

fair pay

magazine

4•2006

THE EUROPEAN UNION

The fight against
late payments

PROFILE CENTRAL EUROPE

Steady growth with a
global partner

CREDIT MANAGEMENT

Germans produce fast
results by phone

A man with short brown hair, wearing a light blue and white vertically striped dress shirt and a dark blue tie with small white polka dots, stands against a solid blue background. He is holding a white tray in front of him with both hands. The text 'Spot bad payers in time' is overlaid in large red font at the bottom of the image.

Spot bad
payers in time



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Who should you trust to handle your customer contacts?

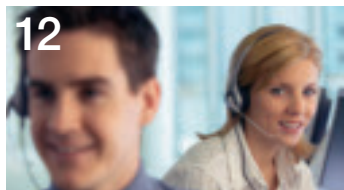
The idea of outsourcing credit management is still relatively new in some European countries. Many companies handle it themselves, even though a professional can do it more effectively. Intrum Justitia is one of the strongest names in the industry. Ask our clients and they will give you two reasons why. First and foremost, a well-known collection agency gets debtors to pay faster. Secondly, clients know they can trust us to manage part of their customer contacts.

Our employees around Europe are continually trying to find more efficient ways to collect overdue receivables. One of our German group leaders offers an example of local initiative and explains how the telephone has proven to be the best way to speed up payments.

In all 22 of our countries, we are working hard to gain and retain the confidence of businesses to entrust us with one of their most important assets: customer relations. "Fair pay ... please!" is a promise to our clients to make sure their customers pay their debts with our client's reputation intact. This is a notion gaining popularity especially now that so many young people find themselves in debt. Intrum Justitia in Switzerland received an award for its educational campaign to help students understand the implications of credit.

Season's Greetings and Happy New Year!

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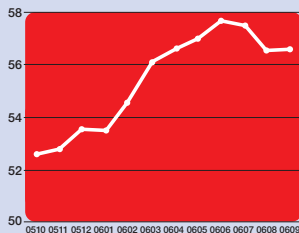
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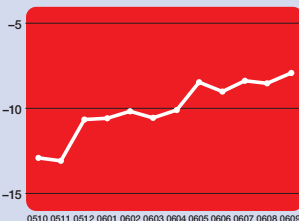
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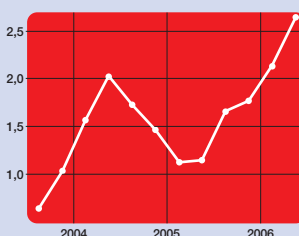
EUROZONE



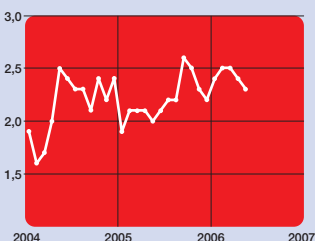
PMI, the Purchasing Managers' Index, was unchanged in September at 56.5, a slight moderation from July's figure of 57.4.



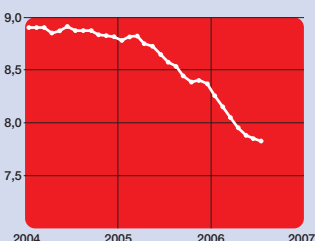
CCI, the Consumer Confidence Index, continued its upward trend.



GDP reached 2.64% in the second quarter of 2006, the highest level since the first quarter of 2001.



Inflation dipped to 2.3% in August 2006, the lowest figure since March 2006.



Unemployment fell below 8% in April 2006 for the first time since December 2001, and dropped to 7.9% in August.

Consumer claims double since 2002

NETHERLANDS An annual survey by Intrum Justitia shows that the number of debt claims against Dutch consumers has more than doubled, from 800,000 in 2002 to over 2,000,000 in 2006. The purpose of the survey is to inform Intrum Justitia's clients about debtor risk groups and to improve collection methods.

General findings:

- The average value per claim is 467 euros, an increase of 5 euros from 2005.
- 48% of all claims are against consumers up to the age of 35.

- 30% of all claims are in the age group 25–35 years.
- Many people over 65 are finding it hard to pay for energy, rent, financial services and health care.
- Young people, or their parents, are increasingly neglecting education-related bills.
- More people in every age group are no longer able to pay for their basic needs on time, such as housing, utilities and health care.

