *NewJersey.com*, Toys R Us bought itself $3.1 billion in financing, allowing it to stock and operate all of its stores through the holiday season, but after that store closings are inevitable.

"Brick and mortar stores are becoming unsustainable for Toys R Us and a growing number of retailers," said Patrick DiNardo, an attorney specializing in bankruptcy and creditor's rights litigation for the firm Sullivan and Worcester in Manhattan. "Unfortunately, I think we can expect to see more shuttered retail locations in the near future."

According to *The Atlantic*, several trends, including the rise of e-commerce, have "conspired to change the face of American shopping," with the most significant trend affecting brick-and-mortar stores being, "the relentless march of Amazon and other online retail companies." Between 2010 and 2016, Amazon's sales in North America alone have quintupled, from $16 billion to $80 billion.

For the commercial collection industry, the shift to e-commerce and the demise of brick-and-mortar retail stores begs the question: are commercial collection agencies losing customers as a result of the shrinking world of retail? Is the proliferation of e-commerce having a positive, negative, or negligible effect on the industry?

IACC President Greg Cohen, also president of IACC Member company Caine & Weiner, asked some of his colleagues at Caine & Weiner to weigh in:

One colleague felt that with more and more businesses closing, there would be more opportunities to collect. "The shift to e-commerce will have a positive effect, with increasing opportunity for collection agencies. More and more e-commerce companies will outsource their collection efforts as this function is more cost-effective than having staff onsite."

Another colleague said, however, "The closure of brick-and-mortar stores and increase in e-commerce will have a negative effect on commercial collection agencies because they will feel the effects of having less clientele." Another colleague agreed, "I believe we will see a reduction in the number of businesses in the industry leading to less companies to send accounts to commercial collection agencies."

Another colleague got more specific, stating, "Because consumers can shop at home, avoid the mega-store experience and benefit from the cost breaks offered by e-commerce outlets, I believe the smaller retail brick-and-mortar space will further compress, thus further reducing the number of clients in the commercial space.

"With e-commerce driving more business to the larger retailers, I believe the amount of bad debt to be collected shrinks at a similar percentage," he concluded.

Another colleague talked about the future of the industry, saying, "The long-term impact on the commercial collection marketplace will be decided regionally based on what the lost retail space transitions to over time. A transition to residential space could usher in a continued reduction in the potential debtor population."

In the end, "In order to stay relevant, collection agencies will need to continue to revamp their client base and services."

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The Biz is Caine & Weiner's quarterly client newsletter.
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MISSION/VISION STATEMENT: We enhance cash flow for the global business community through the creative and effective utilization of accounts receivable management systems and innovative solutions.

Teaming Up to Beat Cancer

(left to right) Michael Weisberg with Morgan Stanley teams up with Caine & Weiner President & CEO Greg Cohen, Scott Eisner with Eisner & Howard, Gary Cohen with Alex Brown, and Mike Vizvary with Revolution Media, to participate in the Tower Cancer Research Foundation's Jack Mishkin Memorial Golf Classic.

The Tower Cancer Research Foundation has developed a legacy of supporting high impact research and clinical trials, and has raised more than $25 million in the last decade.

Advanced education brings advanced level of service

Lisa Newberg

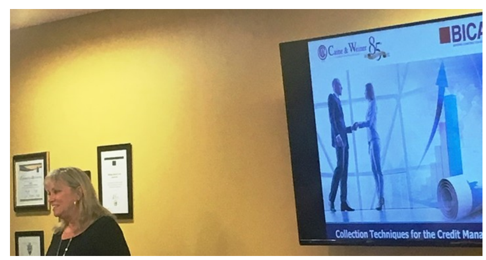
Lisa Newberg, CCRA, CBA, Caine & Weiner's Vice President of Client Services, recently completed the International Credit & Risk Management Course (ICRM) through the Finance, Credit and International Business Association (FCIB).

