

FEATURE // UTILITY FIELD COLLECTIONS



Onsite service—A technician performs a credit-related disconnect of a light commercial natural gas service. Each technician must understand and be held accountable, through a proactive field audit program, for the safety and the accuracy of each service appointment.

IDENTIFYING, LOCATING + REWARDING SUCCESSFUL UTILITY FIELD COLLECTIONS PROFESSIONALS

ASSEMBLING THE RIGHT STAFF TO REDUCE
DELINQUENT ACCOUNT BALANCES

By Justin Lawrence, Contract Callers, Inc.

In 2012, **Black & Veatch** released its sixth annual *Strategic Directions in the Electric Utility Industry Report* and its inaugural *Strategic Directions in the U.S. Natural Gas Industry Report*. Each report involved a survey of qualified respondents from each industry, on a myriad of ongoing and emerging issues, and an analysis of survey results. This article provides excerpts from both reports regarding the ultimate customer impact stemming from these rapidly evolving industries.

While there are plenty of programs and methodologies worth discussing to fix the problem, this article shifts the focus to those who work to solve the problem in the field—utility field collections professionals, or field collectors. We consider:

- What field collectors do and what traits make them successful;
- How to locate and identify them; and
- How to create a rewarding employment relationship with them.

In order to have an effective solution that meaningfully impacts individual customers, a utility needs to have an effective individual representing the organization. If this person is not part of the equation, the program will fail.

ABOUT THE WORK AND THE TRAITS THAT DRIVE SUCCESS

Depending on the utility and the circumstances, a vast range of titles and job descriptions exist for field collectors. In general, they:

- Directly interface with a utility's customers on a daily basis on billing and related matters;
- Service meters or impact a business function directly related to the meter;
- Operate in a fairly autonomous manner away from direct oversight, and;
- Service geographic areas as assigned, in many cases, driving significant distances.

Despite the differences in job descriptions, the basic duty of field collectors remains the same: They drop notices, cut and restore meters, take field payments, mitigate theft, and perform related survey services. We have found that there are four essential traits that make field collectors successful, engaged and uniquely capable of handling this complex work.

1 The first trait of successful field collectors is that they are positively people oriented. They can be hard to find. Less socially oriented individuals excel in many roles, but generally not this one. Successful field collections staff deal with the public all day, every day, and the ability to communicate effectively is paramount. There is no easy way to tell a consumer that their service is about to be impacted because they have not paid their bill. Field collectors not only send the appropriate message, they receive the return message in the appropriate way. In terms of general traits, these individuals:

- Speak effectively, while understanding that "less is often more" when dealing with unpleasant issues;
- Can direct a conversation while adhering to a defined process;
- Understand how to separate professional rejection from personal rejection—why the two are different, and how not to become frustrated when being rejected in the professional role that they fulfill;
- Do not easily lose control of their emotions; and
- Think on their feet, developing simple solutions that defuse tension, and then communicating that solution to a customer.

2 The second essential trait is reliability. A utility has to go to their problem accounts, because those accounts most often do not seek out the utility. Even automated meter reading and disconnects/reconnects do not completely eliminate the need to travel into the field. Because field visits are unavoidable, going to see a customer with a problem account requires an employee who can operate without significant direct oversight, can safely operate a company vehicle every day, and can deal with complex customer interactions while building trust. Successful field collectors must know when they are in over their heads and need to get help. They do their best to ensure that simple problems get solved correctly in an independent manner. This individual works efficiently without someone looking over his or her shoulder.

3 Next, if an employee is not comfortable where they work, they will not work well. The most effective field staff is familiar with the neighborhoods where they work, because it is where they live. Training and time only gets staff so far. If field collectors are not at least partially comfortable with where they work, chances are that they will not work out long term. This concept of utilities hiring local staff is made possible through targeted recruiting, which is discussed in the next section.