Intrum Justitia strikes deal with respected Dutch bailiffs

Twelve billion euros in overdue claims in Holland

NETHERLANDS The Dutch economy is losing 12 billion euros due to unpaid invoices, according to research by Intrum Justitia. That equals the combined budgets of the defense and justice ministries. To reduce these losses, Intrum Justitia has signed a deal with eight respected bailiffs, with whom it will follow up small claims. Marc van Alphen, Managing Director of Intrum Justitia, counts on saving hundreds of millions of euro for his clients.

“Consumers, businesses and government organizations fail to pay a large number of invoices on time, or never pay,” he said. “Bailiffs aren’t always brought in, though, since creditors aren’t willing to risk the cost. Together with these eight bailiffs, Intrum Justitia will change that.”



Marc van Alphen (left) greeting one of the eight bailiffs, Gosse Swagerman, president of Van Arkel.

Private collection of U.S. taxes successful

USA In a report to Congress dated September 26, the U.S. Treasury Department detailed its plan to collect unpaid taxes. Private collection agencies have already yielded positive results pursuing long-overdue taxes, IRS Commissioner Mark Everson said in testimony supporting the report.

Current private collection programs brought in a half-million dollars from 250 taxpayers in just three weeks.

Correction

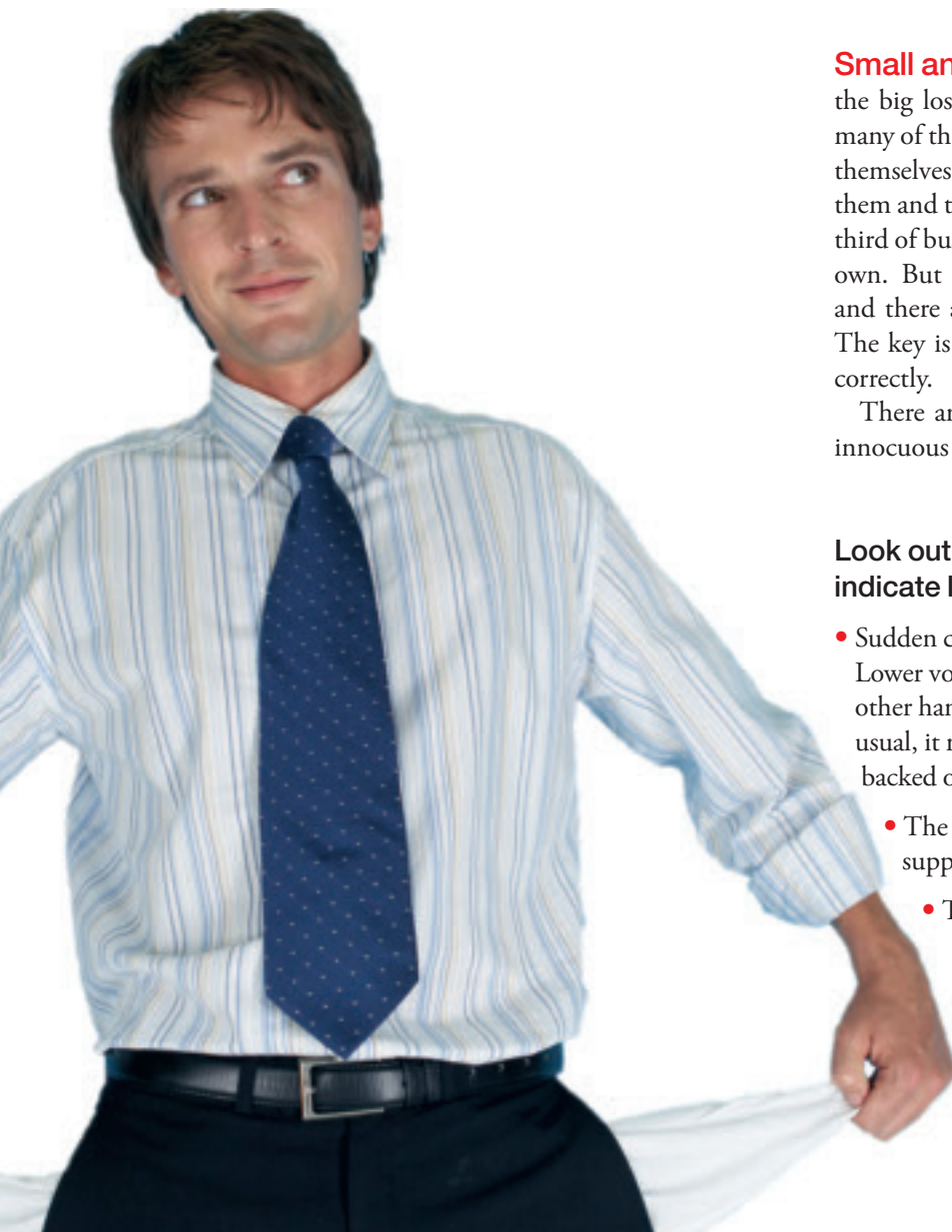
In an article on late payment problems in Europe in our last issue (3/2006), we quoted British MEP Diana Wallis as saying, “contract law favors consumers too much to the detriment of businesses.” We would like to clarify that Ms. Wallis was referring to current work on European contract law, which is aimed at long-term harmonization. She is concerned that while a lot of time is being spent reviewing consumer law, which is welcome, more has to be done to be set up a Common Framework of Reference, which would ultimately give a boost to businesses and economic growth.

