

Richardson Riley & ASSOCIATES



Third-Party Collections • Asset & Liability Investigations • Private Lending

COMMERCIAL COLLECTIONS UPDATE OCTOBER 2009

We at Richardson Riley & Associates strive to provide our clients with the highest return on their outstanding accounts receivable whether collection efforts are being performed internally or are outsourced to us. To that end, we provide monthly updates on trends we are seeing in the industry and collection tips that may be helpful. We hope you find our updates topical and of assistance. This month's topic is:

COLLECTION AGENCY V. LITIGATION

The decision whether to send bad debt to a collection agency or straight to the courthouse has been an ongoing debate within credit and accounts receivable departments for ages. In our experience, the most effective use of these two professionals is to use your collection agency as your primary source of debt recovery for a myriad of reasons. First, collection agencies generally do not charge anything to an account unless money is collected – no filing fees or other costs. Second, the turnaround time for a collection agency is generally much shorter than the litigation process. Third, our collection professionals collect significant information up front to determine the status, location, and viability of debtors – information that most collection attorneys do not attempt to obtain until after a judgment is obtained probably several years down the road – which may assist all parties involved in making an informed decision regarding collection strategy.

In the event a debt goes to litigation after being placed us, our collection process is such that it will support litigation efforts. Moreover, if litigation does become necessary, we are also well-equipped to manage that process for you, allowing you to focus on what is important, bringing in more business. For more information regarding this topic, please contact your Richardson Riley & Associates representative immediately. If you do not currently have a contact at Richardson Riley & Associates, but would like to discuss this month's topic or any collection related matter, please contact us at (302) 449-4970 or moneyrecovery@richardsonriley.com.