

# TKO

## Growth Strategies Reap a Knockout-Punch for Phillips & Cohen

By Scott H. Cytron, ABC



Matthew M. Phillips (left) and Adam S. Cohen, Esq., (right) of Phillips & Cohen Associates, Ltd. (P&C) in Westampton, N.J.

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HE STORY OF ROCKY BALBOA IS LEGENDARY—AND IS AN INSPIRATION TO ANYONE WITH A DESIRE TO BEAT THE ODDS, SURVIVE AND THRIVE. ROCKY'S LIFE AS A POOR MEAT PACKER WHO BECAME A BOXING HERO ALSO SERVES AS A MODERN-DAY PARABLE FOR COMPANIES AND ORGANIZATIONS AROUND THE WORLD WHO JOIN HIM FOR HIS DAILY RUN UP THE STEPS OF ONE OF PHILADELPHIA'S MOST RECOGNIZED LANDMARKS, THANKS TO ETERNAL LIFE IN THE MOVIES.

When organizations set annual goals, they assess a number of factors: the working environment, current economy, the "worth" of the business and the strengths of its employees, among others.

When Adam S. Cohen, Esq., and Matthew M. Phillips assess their situation, there's only one goal in mind: a desire to win.

This doesn't mean win "at all costs," but, more importantly, means doing what's right ethically and professionally for clients and employees of Phillips & Cohen Associates, Ltd. (P&C) in Westampton, N.J. Just a ring-of-the-Liberty-Bell away from Rocky's beloved Philadelphia, the sheer noise, exhilaration and spirit emanating from call centers at its headquarters, along with offices in Newark, Del. and Plantation, Fla., would, indeed, make Rocky smile.

"We never set a goal to be the second best, and the only thing

we're not going to sacrifice is integrity," says Adam. "We incent with regular salary and bonuses, and also offer goals on client performance. Our staff is focused on being the 'best;' our ethics have to be the best—first and foremost."

The two men serve as co-chairman and CEOs for P&C. They opened up shop in 1997 with a 700 sq. ft. office in Moorestown, N.J. Only two years later did they expand to 10,000 sq. ft in the Westampton location, and today, P&C has 375 employees in its three offices. Another key player in management is Howard A. Enders, Esq., who serves as president and general counsel. With Howard's assistance in helping the company grow, Adam and Matt attribute their success to early beneficial partnerships with several clients who are, today, still working with the company. The proof is in the bottom-line return.

"We found some good success with their files and showed them numbers they had not seen before, so several companies were willing to give us additional opportunities," says Matt. "One corporate business card client was so impressed that he walked us over—along with his remittance check—to the company's business leasing division. She told them we did a good job, so the other division gave us a shot and we started placing work in that line of business."

Today, most of P&C's bread-and-butter is generated through referrals and retention, with very few cold calls. And, much of their growth has come from working on additional segments of existing clients portfolios.

Nevertheless, Adam and Matt emphasize that they are never complacent with respect to continuing to build relationships and serving as a valuable resource—always remaining aware that there is intense competition for the same dollars right down the street. When corporate card clients conduct an in-house audit, for example, P&C welcomes visitors to come look and dig through their data, attempting to keep its records as transparent as possible.

"We know we need to be an open book to see what's going on; that's how your clients develop a comfort level and trust," says Adam. "When they 'get' that, you are truly a partner and can expand your relationship."

Before they began P&C, Adam and Matt met by virtue of a card game. Adam's mother-in-law and Matt's mother were very close friends who played cards together and were always socializing. At the time, Adam worked at a real estate law firm, but was not satisfied with his career and wanted to get into a new field.

Matt, on the other hand, learned the collection business from the ground floor. A friend of his started an agency in 1991. Matt became one of the agency's first collectors and, eventually, its very first collection manager. He went on to create the marketing department and worked with the agency until August 1997.

"A year prior to that time, the company didn't have any litigation management, and due to my relationships with the clients through the marketing effort, many of them wanted us to proceed with litigation if a debt could not be collected," explains Matt. "I said we needed to bring in an attorney to start the litigation management service, and that's how Adam and I first began working together."