Our apologies for any confusion that the original quote may have caused.

The Editor

Insolvent businesses often bring their creditors down with them. This makes it all the more important to spot the early warning signs of insolvency and take the necessary countermeasures.

Protect yourself against insolvent customers!



Small and Medium-sized Enterprises (SMEs) are the big losers when it comes to bad debt losses. And yet many of them choose to ignore the dangers. Then they find themselves in a situation where their customers can't pay them and they are chased by their own creditors. Roughly a third of businesses fail in this way, through no fault of their own. But customers rarely become insolvent overnight, and there are usually indications that trouble is brewing. The key is to spot the early warning signs and read them correctly.

There are plenty of things to look for. Each may seem innocuous enough, but together they are a clear warning.

Look out for these signs together, which could indicate liquidity problems:

- Sudden changes in your customer's ordering pattern. Lower volumes may indicate liquidity problems. On the other hand, if your customer orders much more than usual, it may be a sign that other suppliers have already backed off.
- The customer declines cash discounts and uses supplier credits instead.
- The customer asks to pay in installments.

There is also a raft of “soft” factors that are not as easily quantifiable and comparable, but which are important warning signs nonetheless:

- Parts of the business are shut down.
- High turnover in managerial staff.
- A change in the legal form of the business, often a desperate attempt to limit liability.
- Frequent changes in bank accounts, a sure sign of problems.

Tips that have helped businesses to avoid bankruptcy

It is not always easy to tell that a situation is becoming perilous. This makes it all the more important to take precautions. Take a look at these tips that have helped others.

Where are you on the priority list?

The European Payment Index, a bi-annual study by Intrum Justitia, reveals that businesses with solvency problems are selective when it comes to paying their bills. Suppliers that are replaceable come much further down their list of payment priorities, regardless of how large or old the debt is.

Who do debtors generally pay first?

1. Most important suppliers
2. Public authorities (taxes, etc.)
3. Banks (interest, amortization)
4. Oldest due date
5. Highest pressure
6. Business partners with friendly relations
7. Largest outstanding account
8. Other criteria

(Source: European Payment Index)

Keep an eye on customers ...

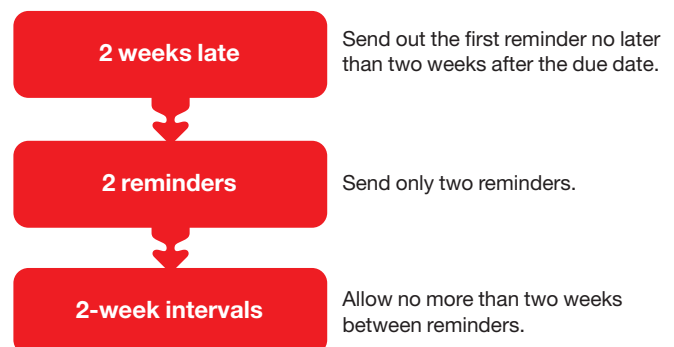
According to the European Payment Index, over 60% of all overdue payments are deliberate. If a debtor fails to respond, hire a debt collection agency as soon as possible.


- Review your customers’ credit limits. If you have reason to be suspicious, limit the credit you make available and incorporate safeguards such as securing title or assigning your claim.
- Check addresses. It is extremely important to periodically verify billing addresses to prevent invalid or out-of-date addresses.
- Check creditworthiness. It is critical to perform a preliminary credit check, especially if your business’s assets are in danger if a contract collapses. Also check repeat customers on a routine basis.
- Agree on partial payments. This reduces the risk of bankruptcy in large projects that extend over long periods.
- Collect payments through direct debits. In this way you have access to your customer’s account, which often makes sense with long-term business relations.

