



The ARMS Group (WA) Pty Ltd

PO Box 324 Maddington
Western Australia 6989

Phone 08 9490 7736
Fax 08 9490 5158

Accounts
Accounts
Receivable
Management
Services
Services



Welcome to the ARMS Group

On behalf of myself and my team I would like to welcome you to *the ARMS Group (WA) Pty Ltd*.

The ARMS Group (WA) Pty Ltd is a Western Australian owned and operated company, with a strong affiliation with the ARMS Group providing a local personal service with national representation.

In 2001, a number of significant Western Australian debt collection agencies were purchased by “the big four” debt collection agencies. These agencies were then Merged into a central Perth office, and within a few months the Perth office was closed and all accounts were centralized into call centers within Sydney and Melbourne.

The most common feedback that I have received from organisations is that the Call centers are impersonal and that you (the client) may speak to a different person every time you contact the debt collection agency.

I have been involved in the debt collection industry since 1988 both as a service provider and as a client. I am the owner/operator of a successful Western Australian based Billing Agency “Merchant Membership Services Pty Ltd” which services clients throughout Australia.

In my experience, Clients like to be able to discuss their business with the same person(s) who understand their business and their business needs. My clients also like to be able to speak to myself (the owner/operator).

At the ARMS Group (WA) Pty Ltd, we are committed to delivering to you the same personal, friendly, and professional debt collection service. This is my commitment, and the commitment of my team, to our most valued asset ... you ... the client.

Disclosure

Some of the information and images contained within this document have been supplied by the Arms Group Pty Limited of 152 George Street Hornsby NSW 2077. We would like to thank them for this information, for our association, and their ongoing support.

Credit Management



ARMS Group (WA) Pty Ltd aims to maximise your sales by added value services to meet the rapid changing market place.

Our services include :

- A National Presence
- Cash Flow Management System
- Debt Recovery System
- Credit Management Advice
- Credit Reporting Services for companies
- Credit Training

This document also discusses :

- Computer System and Software
- Electronic Lodgment of Debts
- Code of Conduct
- Code of Ethics
- Privacy Amendment Act



A National Presence

ARMS Group (WA) Pty Ltd is a Western Australian owned and operated company, with a strong affiliation with the ARMS Group providing a local personal service with national representation.

Perth - Western Australia

PO Box 324 Maddington WA 6989
Tel 61 8 9490 7736
Fax 61 8 9490 5158

Sydney - New South Wales

152 George Street Hornsby NSW 2077
PO Box 147 Wahroonga NSW 2076
Tel 61 2 9472 7400
Fax 61 2 9482 9793

Brisbane - Queensland

Lev 2 , 545 Queen St Brisbane QLD 4000
P.O. Box 561 Springhill QLD 4004
Tel 61 7 3831 0200
Fax 61 7 3832 0062

Melbourne - Victoria

Lev 2 85 Queen St Melbourne VIC 3000
GPO Box 1764 Melbourne Vic 3001
Tel 61 3 9600 0111
Fax 61 3 9602 3850

Canberra - ACT

Capital Collection Services

Suite 12, 25 Lathlain St Belconnen ACT 2616
PO Box 1231 Belconnen ACT 2616
Tel 61 2 6251 4455
Fax 61 2 6251 4964

Hunter - New South Wales

Lot 1 Lambs Valley Road Vacy NSW 2421
PO Box 94 Paterson NSW 2421
Tel 61 2 4938 8293
Fax 61 2 4938 8274

Sunshine Coast - Queensland

P.O. Box 427 Mooloolaba QLD 4557
Tel 61 7 5444 5727
Fax 61 7 3832 0062

Auckland - New Zealand

PO Box 105573 Auckland Central Auckland 1030
Tel 64 9 358 7342
Fax 64 9 358 7340



Cash Flow Management System

The Cash Flow Management System is a low cost effective way of communicating with slow paying accounts, returning them to paid and current status.

The System is an extension of your own internal CREDIT DEPARTMENT, and is used to contact your current customers who just need that little nudge.

This service will not :

- collect genuine Bad Debts or Missing Clients, those accounts who have constantly refused to pay or have left address without notifying their current whereabouts.
- fix disputed accounts or accounts on which repeated demands have been ignored.

