

Global Alliance

News from Global Credit Solutions 3rd Issue, 2011 ★ Conference Special

Beijing, September 2011 – One of the most productive Annual Conferences of the Group. Over 60 partners representing all continents (& their nuances!) deliberated for 3 days over multiple workshops, to craft out new, pioneering initiatives to further advance Group’s delivery efficiencies for our Clients... see all in report inside!!

The Marketing Committee would also like to wish all of you Merry Christmas and a very healthy, successful year ahead.

Marketing Committee, GCS Group:

Michael Niedermeyer (Europe), Greg Cohen (Americas), Sam Omukoko (Africa), Vishal Chowdhary (Asia Pacific)





Message From The Chairman



Beijing China was chosen as the site for the September 2011 GCS Global Conference, keeping in consideration China's continuing and growing importance in the world trade. The conference provided GCS partners with the opportunity to meet and network with leading Chinese businessmen and women and to discuss many areas of common interest, in addition to undertaking some highly progressive initiatives to further advance the GCS Group efficiencies for our Clients across the world.

With GCS Partners from more than sixty countries and all continents attending, the conference enabled a detailed review of the past year's goals and objectives, and provided GCS Partners with the opportunity to participate in and contribute to corporate decisions to effectively fulfill the increasing demands of regulators, multi national corporations, international banks and finance houses as well as Governments throughout the globe.

Amongst the initiatives adopted that will majorly benefit GCS Clients is the introduction of the group's Compliance Committee formed with multiple countries representatives from different continents. The Committee presented Compliance Categorization of Platinum, Gold & Silver standards for all GCS Partners with evaluation conducted by the introduction of a detailed scorecard. Through this, the GCS Clients will be able to quickly and easily see the standard that

each GCS partner has achieved in terms of compliance to local, domestic, regional and international business requirements. Quality and PCI certification along with in house manuals on disaster recovery, IT security, Bonding and Professional Indemnity insurance are key components of this program to further increase the standards of all GCS Partner. The aims of GCS Group in terms of its global insurance policies will offer clients a global first.

The continuing upgrades to our unique Global Case Management System were also deliberated at the conference. These improvements would enable ease of access for Clients to generate reports as and when required and will also prove of increasing benefit to all users of the system.

Another major development being worked on by GCS Head Office and Ansonia Credit Data (a GCS Partner based in Seattle Washington State) is the Credit Rating project which is expected to be rolled out second quarter 2012. This will involve the extension of the national database located in the United States to all GCS Partner offices in more than a hundred countries enabling members of the database to check on line for a credit rating.

Finally the attendance of our new GCS Partners from Iran and Russia, and their active participation added another dimension to the knowledge of our GCS colleagues about their respective countries and the way that business is conducted in them.

I take this opportunity in closing to thank our valued Clients for their support throughout the past year and wish all a peaceful and happy festive season, and best wishes for 2012.

Best Wishes,



Neil A. Wood
Chairman & Group Managing Director
neil@gcs-group.com



GCS CSA Annual Conference Attendance - September 2011

This year CCI and GCS joined forces to exhibit at the CSA Annual Conference in Birmingham. The event was attended by over 350 delegates who between them represented the vast majority of the UK collections industry.

The 8th International Credit & Risk Management Conference
September 27 – 28th 2011, Guangzhou, China.

The event was held by China Council for the Promotion of International Trade (CCPIT) & China Chamber of International Commerce (CCOIC).



Credit Management Leadership Forum - 17th October 2011, Singapore

This one day event focused on discussion on Credit Trends and the their Best Practices which included Trade Credit look on Geographical Industry, Payment Delinquency and Business Failure, Credit Management in crossborder Transactions etc.



Malaysia Finance Magazine in June 2011 interviewed the Country Manager SH Chew and Operation Head Danville Lim and few others from similar industry also gave their views on “Dealing With Debt Collectors, What They Can And Cannot Do” and shared ideas on Debt collection practices.