2-2-2-formula

Routinely check your receivables. Keep a list of unpaid invoices. Send out reminders at regular intervals.

Use the well proven **2-2-2 formula**:





“Intrum Justitia is one of the strongest and most valuable brands in the industry, and we have achieved this through relationships with clients who have entrusted us to manage one of their most important assets: the relationships with their customers,” Michael Wolf says.

**Client confidence
is the foundation
of our success**

In September, Michael Wolf took over as the new President and CEO

of Intrum Justitia. He had previously worked for the insurance company Skandia, where he was responsible for the Europe and Latin America division. Prior to that, he served as CFO. He has also worked for one of Sweden's major banks, SEB.

You have experience at a major bank, SEB, and a large insurance company, Skandia. What similarities do you see between these big businesses and the somewhat smaller Intrum Justitia?

Ultimately it comes down to understanding your clients' needs and their risk management. Every type of business entails risks, and it's a question of managing them. Intrum Justitia is Europe's largest credit management services company, a position we have achieved by understanding our clients' needs. With our broad range of services, from credit information and collection to purchased debt, we help our clients to make well-founded decisions and to get paid. They gain better control over their cash flow and can focus on their core business. Basically what we do is manage our clients' reputation, which to me means everything.

It's true that the collection is a service many companies in our industry offer. But we can do so much more. What we're really selling is a credit management solution that provides clients with better cash flow, more stable customer relations, etc. When it comes to managing large volumes or resolving international debt problems, I am convinced that few in the industry can match our services.

Intrum Justitia is one of the strongest and most valuable brands in the industry, and we have achieved this through relationships with clients who have entrusted us to manage one of their most important assets: the relationships with their customers.

Are you getting used to your new position?

Slowly but surely I have managed to travel around and meet most of our employees as well as a number of clients. What I have seen is enthusiasm and competence and a willingness to do the little extra things that sometimes are needed.

Do you expect to make any major changes?

What I realized after just a few days at Intrum Justitia was

that there are more similarities here than differences. We have a business model that works, and I see opportunities to utilize it so that we can grow right along with our clients.

In what ways will clients notice that Intrum Justitia has a new CEO?

I wouldn't expect most clients to notice anything from a short-term perspective. We have a lot of highly qualified account managers, and in every country there is a skilled leader who knows the market and can develop the services our clients want. My job is to encourage them to grow as individuals and build their markets. Naturally I will have direct contact with some clients. Understanding their needs is imperative if Intrum Justitia is to be successful. An important ingredient to success is having fun and knowing that you are contributing to something important.

What will be your top priority in the longer term?

I would like to see us offer more credit management services in more countries. The earlier in the process that we can carve out a position, the more effective we will be and the more the client will benefit. For example, by providing credit information in more countries we can have a more complete offering that covers our clients' needs. We also have to be better at explaining the benefits of our credit management services. Many companies take care of it themselves, despite that Intrum Justitia is more efficient. If we get the chance to show them how much they can profit by letting a professional take care of the job, I expect they will quickly realize the advantages. We have to increase our focus on commercial collection, which will also have a positive effect on our international offering. In addition, we are actively supporting legislation on debtors' rights in the EU. Our Fair Pay concept is the key to securing the trust of debtors, and in this respect we are in the forefront compared with most of our industry colleagues.

Many SMEs in Europe work under tough conditions. Severe payment delays and payment losses often threaten their very existence. Françoise Le Bail, SME Envoy of the European Commission, believes that progress is being made, citing a study by the Commission to further address the problem.



The EU continue

Fair Pay magazine caught up with Ms. Le Bail to discuss the measures the EU is taking to improve conditions for SMEs.

“Dealing with late payments is crucial to the well-being and very survival of SMEs,” she acknowledged. “There is no doubt that late payments have a damaging effect on enterprises, especially small businesses. Tackling the problem is a priority for the European Commission as part of our commitment to making the European Union the best place in the world to start and grow a business.”

Le Bail cites several published reports of success from the Commission’s initiative to fight late payments.

“For instance, the Grant Thornton International Business Owners Survey 2006 states that the average payment period for sales invoices in the EU improved between 1993 and 1999 from 65 to 55 days, reflecting the success of EU legislation to speed up payments,” she said.