4 Finally, a good field collector is energized by a challenge, and demonstrates resolve when facing adversity. Any customer service role interfacing directly with customers, such as this, is a hard job. Negative interactions may not necessarily be burdensome in the first day or week, but for some type of people, over time it will wear them out. Successful employees are not impacted by this significantly, and demonstrate the ability to "throw the switch." They shut work off when they leave for the day and regain their focus the next day. The negative things that happened during the day are compartmentalized, and it does not drift into the rest of the employee's life. An employee that can't make this separation will have difficulty in this type of field role over time.

ATTRACTING THE RIGHT PEOPLE

Staffing always has been a little bit of a numbers game when filling any type of role. In general, a greater pool of candidates almost always leads to more successful hiring. Good staffing teams play the percentages and cast a wide net. With field collections staff, this trend is especially true. The work requires unique skills and it just is not for everyone. Strategic over-hiring, in full anticipation that a certain percentage of hires will not work out near-term, makes sense if an organization can quantify a historical rate of attrition within its field collections staff. An organization taking the time to make this quantification can then over-hire strategically and, in a financially responsible manner, offset a predicted future loss.

The most effective hiring method, especially for difficult skill sets, is an employee referral. Someone who is known to be reliable and understands the work refers a contact they believe will be a good match. Effective employee referral programs are driven by two factors:

- Asking for referrals frequently. Employees forget about the referral program amidst countless

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distractions in their lives. Monthly staff meetings are a good time to accomplish this. Simply posting notices tends not to work. Verbal requests need to be made when staff attention is focused.

- Rewarding your employees for referrals that result in a successful hire. People can become amazingly efficient when their self-interest stands to benefit. Rewards can be simple things, such as gift cards, a small cash bonus, or tickets to a popular local event.

Once an organization moves beyond employee referrals, they will need to approach the employment market at large to locate successful candidates. There are two primary ways to accomplish this task: targeted recruiting and general advertising.

Targeted recruiting considers who will value the work, and then maps out an approach to reach and attract them. For example, the approach to finding suitable field collectors would be similar to seeking out personnel to disconnect and reconnect electric meters. Here are some key considerations and action items to find such candidates:

- The role can be accomplished by either entry-level staff or more-experienced job seekers. Entry-level technicians can be found at trade schools and are typically looking for inroads into the job market, so they would be likely to value the work.
- Set up presentations at the nearest trade school. Classes tend to graduate monthly or quarterly and almost all trade schools likely will be happy to accommodate a qualified employer looking to hire their graduates.
- Find local career fairs that are skill set or location focused (hiring from a neighborhood to be effective in



Lessons learned in the classroom pay big dividends in the field. Here a technician practices field service techniques, under close supervision, prior to working independently.

that neighborhood). Other options include approaching a professional networking organization or recruiting the staff of a competing organization that hires similar types of employees.

Targeted recruiting can lower cost and increase efficiency. It yields a reasonable pool of candidates to serve the numbers game, while keeping the pool of applicants limited to more-qualified candidates.

Print and Internet advertising

can be effective methods to locate potential employees, but they are expensive and lack specificity. Companies should plan on spending several hundred to several thousand dollars for each advertisement, with the understanding that it can result in a large amount of random responses. A lot of sorting will be required after the ad runs. However, because of a likely large response, even if the advertisement doesn't target utility field collections effectively, there will probably be several decent prospects. After recruiting using general advertising, it is more efficient to conduct an effective phone screen of all promising applicants prior to setting up formal interviews. Ten minutes on the phone with a potential candidate can save everyone a lot of time prior to investing significant staff time in an interview.

As a utility looks at the overall staffing picture when hiring field collectors, an approach that combines highly targeted employee referrals and broad targeted recruiting can balance time, cost and energy. This approach should yield some qualified candidates by casting a wide net over a candidate pool. General advertising should be left as a latter option.

Setting employment expectations during the hiring process

is the next step in helping recruits maximize their chances for success in their new role. The work group supervisor should be directly involved in interviewing and selecting the best candidates. He or she can provide each candidate with candid, real-world scenarios to effectively illustrate what the work actually involves and effectively dispel any misconceptions a candidate may have. The intent is not to scare off applicants, but rather to measure their willingness to tackle uncomfortable situations.