Although their story certainly is not unique, Adam and Matt thought they had a better way to succeed by talking the talk. As a result, the two began P&C with the number one goal (in addition to "winning"): to treat every employee as if he and she were part of a larger, extended family.

So far, the strategy has paid off, and P&C stocks its offices with

amenities that truly adhere to this philosophy through big-screen televisions with satellite, a pool table, ping-pong table and other leisure pursuits.

"This makes it appealing to work with us by having 'stuff' you wouldn't normally find at an agency," says Matt. "However, we know that these items are just part of the overall mix. We've always felt there is a better way to take care of employees and a better way to service clients."

The additional business segments came about because clients wanted value-added services in addition to recoveries. The growth also is a result of a long-range business plan to address the future.

"The backbone of the company will always be third-party collections, but we really did see the need for bankruptcy, probate, litigation management and areas where you could be serving four to five different types of portfolios for one client," says Adam. "When you earn credibility on one service, you have the ability to pitch other ones. Right now, many of these areas are under-served in our industry"

One is the P&C Deceased and Probate Collection Services Division—something Adam says is a unique line of business because it is hard to find in most agencies. It also is an area in which P&C is gaining a strong national reputation.

"With the baby-boom generation aging and the first large group set to pass away with credit card debt, creditors are going to need the proper partner in place to handle these accounts, he says. "If the debtor owned certain assets that create a probate estate, creditors can file a creditor claim to get paid. The uniqueness of this arena is that when we must deal with family members and representatives, we must remain sensitive to express condolences to convey our sympathies while working to resolve the outstanding balances."

According to Adam, the key to success is in the training of his staff.

"We think it's critical not to just collect the money, but to be a human being. Of course we focus on the collections side and the money, but we don't forget the human side either."

This training rolls up into a larger agency effort with twice-monthly specific seminars and classes that touch on every line of business. The curriculum is written by a professional with a master's degree in education. "We understand the business, but we're not teachers," says Adam. "We hired a teacher, taught her collections and, in turn, she wrote a curriculum based on adult learning."

Adam and Matt say their business also has grown due to consistent attention to technology and in finding vendors that meet P&C's demands in affordability, scalability and customer service. P&C uses Collect! from Victoria, B.C., Canada-based Comtech Systems. When the agency was first formed, Adam explains that they conducted an extensive search for the right collection software. On the affordability issue, there were a number of options, so P&C concentrated on the other factors—scalability and customer service.

"The people at Comtech were very committed to our goals, and as we started to grow quickly, we talked with them about being

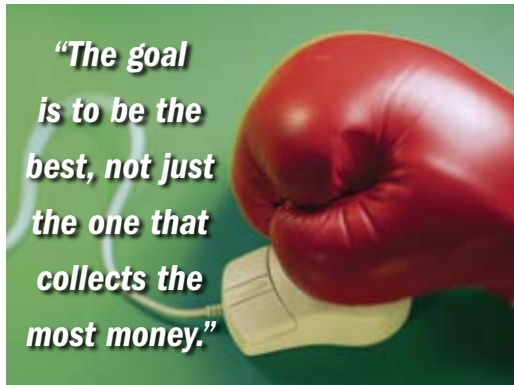
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a larger customer than they were used to working with," says Adam. "Over the years, they continue to upgrade and expand their system to meet our needs. We also do not feel the West coast/East coast time difference is an issue because Comtech is responsive when we need them to be."

P&C also uses the Caltrol predictive dialer by Dial Collection and a variety of skip tracing vendors. The agency has an entire department devoted to skip tracing, with champion challenges every 90 days on all of its skip tracing services. P&C will routinely keep two and then test a third vendor for accuracy, comparing locates, successful numbers and costs.

"We need to stay ahead of the curve when it comes to skips; basis points matter," says Adam.

From the outside looking in, more than just basis points matter to P&C. It's obvious this company cares about its employees and stakes its reputation, according to its principals, on integrity ... a care for ethics in which even Rocky could easily go



12 rounds without ever getting knocked around.

"Compliance is not an option; collecting on one account is not worth risking reputations," says Adam. "The goal is to be the best, not just the one that collects the most money. We enjoy being an industry leader, and when our employees tell us they don't mind coming to work, that's as good as it gets. We want to be *the* go-to agency."

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