Nevertheless, the Commission is exploring further improvements. For example, SMEs need better information on recent legal changes. It is unfortunate, according to Le Bail, that so many of them aren’t fully aware of their rights. This is something her department is working on, she noted.

Although the late payment directive was a very important step in protecting European businesses and helping them compete – and the fact that it is in force in all 25 EU member

Francoise Le Bail believes many SMEs aren’t aware of improvements under the current law.

The page features several large, bright yellow five-pointed stars scattered across the top and sides. The main title is positioned in the center, with a star partially overlapping it.

s its fight against late payments

states – Le Bail admits this does not mean the problem has been solved.

“We have to remain cautious and ask ourselves how the directive is actually implemented in practice,” she said. The European Commission has therefore launched a study of the effects of European legislation on combating late payment (Directive 2000/35/EC). It will be concluded in 2006 with its findings scheduled to be published in early 2007.

When it comes to payment and credit periods in Europe, Le Bail feels that the directive holds the freedom of contract in the highest respect. Parties are free, for example, to set longer payment periods or charge higher penalty interest. She underscores, however, that the directive forbids contracts that are directly detrimental to lenders or suppliers.

“The European Commission’s opinion is that credit periods are not a problem in and of themselves,” Le Bail explained. “The real problem is whether SMEs can rely on an effective and really useful tool to prevent late payments, and whether we have a system that will prevent grossly unfair contractual terms.”

When asked whether the directive is actually combating late payment of commercial debts, Le Bail says it is too early to tell. At the time of Fair Pay magazine’s interview, the European Commission was still awaiting the conclusions of its latest study.

“My first impression is that three parts of the directive will require closer scrutiny,” she said. “Article 3.3 on grossly unfair contractual terms, Article 3.5 establishing the right

of organizations representing small and medium-sized enterprises to take action before the courts, and Article 5.1 on recovery procedures for unchallenged claims. Are they meeting their objectives? We will have to await the outcome of the study before drawing any firm conclusions.”

Higher payment risks throughout Europe

Among the findings of Intrum Justitia’s European Payment Index for spring 2006 are as follows.

- Payment risks are on the rise throughout Europe.
- The average payment duration in Europe slowed from 57.3 to 58.7 days in 2004 and to 59.2 days in 2005.
- The average late payment was 15.1 days overdue in 2003 and 16.8 days in 2005. This meant that as of year-end 2005 outstanding receivables had risen to 250 billion euros, or the equivalent of Austria’s GDP.
- Payment losses rose on a European basis from 1.7% in 2004 to 1.9% in 2005.
- The ranking among slow payers remained the same. Public authorities are still the slowest, followed by business customers. Once again, consumers were the fastest payers.

www.europeanpayment.com

Finding the best collection agency

As competition grows in a consolidating Polish debt collection market, clients are becoming more aware of what makes a good agency.

In the past five years, the Polish debt collection market has progressed from developing to mature. At the same time, clients are demanding more from debt collection agencies and are better aware of what to expect.

“Between 2002 and 2005, there was a price war in the consumer collection market,” said Pawel Trybuchowski, Operational Director at Intrum Justitia in Poland. “Clients began to see a difference in fees and the performance of agencies.”

An interesting conclusion that can be drawn from experience and surveys in Poland is that clients are usually the big losers in a price war. Results from surveys show a direct

Factors to consider when choosing a debt collection agency:

- Commissions
- Case management skills
- Customer satisfaction rate
- Ability to help clients retain former debtors as customers

connection between higher fees and better results. Choosing the lowest fee often means having to accept poor performance.

Another method used by companies looking for an effective partner is to compare a fictitious case with actual collection results. This method takes into account factors such as quality and the age of cases.

“There have also been companies in the market for debt collection services that have hired independent market researchers to find out how satisfied debtors are with a collection agency,” Trybuchowski explained. “This gives them credible information on the success rate of the agency.”

Polish clients expect their collection agency to help them maintain the relationship with their customers, notwithstanding the negative association the debt collection process can have.

“Typically the cost of gaining a new customer is much higher than keeping an old one,” Trybuchowski said. “We therefore encourage former debtors to keep using the services they have now managed to pay for.”



It's a question of weighing the fee against the outcome. Why not pay a little more to collect a larger amount?