Setting expectations for safe driving and working autonomously can be handled with simple, behavioral interview questions such as:

- "Tell me about a time where you worked without direct supervision. How did you manage your time?"
- "Tell me about a previous job where you were responsible for operating a fleet vehicle. What safe driving protocols did you follow?"

Qualified candidates will be able to describe the situation, what they did, and the outcome. They won't search for the correct answer or struggle to respond.

Unqualified candidates will draw blanks or try to formulate an answer they think is acceptable, and it won't

work. Asking open-ended questions that require a behavioral response is far more effective than a closed-ended question such as:

"Do you realize that you need to operate a company vehicle safely in this role?" Anyone can reply yes or no.

KEEPING STAFF PRODUCTIVE AND POSITIVE

Good people doing good work equates to a force multiplier within any business function. Force Multipliers are tools that help an organization amplify its effort to produce more output. The same is true with field collections. This force multiplier takes average programs and turns them into winners, which serves to reduce delinquent accounts for a utility. Having a series of successful individual interactions with customers is what drives results. Having the right people interacting with customers helps this happen in an effective and consistent way.

Time and money has been invested in identifying and attracting the right field collections personnel. Now, they need to be incented to produce good work and maintain a positive outlook in a negative work environment.

Autonomy sells. Many of the individuals that seek out this type of work come from an environment where they were supervised directly. Getting out of that type of direct oversight on a daily basis is a powerful motivator for many people. Obviously, these employees need to demonstrate that they can successfully handle their newfound freedom in an autonomous, field-based role. Specifically defined check points during the days and weeks monitor performance.

Pay that is linked to performance is also a powerful motivator. People go to work



Field collections staff must have the proper interpersonal skills and customer-service training to successfully collect payments in person. Mobile payment processing increases options for a utility's customer base.

for many reasons, and getting compensated for their time is at the top of the list. Structuring compensation to reward key job outputs aligns an individual's personal objectives with company objectives. Key outputs to consider for incenting field collections personnel include safety, accuracy and overall completion rates. Frequent bonuses that are smaller in nature can be used to align daily goals with a portion of monthly take-home pay. Most individuals tend to spend what they make, and build out their personal monthly budgets accordingly. This tendency makes this type of monetary alignment between required job outputs and compensation highly effective. Staff stays focused on the outputs that really matter.

In addition, a mechanism that allows field collections staff to recognize that their management team is personally invested in supporting their work will help to maintain a positive working atmosphere. The ability to communicate daily regarding negative issues that occur in the field serves as a cathartic experience that clears the air. Even though all issues may not be solved (for example, a customer that verbally abuses a staff member), simply getting the issue out in the open creates the perception that the

issue has received some type of closure. Together, everyone moves on.

EFFECTIVE PROGRAMS AND EFFECTIVE PEOPLE

Programs are as effective as the people involved. Field collections require a diverse set of background traits for an individual to experience success. By understanding what those traits are, and then implementing an effective program to locate these individuals, an organization sets itself up for success.

Implementing a system that links compensation to key outputs aligns an employee's goals with that of the company. The benefits of relative autonomy in a field-based role, coupled with a management team that is invested in their staff, builds a positive environment to combat the negativity that can build up. The combination of the right people, resources, and a properly motivated team, will improve a utility's ability to effectively implement field programs that reduce account balances. These effective programs, which are driven by the right people resources, improve cash flow, reduce organizational frustration associated with programs that are time intensive yet yield minimal results, and correct long-term consumer behavior. This benefits the bottom line of a utility, which takes the time to understand how selecting and motivating people, is the actual catalyst that yields their desired business results.

JUSTIN LAWRENCE

is sales director, Western U.S., for Contract Callers, Inc., which is a meter-to-cash utility services company. Prior to joining Contract Callers, Lawrence spent 15 years in corporate recruitment and executive search.