Such accounts should be urgently forwarded to our Professional Collectors, for intense collection action or location of new address.

COSTING

To use the Cash Flow Management System you need to purchase collection coupons.

Coupons are sold in booklets of 25, 50, 75, 100 and must be paid for in advance.

No other fees are payable, unless litigation and/or debt recovery actions is necessary and is requested by you.

Consumer :

Number of Coupons Purchased	Cost Per Coupon	
	Eastern States	Western Australia
Booklet of 25 Coupons	\$16.00	\$15.00
Booklet of 100+ Coupons	\$14.00	\$13.00

Prices displayed are subject to change without notice!

Commercial :

Number of Coupons Purchased	Cost Per Coupon	
	Eastern States	Western Australia
Booklet of 25 Coupons	\$25.00	\$20.00
Booklet of 100+ Coupons	\$20.00	\$15.00

Prices displayed are subject to change without notice!

COST EFFECTIVE

Value of Debt	Cost Effectiveness (Saving) per Account	
	WA Consumer	WA Commercial
\$100.00	\$5.00	\$0.00
\$250.00	\$35.00	\$30.00
\$500.00	\$50.00	\$55.00
\$1,000.00	\$110.00	\$105.00

Based on Standard Commission Rate if the Account is Collected with Cash Flow Management System!

Debt Collection



ARMS employ trained collectors. Where possible, larger clients, are allocated collector(s) who specialise in the clients portfolio.

This helps to promote expertise in a particular type of debt portfolio, and an expert knowledge of the clients' specific needs. Smaller client's business is allocated to a collector who deals with clients of similar type, product or service where possible.

Volume Accounts

Please contact our sales team for surprisingly cost effective quotes on volume accounts.

Accounts – Option A

For commercial accounts we charge a low scale commission on the amount collected, plus out of pocket expenses including search, skip tracing, court, solicitors and serving fees.

Value of the Debit		Commission Percentage
\$10,000.01	above	8.0%
\$2,500.01	\$10,000.00	10.0%
\$500.01	\$2,500.00	12.5%
\$250.01	\$500.00	15.0%
\$100.01	\$250.00	20.0%
\$0.00	\$100.00	25.0%

All fees are subject to the Goods and Services Tax (GST)

Accounts – Option B

Flat rate of 25% No Costs for accounts over \$100.00. In the event of Litigation legal fees and disbursements will apply.

In the case of a defended matter, Full Solicitors Costs and Disbursements will apply. The matter is transferred to our Solicitors who will then deal with you direct.

Administration Fee

An administration fee of \$20.00 (and/or 50% of the payable commission) will apply to all accounts withdrawn from collection by a client or returned to a client for reasons such as :

Paid before lodgment at the ARMS Group
Goods returned and accepted for credit
Disputed or Fraud

COST FREE DEBT COLLECTION

With properly worded credit agreements you could add the cost of debt collection and disbursement costs (not normally chargeable) onto your clients debts. Effectively giving you *cost free debt collection*.

Company Credit Policy



Your organisation should have a credit policy in place so that you minimize the potential loss of income, products and services that are supplied to customers.

Consider the following :

- Are you prepared to risk giving credit to a start up company without a trading record?

If so, are the proprietors known to you and others in your industry?

What special credit restrictions will you place on the customer?

- What is their track record (if any)?
- Have you established your credit terms, 30 days, 45 days etc?
- Have you ensured that the applicant understands your trading terms?
- Do you have a suitable letter approving or declining credit to an applicant?
- Have you a suitable letter of demand for those who do not pay within your terms?
- Do you obtain directors guarantees for companies?

An application for a sole Trader, Partnership or Registered Business would be suitably modified for each situation. If you require director's guarantees (for a company) then a separate guarantee form is required.

- Do you re-establish your credit terms/guarantees every 2 years for companies that you are supplying credit. Remember, office bearers and directorships of a company can change without you being aware of it.

Consider this :

- ***The GST could impose serious cash flow problems on your business if the invoice is not paid within your credit terms. The taxation department will not be too lenient on you if you do not meet your GST obligation by the deadline.***
- ***If your business operates on a 10% margin, an uncollected account means that you do the next nine jobs (of similar value) just to recoup your loss.***

There are many issues, which we would be happy to discuss with you.