QUICK FACTS

Intrum Justitia is Europe's leading Credit Management Services (CMS) group. Its objective is to measurably improve clients' cash flows and long-term profitability by offering effective services and high quality in relation to both clients and debtors in each local market. Intrum Justitia's services cover the entire CMS chain, from credit information via invoicing and reminder management to debt surveillance and collection of written-off receivables. The Group has more than 90,000 clients, revenues of SEK 2.8 billion and around 2,800 employees in 22 European countries. The company was founded in 1923 in Sweden and has been listed on Stockholmsbörsen, the Stockholm Exchange, since June 2002. The head office is located in Nacka, outside Stockholm, Sweden. President and CEO: Michael Wolf. For more information on the Intrum Justitia Group, visit www.intrum.com

Intrum Justitia Group	2005
Revenues, SEK M	2,823.2
Operating profit (EBITA), SEK M	503.6
Cash flow from operating activities, SEK M	527.0
Collection cases in stock, million	13.1
Total collection value, SEK billion	93.3
Average number of employees	2,863

For definitions, see www.intrum.com

Analysts who cover Intrum Justitia
 ABG Sundal Collier – Espen Bruu Syversen
 Carnegie – Mikael Löfdahl
 SEB Enskilda – Stefan Andersson
 Handelsbanken – Peter Grabe
 Standard & Poor's – Joakim Ström

Financial report dates	
Full-year Report 2006	February 15, 2007
Annual Report 2006	March 2007
Interim Report January–March	April 24, 2007
Annual General Meeting	April 25, 2007



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Finnish telecom operator outsources invoicing services to Intrum Justitia

FINLAND Oulu Telecom, which serves northern Finland, has outsourced its sales ledger, reminders and collections to Intrum Justitia. "Good customer service is very important to us in all situations. We have outsourced these operations to a partner with know-how and experience in this area," said Administrative Director Heikki Nykänen. Oulu Telecom had 429 employees and a turnover of 57.4 million euros in 2005.



Guy Colpaert named new Managing Director in Belgium

Guy Colpaert has succeeded Robin Vieveen as Managing Director of Intrum Justitia Belgium. Colpaert began with the company in 2001 as Finance Director. Vieveen has returned to Intrum Justitia in the Netherlands after three years in Belgium.

Award-winning program in Switzerland

Prize for best corporate communications campaign

In September, the Swiss Forum for Corporate Communications presented three awards, one gold and two bronze, for creative corporate communications programs in an event arranged by a number of universities and the Swiss Institute of Corporate Communications.

The PR firm pi.ar. and Intrum Justitia shared top prize for "a creative, integrated communications concept" for Intrum Justitia's campaign, "Students, debt and money," where students competed as part of

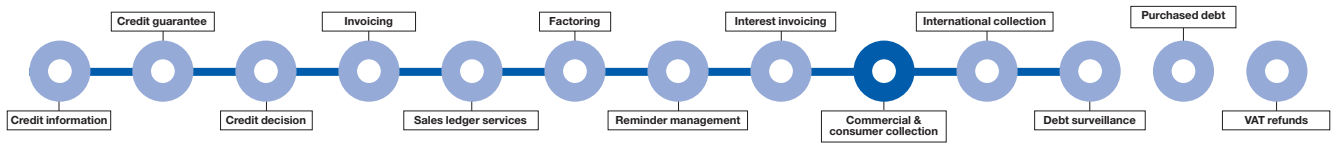
an educational module on "Managing money." The campaign, which culminated in a website, www.my-money.ch, on young people and money, has been successful in strengthening Intrum Justitia's image, and that of the entire collection industry, in Switzerland.

In its commendation, the jury called the campaign "an innovative, logical and consistent concept with lasting effects both internally and externally."

www.my-money.ch



Winners of the Swiss corporate communications award for 2006 (from left): Bettina Bickel-Jaques, pi.ar. AG; Benno E. Oertig, Intrum Justitia AG; Karin Leemann, Natur- und Tierpark Goldau; and Daniel Schranz, Weinkeller Riegger AG.



Don't throw away that telephone!

German application of European collection know-how

“A personal call is by far the best form of communication. A dunning letter can easily wind up in the wastebasket.

But a phone call can be enough to start a personal relationship with a debtor and figure out if they are being honest and how much they can afford to pay,” said Uta Richter, group leader at Intrum Justitia in Germany.

“Surveys show that accounts receivable quickly drain liquidity and directly impact companies’ payment ability,” she said. “This is especially serious for SMEs. In Germany, we have found the telephone to be an effective tool as part of Intrum Justitia’s credit management services.

“When we talk one-on-one with a debtor, we can suggest solutions that are acceptable to both parties,” she continued. “By maintaining a dialogue, we can often avoid legal actions, which are costly and time-consuming. And in this way the relationship between the two parties can continue.”