ACA International Leadership Symposium

Jan 4-7, 2012

St. Regis Aspen Resort
Aspen, CO

IACC Annual Conference

Jan 18-20, 2012

Eden Roc Renaissance Miami
Miami, FL

Webwinkel Vakdagen

Jan 25-26, 2012

Utrecht (Netherlands)

15th Annual DBA International Conference

Feb 07-09, 2012

The Aria
Las Vegas, NV

ACA International Committee of 100 Meeting

Feb 21-Feb 24, 2012

The Mauna Lani Bay Hotel
Kohala Coast, Isl of Hawaii

World Hosting Days

March 20-23, 2012

Rust (Germany)

ACA International 2012 Spring Forum &

Expo

March 21-23, 2012

Red Rock Resort
Las Vegas, NV

Credit and Collection News 7th Annual Conference

Apr 03-05, 2012

Ritz Carlton Amelia Island
Jacksonville, FL

CLLA 118th National Convention

May 06, 2012

Westin Michigan Avenue
Chicago, IL

NACM's 116th Credit Congress & Exposition

June 10-13, 2012

Gaylord Texas Resort & Convention Center
Dallas, TX



Help us make
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Contributions
welcome for each section!



Post anything...

Beijing Conference Report And Some Papers Presented

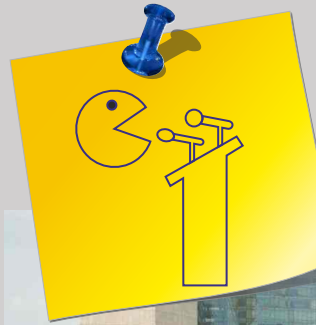
GCS Beijing Conference 2011 – A Report

September 2011 saw the gathering of GCS partners at the Swissotel Beijing in Beijing Peoples Republic of China for the GCS Group Annual conference. A cocktail reception preceded the two day conference on Thursday 15 and Friday 16, where more than sixty guests from the Chinese business and government sectors networked with GCS partners from more than the sixty countries attending

A formal welcome was extended to all by Mr. Alan Morrell, Australian Senior Trade Commissioner based in Beijing, and a further welcome to China extended to the GCS delegates by Dr. David Yu from Horwath Capital China, GCS Partner in Beijing and a co-sponsor of the event. The reception provided the opportunity for discussions between the guests and



Meet & Greet on Day 1



The Attending Group

GCS partners on a wide range of mutually interesting subjects regarding credit management practices within China and around the world.

Visy Group, the other co-sponsor of the event, was represented by Mr. Sava Trifunovic, Group Global Credit Manager, who flew in especially from Australia for the reception and also joining in for the two day conference.

As a world leader in production, China has seen a substantial rise in debt owing from overseas buyers and GCS delegates were indeed fortunate to have amongst our guests to the reception, senior representatives from China Export Insurance Corporation (Sinosure). Experts in providing essential export insurance services to the Chinese business community GCS delegates welcomed the opportunity to compare notes.

Thursday and Friday saw a review of the past years activities, along with planning for the next two years and enabled the delegates to actively participate in the discussions and decisions reached on how GCS will meet the challenges of a changing business world. It was exciting to have our new partners from Iran and Russia represented by Mr. Ali Zarei and Mr. SayedHossein (Iran) and Mr. Sergey Shpeter (Russia) joining us and their participation and experience assisted all to have a better understanding of the markets in their respective countries.

The recognition by all of the essential need for risk mitigation was identified and discuss at length during the conference. The tightening of credit on a global basis, continuing effect of the GFC as well as ongoing decline of the United States economy and concerns about the expanding crisis in Europe has seen a downturn in the collection industry, whilst credit and finance managers, along with risk and compliance

officers have tended to adopt a pro active approach to the use of Due Diligence investigations and In Depth KYC Credit Reports resulting in rising demand for these core services.

Naturally, the days prior to the conference, evenings and Saturday after the conference provided all to enjoy the wonderful sights of Beijing which included the Forbidden City, Great Wall and many other internationally recognized landmarks.



The Marketing Committee at Beijing



The Gala Dinner

In closing I would like to extend my congratulations and thanks on behalf of all GCS Partners to Michael Niedermeyer, Chairman of the Marketing Committee, who has been a constant source of enthusiasm and inspiration to so many of his colleagues. Michael was recognized for his leadership winning the “TOP GUN AWARD” and continues to be an example to all!



Comply Or Die – The modern face of collections

*Presented by: Carl Hackman
Director - GCS Europe (CCI Legal)*

Comply or die is the mantra we all we have been hearing in the UK for the last several years and for those who were foolish enough to ignore the message, the consequences have been severe. Collection agencies are not just being fined for non-compliance – these days they are being forced out of business and many of us within the industry regard this as an extremely positive step.