Commercial Credit Multi-Scoring Searches

Multi-point credit scoring searches for companies, including Directors and ASIC searches, is now available from the ARMS group. Multi-scoring allows all Credit Managers to make a better informed decision when opening new accounts or renewing credit.

Cost from \$75.00 per search.

Credit Documentation

The ARMS Group can tailor make a set of credit documents ready for proofing and authorization by your legal advisors.

These credit documents include Credit Application, Terms and Conditions, Guarantees, Privacy Waivers and sample credit letters. In preparing credit documentation you need to give consideration to changes to Privacy and the ACCC, together with the need for terms and conditions that allow the charging of all collection and account management costs, interest etc.

Cost from \$500.00. Please contact the ARMS Group for further information and a quote.

The Credit Training Professionals

This area is currently under development and will be available shortly.

The ARMS GROUP in conjunction with Jayne Abbott of Credit Training Professionals at North Sydney will soon be offering national training programs covering :

- Basic & Advanced Credit Management
- Basic Telephone Collections
- Location of missing debtors
- Cash Flow Management
- Section 60 ACCC
- The New Privacy Act - most important in force from 21 December 2001

For further information please contact us or Jayne on 02 9957 2411.



How to approach your Clients

The manner in which you approach your client is important, as it may be the difference between getting the account paid and/or receiving ongoing business.

Here is a sample of how you can approach a customer who has a dispute in regards to their account :

- Collector* May I speak with your accounts payable department please?
- Customer* How can I help you?
- Collector* My name is Linda Smith of (Your Company) and I am calling in relation to our outstanding invoice no. 2341 in the amount of \$4356.00. When may we expect that to be paid?
- Customer* The reasons for non-payment is that we dispute delivery of the 150mm plastic gadgets, which it appears, were lost in transit.
- Collector* OK, have you contacted our dispatch dept about this?
- Customer* Yes and they are looking into it.
- Collector* Good, I will follow them up for you, but in the meantime, the disputed amount is only \$563.00. Would you mind sending your cheque for the difference, that is \$3793.00 while the other issue is resolved?
- Customer* Yes, I think we can manage that.
- Collector* Good, when may we expect the cheque? Is it possible to post it today?
- Customer* Yes, we can do that.
- Collector* Thank you for that, I will now follow up our dispatch dept on those gadgets for you. Goodbye.

Computer Systems



At the ARMS Group (WA) Pty Ltd computers play an important role in determining the level and quality of service that we can provide to you and your customers.

As a result of this regular consideration is given to Hardware and Software requirements now and into the future.

SOFTWARE

Our debt collection system has been specifically designed and developed for the ARMS Group, and is year 2000 compliant.

The Payment System and Hardware requirements are constantly reviewed and improved so that we can provide you with the best service available.



OUR DATABASE

Our debt collection system is written in a 4GL multi-valued operating system/database environment. The ARMS Group currently operates on mvBASE and D3 Pick Systems.

These environments are specifically designed for processing large volumes of information, and may be platformed onto Windows 2000/NT, UNIX, and LINUX systems which means that the ARMS Group is well positioned for future developments within the Information Technology Industry and future expansion.



COMPUTER HARDWARE

The ARMS Group (WA) Pty Ltd has also invested in advanced computer technology to ensure that we can easily and efficiently access vital information regarding your customers account and collection information.

The ARMS Group (WA) Pty Ltd is committed to upgrading it's computer requirements to ensure that it is utilising today's technology so that your information and money is not put at risk by using old or faulty equipment.

DATA BACKUP & SECURITY

Your information is backed up daily using advance technology so that the information we hold is protected from loss or corruption. In addition, backups are stored off-site at a secure location to ensure that we can recover from any disastrous situation.





Electronic Lodgment

Your account information can be lodge with us in electronic format by email, diskette, or CD-Rom. Please contact us should you require additional information.

The importation process of new accounts is a two part process :

- **Extraction & Verification**

This involves the initial reading of the data file supplied, the conversion of the information into a format for the Debt Collection System, the electronic verification of the number and value loaded against the totals supplied by the client (if applicable), and a visual verification of the “Extraction Verification Report”.