This fits well with Intrum Justitia’s *“Fair pay... please!”* philosophy not to demand the impossible of debtors who find themselves in financial difficulties.

“Our collection center has 30 to 40 agents, each handling nearly 100 calls a day,” Richter said. “Here in Germany, we have found that phone calls lead to more effective payment resolutions than other methods. We normally end up with an amicable solution, which helps our clients improve their liquidity.”

Intrum Justitia mainly hires agents with professional training, e.g., in business administration. An understanding of foreclosures and basic computer skills are also mandatory.

A good agent also has to be an excellent communicator who can be decisive and has team spirit. Flexibility is



Legal action can usually be avoided through dialogue.

important, and so is being a listener who can handle stressful situations. Verbal skills and fluency in English and other languages are valuable as well.

Agents initially receive in-house training so that they can manage a single client. Those who have to be familiar with all areas get several months of additional training. Follow-up courses are then offered on a regular basis.

“Our agents see themselves as intermediaries between creditors and debtors,” Richter said.

A call begins with the debtor explaining his or her situation, while the agent listens and asks questions to clarify the information. During the conversation, the agent suggests a solution they feel the debtor will accept. Before the call is concluded, the agent will have taken notes and summarized what has been discussed.

“Understanding whether a debtor is being honest is critical to our results,” said Richter, who trusts her staff’s experience.

If a debtor refuses to pay, the agent can initiate enforcement measures such as a payment injunction or foreclosure, as instructed by the client.

“We normally reach quicker payment resolutions here in Germany by telephone. Thanks to our customized solutions, clients can usually reconcile with their debtors,” Richter said. “In addition, the efficiency of our operations has been improved through systems that eliminate waiting times for agents. Clients in Germany have everything to gain by outsourcing their telephone collections, not least because they can concentrate on their core business.”



Uta Richter’s tips for successful collections

- Telephone contacts produce significantly better results than letters alone
- Follow up the solutions you have agreed upon
- Find out the reasons for late payments
- Try to find constructive solutions
- Use trained staff who understand the situation from both a legal and humanistic standpoint

A wide range of services, coupled with a strong reputation as a professional, global company with great credibility, has made Intrum Justitia the credit management company more clients turn to in Central Europe.

Eastern Europeans

Intrum Justitia is the market leader in the Central European region, comprising Poland, Czech Republic, Slovakia and Hungary. According to Regional Managing Director Henning Bensland, this is no surprise.

“We are a global company with operations in 22 countries and a history that dates back more than 80 years,” he said. “Thanks to all this experience, our services maintain a high, consistent quality. Naturally we want to get as much money back for our clients as possible, but we also want to treat debtors the right way. Our clients are aware of this, and it has helped us retain as many as we have.”

Bensland noted that most of Intrum Justitia’s clients are large companies with established brands. They do not want

to be exposed to risks that could jeopardize their reputation, and they feel secure in hiring Intrum Justitia. Most companies in the region have stopped looking at fees and instead are more focused on the quality of the credit management services they receive.

“We are in first place or share it in all four countries. In the Czech Republic, we are clearly the leader with a market share of 40%. In Hungary and Slovakia, we have about 25% of the market, and in Poland we have between 25 and 30%.”

Intrum Justitia operates in most client segments, but is especially well represented among consumer-oriented companies in telecom, mail order, banking and finance, as well as utilities. Bensland notes, however, that Intrum Justitia is devoting greater resources to attracting more clients in the B2B segment.

In 2005 Intrum Justitia acquired a company in Slovakia that has since grown by more than 50 percent thanks in no small part to an expanded range of services and a broader client roster.

“Today we offer all services in the region with the exception of credit decisions,” he explained. “We have everything from reminder services to collection from consumers and businesses, international collections, debt purchase and even debt surveillance,” he said.



Henning Bensland,
Regional Managing Director
Poland, Czech Republic,
Slovakia & Hungary.
Age: 44.
Family: Married with
three children.
Resides in Zurich.
Hobbies: Golf, skiing and
boating.



	2005
Revenue, SEK M	164.0
EBITA, SEK M	36.2
Operating margin, %	22.1
Employees	322

ABOUT THE REGION

- **POLAND** Started in 1998, the company originally provided collection services to telecom companies. It has since gradually expanded to include other services. Intrum Justitia is the market leader in Poland.
- **CZECH REPUBLIC** Intrum Justitia established operations in 1996 and is the market leader here as well.
- **SLOVAKIA** Operations were started in June 2005 through the acquisition of Creditexpress. The company is one of the five largest in the country.
- **HUNGARY** Intrum Justitia established operations in Hungary in 1993. It is currently one of the five largest companies in the market.