The face of the collections industry has changed dramatically over the past 10 years and every year the pace of change seems to get faster. “Debtors” are now referred to as “customers” or “clients”; “Treating Customers Fairly” is the core principal by which we are expected to conduct our business. All complaints are to be handled and investigated in accordance with strictly defined timetables with absolute transparency and our success is judged just as much by our complaint handling process as by our success ratios.

So, who is driving these changes forward and who dictates the pace? Did the credit industry have an epiphany moment and suddenly decided to overhaul itself? Of course not, external forces, determined to pursue their own agendas, are very much behind these changes.

The principal forces might loosely be divided into two

camp. The financial services (FS) industry and government regulation, which between them are exerting irresistible pressure. They use the carrot and stick approach, or Mr. Nice and Mr. Nasty were we to be in a police cell.

Mr. Nice, holding the carrot comes in the form of the FS organisations, specifically the lenders and debt purchasers who are offering lucrative collection contacts. Their method is simple and effective - “Do it our way or not at all”. Most agencies rely on the work provided by this sector and so must comply with their requirements.

Of course, in the bad old days many agencies merely paid lip service to these requirements, but thorough auditing has to that and is now a routine part of business life. Not only are these audits undertaken on site at monthly or yearly intervals but also remote audits of our systems can take place daily. Remote access makes it easy for clients to look directly into our system to look at every aspect of how accounts are worked. Remote telephony means they can listen to the calls or have random selections of call recordings emailed to them. In some cases clients will appoint a member of their own staff to sit full time alongside and our own staff monitoring how the files are worked.

The better and more progressive agencies have embraced these changes. Not only do they represent positive moves forward for our industry but there is also a huge financial incentive to incur the short term pain of the cost and make the necessary changes.

However, the carrot will only work if companies want

to buy into it and there remains a body of agencies that are not as quick to appreciate the benefits of change – hence the stick! In almost every part of the world there are now a large number of stick wielding governmental agencies who have responsibility for regulating our conduct. Compliance with these rules is not optional and every agency needs to be highly conversant with every detail of their content. This is not the place for an in depth analysis of the specific rules as they apply within different jurisdictions but here are just a few of the general and more important cornerstones of compliance.

Data Protection/Sharing - Every processor/handler of personal data is bound by these rules and woe betide anyone who doesn't adhere to the following principles:

- ☺ Personal data shall be processed fairly and lawfully.
- 🌀 Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.
- ☺ Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.
- 🌀 Personal data shall be accurate and, where necessary, kept up to date.
- ☺ Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes.
- 🌀 Personal data shall be processed in accordance with the rights of data subjects under this Act. This includes

the right of an individual to ask for a 'Subject Access' request.

- ☺ Appropriate technical and organizational measures shall be taken against unauthorized or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.
- 🌀 Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

Money Laundering - A failure to appoint an anti-money laundering officer is of itself an offence. Businesses who are failing to notify the authorities of suspicious transactions are being fined or having their licences revoked.

Legislative Governance - Most countries have a framework of rules regulating the conduct of the collection industry. We all know our own rules but do we know our neighbours'? Sending collection letters to the USA from the UK might put us in potential conflict with the FDCPA or HIPAA and therefore in potential breach of federal laws. No single entity can be fully conversant with all laws in all countries so, far better to let the local office do the collecting.

PCI Compliance - Not strictly governmental but certainly not optional for anyone who takes credit card payments. Fines can (and do) run into hundreds of

thousands of dollars for non compliance. Conversely, many companies have spent hundreds of thousands ensuring they are compliant. We take it that seriously and so must everyone. You must ensure the agency you work with delivers on this front.

In short, compliance is a minefield and only a fully compliant agency should be trusted to handle your accounts. So how do you decide? Here's a checklist of what to look for:

- ☺ Who regulates the agency? Ask to see the regulatory code of conduct and look the website.
- ☺ Are they part of a larger group? This can often provide some assurance of quality.
- ☺ What are their ISO accreditations?
- ☺ Who are their other clients?
- ☺ Ask for the name of the Compliance Officer
- ☺ Do they have a physical presence in the territories where they claim to collect? It is essential that they do.
- ☺ Do they have Financial Services clients? If so, it is extremely likely they have already opted in to the highest compliance standards.