The ICRM is a comprehensive, in-depth 13-week course designed to educate entry-level professionals as well as senior-level executives about the intricacies of global credit and risk management.

By understanding the needs and challenges of credit and risk managers, this comprehensive and in-depth course was designed to add value to the students professional development while making them an even more valuable asset to their company.

Lisa touts the course's benefits, "This course has raised my knowledge of what a credit manager goes through so I may deliver an enhanced experience level for Caine & Weiner service and sales."

Representatives from our client Anthem visit our corporate team at the Woodland Hills office.



VP of Client Services Lisa Newberg, CCRA, CBA, hosts a seminar on Collection Techniques for the Building Industry Credit Association (BICA).

Sr. VP of Client Services Brad Schaffer (not pictured) and Sr. Mgr. of Client Services Kenny O'Rear visit Makenzie Keller at Liquid Environmental Solutions.

Senior VP of Business Development Brad Robinson, top, leads a discussion on The Art of Negotiation at the NACM Wisconsin Roundtable meeting. Go to **PAGE 2** to read Brad's article!

Sr. VP of Client Services Brad Schaffer (not pictured) and Sr. Mgr. of Client Services Russ Yarem visit Phil McKenna at JF Hillebrand Global Beverage Logistics.

Sr. VP of Client Services Brad Schaffer (not pictured) and Sr. VP-Corporate Counsel John Pucin visit Doc Mason at Vermeer.

THE BIZ archives

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Conference Circuit Roundup

Frank Dispensa, left, VP of Client Operations, and Joe Batie, right, Chief Commercial Officer, network with Adam Wood, CEO of GCS, at the World Trade Credit and Risk Summit.

Above, Sr. Client Services Manager Terri Cramer, center, poses for a group photo with NACM board members at the NACM Gateway Conference. Left, at the NACM Midwest Conference, Lillian Novak, NACM Connect VP, 2nd from right, helps Client Services Manager Warren Northern, left, VP of Client Services Jim McGee, center, and Sr. VP of Business Development Brad Robinson, right, present the door prize to Federico Ortega Obregon of SC Johnson.

NACM Gulf States

Transportation Revenue Management Group

Sr. VP of Client Services Brad Schaffer and Sr. Manager of Client Services Kenny O'Rear attend the Transportation Revenue Management Group (TRMG) Conference. Left, Kenny O'Rear presents the door prize to Chris Manning of Love's Travel Stops.

Marketing Manager Jennie Hirtzel and Sr. VP of Client Services Brad Shaffer attend the World Trade Center of Kentucky (WTCKY) International Trade Summit.

Reduce Your Holiday Shipping Expenses

We are in the midst of the busiest *shipping season. Nearly 11% of all packages shipped since Black Friday have been delivered late.This compares to only 3.7% last year.*

Both FedEx and UPS strive to service their customers well. They back this commitment with their Money Back Guarantee (MBG) or Guaranteed Service. Companies pay a premium for this service and rely on the carriers to follow through on their promise.

Many companies are unaware of the MBG which entitles them to a refund for late shipments-express *or ground. If they are aware of this service guarantee, they do not typically have the resources or the time to monitor their shipping accounts, file the claims, then follow up on whether the claims were approved and refunds received.*

71lbs, an Affinity Partner of Caine & Weiner, is a service provider with an automated solution that helps businesses recoup their refunds without having to dedicate any resources. This automated system simplifies an otherwise cumbersome process by monitoring the shipping account and identifying service failures. 71lbs files the claims on behalf of the shipper and then the approved refunds are credited back to the shipping account.

In an effort to begin 2018 with a positive entry on the balance sheet, 71lbs is offering a promotion. **Accounts activated by December 31, 2017, will receive $20.18 off each of their first three invoices.**

To learn more, visit **71lbs.com/caine**. To access/download the 71 Lbs. Holiday Shipping Handbook with important holiday shipping deadlines and surcharges, **CLICK HERE**.