MD Intrum Justitia Poland: Grzegorz Dmowski
MD Intrum Justitia Czech Republic: Ivo Klimeš
MD Intrum Justitia Slovakia: Viktória Grossová
MD Intrum Justitia Hungary: Péter Felfalusi

seek steady growth

Intrum Justitia handles more than two million cases in the region, a volume that is tough for smaller companies to match. Its technological resources allow the company to handle such volumes while maintaining high quality.

“We have a larger range of services than most of our competitors,” he stated. “Big companies with established brands are especially interested in our comprehensive solutions. We can even help them to sell their receivables. In such situations, they appreciate our expertise and consulting services.”

He stresses that Intrum Justitia can offer services that are unique to the region such as scoring, which is used to suggest how each case should be handled based on statistical methods.

“Scoring has raised our productivity by ensuring that we handle each case the right way. It is also a competitive advantage compared with local companies that might be able to keep lower prices but not compete with our quality and efficiency.”

According to Bensland, Intrum Justitia’s “*Fair pay... please!*” philosophy, which stresses ethical behavior and fair treatment, is also unique in the region. A realistic attitude toward debtors and respect for their situation is particularly important in Central Europe, where debt collection was unheard of for years. After decades of communism, compa-

nies didn’t have experience in getting paid, and collections were often associated with security companies and coercive measures. “*Fair pay... please!*” is therefore a very effective concept clients have appreciated.

“We can offer significantly higher quality in the vast majority of cases we complete for our clients thanks to ‘*Fair pay... please!*’ Large companies feel secure knowing how we work with debtors compared with smaller collection agencies that don’t have a clear philosophy,” he said.

With regard to purchased debt, the market has become more mature and consolidated, especially in Poland. Bensland expects this to benefit Intrum Justitia over time.

“Previously, CMS prices were high in Poland. Consolidation has made it advantageous for companies in Poland to outsource collection services. Internal costs to manage collections are nearly always higher than outsourcing. The total share of outsourced collections should therefore continue to grow in Poland,” he concluded.

commentary



A financially sensible Christmas



Commentary: Dr. Guy Wise
Profession: Professional
printer and publisher of
Now & Again

Now & Again offers unsolicited
opinions on traditional values.

I have a good friend with an unrequited love for financial planning. We spoke the other day about the upcoming Christmas holiday.

“I’m excited,” he exclaimed.

“Sure, but it’s expensive,” I said.

“Nah, it’s not so bad if you know how to manage your money.”

“What are you talking about? You have never been able to manage your money!”

“Before, yeah. But now I’m a new man! Financially sensible, I would say.”

“You? Financially sensible?”

“Yeah, just take Christmas. Last year I didn’t finish paying for the holidays until Easter. And I still have a little left from going overboard the Christmas before that, but that was the old me.”

“Have you been in therapy?”

“No, but I read something in Fair Pay Magazine about keeping your head above water financially at the holidays. There were a few pointers I couldn’t follow so I skipped them, but I kept four: Make a list of everything you want to buy at Christmas, then cross out everything that isn’t absolutely necessary. Leave your credit cards at home – buy with cash! Start buying presents early, so that you spread out your expenses over several paychecks. And don’t be tempted by no-interest loans, free add-ons and

that kind of thing; find out what you are really paying.”

“So now you have listed everything you are going to do and buy this Christmas?”

“Yes! Of course the list isn’t totally finished, but at least I have given it some thought.”

“I see. And you’ve already bought most of your Christmas presents and paid cash?”

“Yes! Well, maybe not all of them ...”

“How many have you bought?”

“Two or so, but the ATM was closed, so I had to use my card.”

“What did you buy?”

“Two pairs of shoes. It was actually my Christmas present to myself. I need them when we take our trip over the holidays this year.”

“Can you really afford to travel again this Christmas? You said it was so expensive last time you went to Thailand.”

“Sure, but this is a great deal. We don’t have to pay a penny for six months. Except for the deposit, of course.”

“Don’t you realize how silly that sounds? You’re not following any of your new rules. You’re just like before!”

“That’s not true. Last time we went to Thailand. Now we are going to South Africa. That’s a big difference.”

