

In Voice Newsletter

WELCOME

Welcome to the first edition of the DebtForce newsletter to what we believe is going to be an exciting and challenging future. We would also like to take this opportunity to thank you for your continued support and DebtForce look forward to maintaining the high level of service that you have been accustomed to receiving. To that end we have endeavoured to keep as many services, costs and recovery personnel as they were with you previously.

As you can see, like many things within the new company, the name of the former DML magazine has been retained as over the years it has become well recognised by our clients.

As always please feel free to comment or ask questions that you may have. These can be addressed to our email address and will published within this newsletter should they be relevant or of benefit to other readers.

New Name, Location – Details

DebtForce what's in a name?,

As part of our marketing strategy DebtForce have recognised that the current credit market requires a more 'in your face' type of image representing them, so that debtors understand that by the time our services are retained the client is serious about recovery.

We believe the new name and image will assist with this, along with some new services that are to be introduced soon.

A more central office location in Manukau City has been chosen for the company and provides easier client accessibility. An 0800 number has also been established for our clients.

Please adjust your records accordingly.

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NEW! Collection Labels

SPECIAL NEW RELEASE OFFER

For some time we have been looking at methods to deal with smaller debt in a more economical manner but also provide something that does not require time consuming letter writing and postage.

With that in mind we have developed a range of collection labels that can be quickly attached to overdue invoices as they are posted to the client.

Eight labels have been developed for the various scenarios that you are likely to come across. The cost of the labels are

\$10.00 incl GST per sheet of 27 labels

If you purchase a full set of 7 labels in the month of August we will provide a sheet of DebtForce labels **FREE**.

To order the labels please contact our office and quote the reference number of the label you require.

SAD NEWS

We are sad to announce the passing of two well recognised former DML employees whom some of you will have dealt with over past years.

Steven Day – Stuart Edgar Day

Steve passed away peacefully in July 2008 after a long illness.

Craig McGehan – James Craig McGehan

Unexpectedly on 29th July 2008

Steven and Craig had been long serving employees and both held the position of Recoveries Department Manager for the company.

Our thoughts and sympathy have been extended to their families.

They will both be missed by us all.



Personal Guarantees

"My Solicitor said not to sign it"

We often say we are close to the source of what is happening in the economy well ahead of most institutions and that includes banks. Due to the diversified range of national clients & industry types DebtForce conduct business with, we often recognise financial trends well before they are being reported on by the press or recognised financial institutions. When preparing this news letter I happened across some old Debtor Management newsletters and this one was of particular interest so I thought I would share this with you. I wrote this article in January 2007 and has not been altered in any way.

The year has started very differently from where 2006 finished.

Many companies are expecting some sort of downturn as they feel that we have been on a high too long.

Some in the building industry, particularly, are holding all creditors at strictly 60 day terms, to ensure they don't get caught should the downturn occur suddenly.

Speculation on increased interest rates both in Australia and New Zealand and the high NZ dollar particularly against the US dollar are also fuelling expected changes.

Now is probably a good time to review those ac-

Many credit applications and agreements have an option for a personal guarantee. Unfortunately sometimes requiring a personal guarantee can result in some conflict with a potentially good customer particularly if they have spoken with a solicitor about this.

As a Credit Manager other questions in relation to the guarantee will now arise.

What is the policy of the company in relation to guarantee requirements?

Do I need the guarantee?

How much pressure can I place on the potential customer to sign it?

These simple questions could be answered many different ways by different companies. It really comes down to you and having clear direction through the company policy. Unfortunately when a Solicitor becomes involved in advising his client the obvious thing for him to say is "don't sign it".

This causes a problem for both parties as one wants the goods and wants to do business while the other party is charged with protecting their business and enforcing the company's credit policy in regard to this issue.

The result is that both parties may not be able to agree due to the advise given by the solicitor who is not financially effected by any decision he or she makes for their client.

I am sure that the in most instances the Solicitor would not finance the business for the client yet he is advising his client on what basis goods should be obtained from suppliers.

If the guarantee is not signed the applicant's business could suffer considerably by not having the raw materials it needs while trying to negotiate the opening of those credit facilities.

It never ceases to amaze us how many intelligent business people make the statement "my solicitor said not to sign" and then either pay more for product or not have it at all.

Don't forget the solicitor gets paid for his advise. Ironic isn't it when they have no financial interest. Perhaps the Solicitor may come forward and sign it for his customer, I don't think so.

If the credit – applicant is confident of their business being able to pay its debts as they fall due signing a guarantee should not be a problem.

After all who owns and developed the business to start with, certainly not the solicitor.

Recovery on a personal guarantee is generally the last resort in trying to resolve an outstanding account.

AND THE FUTURE ?

This is certainly a big question mark as always.

Without getting too political whether there is a change of government or not the economy is not going to see a major change for at least a year. Battening down the hatches and covering all angles should be the rule of the day. In particular watch your larger longstanding customers, no matter how long they have been with you. We have seen a dramatic increase in larger debts often as a result of long term relationships and a domino effect occurring through non payment by one of their creditors.

New Zealand needs to see the lower income sector spending again without getting in debt to do it. This will only occur through genuine employment and real jobs that produce something to the benefit of the economy of the country.

That's our comment for what it is worth.

Investigations – Licenced

From time to time DebtForce clients require services that are more investigative than debt collection. Within DebtForce is a investigation agency that is able to provide a wide range of services for our clients. These services can range from background checking and fraud enquiries through to such services as drug testing and DNA testing. If you



have a problem call our office direct and ask for Steve Huggard who has some 20 years investigative experience.



A man was forced to take the day off work to attend the Manukau Court. He waited hour after hour for his case to be called. When his name was finally called the judge advised as it was late in the day and he was adjourning the court to the following day and the man would have to come back.

The man swore and was immediately fined \$20.00 by the judge for contempt of court .

The Judge noticed the man reach for his wallet and look into it . The Judge then explained that he didn't have to pay now.

Where upon the man replied that he was just seeing if he had enough money for two more words.