- **Upload & Letter Generation**

Once the Extraction & Verification has been performed, the accounts may be uploaded into the Debt Collection System or the Cash Flow Management System.

The upload process involves the generation of a letter(s) and a subsequent review date registered against each account (if appropriate).

Information is accepted in ASCII Text Comma Delimited format, the data structure is identified below :

Data Record

1	First Name	
2	Surname	
3	Address 1	Normally Street Number & Name
4	Address 2	Normally Suburb
5	Postal Code	
6	Telephone Number	
7	Date of Debt	dd/mm/yyyy
8	Debt Amount	\$\$\$cc
9	Reason for Debt	(or Null)
10	Client Reference Field	

Trailer/Total Record (Optional)

1	Identifier	“TOTAL”
2	Number of Records	99999
3	Value of Records	\$\$\$cc
4	NULL	
5	NULL	
6	NULL	
7	NULL	
8	NULL	
9	NULL	
10	NULL	



Code of Conduct

The ARMS GROUP is a member of the Institute of Mercantile Agents and the Australian Collectors Association

As a Member of the Institute of Mercantile Agents and the Australia Collectors Association we agree to be bound by all State, Territory and Commonwealth Laws relating to the operation of a mercantile agency and to adhere to all legislation relating to Consumer and Fair Trading practice.

As Members of the Institute we :

- seek to maintain a high standard of business practice and to exercise honesty, integrity and credibility at all times in our dealings with the public, clients and fellow members.
- shall not misrepresent their qualifications, capacity, experience and abilities or knowingly delegate assigned tasks to unqualified persons.
- shall support the resolution of disputes initiated by either the public or members through an independent industry body and agree to be bound by any findings of the that body.
- we support their State, Territory and National bodies in the development of the Institute in representing the debt collection industry in all activities associated with the development and well being of the industry as a whole.

ACCC Releases Section 60 Guidelines

The Australian Competition Consumer Commission has released guidelines with which ALL companies must comply when collecting their accounts receivables.

The guidelines include matters such as :

- The times (of the day) when you can legally call
- Who you can talk to about accounts
- Harassment

For more information contact The ARMS Group or visit www.accc.gov.au.



Code of Ethics

The ARMS GROUP is a member of the Institute of Mercantile Agents and the Australian Collectors Association

Services

At the ARMS Group (WA) Pty Ltd we undertake to :

1. provide efficient and effective service in all those areas which have been designated as covered by the agency.
2. provide all those services which have been clearly advertised as services performed by the agency.
3. accept no gratuities from clients which may be perceived as impairing the provision of an efficient and effective service.
4. not misrepresent my agency by utilising either stationery or any inference as being a law firm or solicitor.
5. make monthly settlement of clients accounts or as determined by mutual agreement with the client.
6. honor all agreements made with individual clients and to exercise prudent business practice in the exercising of these agreements.

Client Relationship

At the ARMS Group (WA) Pty Ltd we undertake to :

7. protect the interests of our clients and will give prompt and diligent attention to all matters received.
8. initiate clients' instructions in a prompt and diligent manner, providing such instructions are reasonable and legitimate.
9. be selective, where possible, in accepting instructions from firms or individuals who may engage in questionable activities.

General

At the ARMS Group (WA) Pty Ltd we undertake not to :

10. speak disparagingly about fellow members of our Industry and their business activities and where activities are seen to bring disrepute to our industry to report to our industry ethics committees.
11. supply an opinion on matters in which the client's best interests will be served by referral to an appropriate legal person or law firm.



Privacy Amendment Act

This statement applies to all individuals providing personal information to The ARMS GROUP through our website and where collected in our normal course of business.

When collecting personal information The ARMS GROUP complies with the Privacy Amendment (Private Sector) Act 2000.

We will only collect and use personal information in connection with processing credit checks and debt collection and for marketing other products to you.

All personal information remains with The ARMS GROUP and will not be sold, traded or shared with anyone other than our related companies and agents as necessary for credit checking and debt collection purposes.

You are entitled to access the personal information The ARMS GROUP holds about you, and amend it.

If you would like to review or amend the personal information The ARMS GROUP holds about you, please email us at admin@armsgroup.com