The "Comply or Die" mantra is far more than just words. It is a philosophy by which we must live our professional lives. We decided some time ago that we prefer the carrot to the stick and so have become industry leaders when it comes to matters of compliance. As a benchmarking tool you may find compliance is just as important as results.



What is an employee recognition, reward and appreciation program?

*Presented by: Kevin Terrell FICM
President & CEO - Harvest Credit Management - GCS Spain*

These programs have been a part of business for many years and have various titles and address of various aspects of employee/employer relations.

In recent times they have received more emphasis because more employee surveys indicate a growing detachment between management and employees. Employees increasingly believe that the company they work for does not look at them as individuals and value their contribution.

Now, I know that the cynical among us will simplify this whole issue by saying that the job itself should be motivated enough and if employees do not respond positively towards targets and goals set, then the decision for the management is made easy. Do we really need to recognize our staff? Isn't the pay at the end of the week/month recognition enough? Well as you would imagine, staff that are motivated and feel appreciated, take ownership and pride in their work and that in turn makes them more efficient and productive. It's a win-win.



If we think about recognizing and rewarding our staff, we often think about pay and benefits. However this is only one part of the picture. In fact research by the Institute of Employment Studies (2010) identified that each of the following have an equally important role to play:

- ☺ Performance and appraisal
- Communication
- ☺ Pay and Benefits
- Job Satisfaction
- ☺ Equal opportunities & fair treatment
- Training development & career
- ☺ Health & Safety
- Family friendliness

The IES research recognized that “A good manager, who appreciates the work done, makes all the difference”

Although this may seem obvious to most people, many managers avoid the practice. This may be because they want to avoid stirring up jealousy in other team members; they don't feel they have the time; they feel embarrassed praising people openly or; they feel showing appreciation undermines their authority. However, showing appreciation is a key management skill. Those who use appreciation programs to manage their staff, find that they contribute greatly to improved morale and productivity.

Appropriately rewarding team members for something they have done takes some effort on your part. If you don't put much thought into what you are doing, then you may just upset the very people you are trying to

thank. This is why you should spend time with your team and find out how they can be and even would like to be recognized.

For example, if your team is about to start a major project, you could find out:

- ☺ Which team achievements would people like to be rewarded for?
- Would they rather celebrate with several milestones along the way, or have one big celebration when they hit the team's goal?
- ☺ How can you build recognition into the project? (E.g. where are you sharing good news?)

Learning how your team would like to be recognized, and how you can show your appreciation, is a vital step toward making sure that your efforts will be appropriate. Programs can also recognize time in service of an employee, a new job or promotion, a contribution to a certain company goal and even a contribution to the community. Programs can have a big motivational effect on staff and far outweigh the cost and time of setting it up and monitoring it.

How you thank your staff is important as well. For example not being consistent, may have a negative and detrimental effect on other team members. So:

Be Consistent - If you praise often during one month, and then skip the next month entirely, your team will wonder what is going on. Creating a culture of recognition and reward is important so once you start, make sure you continue.

Be Specific - Every time you praise people on your team,

be specific about what they did to deserve the recognition. If you say, “Jim did a great job yesterday!” that’s not only vague, but it may cause jealousy from other team members. Being specific not only makes the person you recognize feel better, it also lets the whole team know that you are paying attention. So, detail exactly what the person did and why it made a difference.

Know Your People - You must know your team to reward them adequately. Getting to know your team’s interests is critical to showing your appreciation well.

Of course, a key to the success of employee/employer relations revolves around good communication. This is about making sure that you keep your staff informed about what is happening both within the immediate team, but also across the whole organization. The communication should be 2-way, so you need to listen to the ideas of your team members and take this into account when making decisions. Some key drivers of employee engagement are:

- ☺ Having opportunities to feed views upwards
- ☺ Feeling well informed about what is happening in the organization
- ☺ Believing their line managers are committed to the organization

And that might be a good place to start!



Flood hit Thailand economy’s long road to recovery.

Thailand not out of the floods yet!!

You must have been aware of the floods in Bangkok that have affected the city and business in the city for some time and will continue to do so. Most of the city was affected and whilst the levels are reducing it is worrying to know that water to the North of the City if released will flood all Bangkok to a depth of 12 meters!

Bearing in mind and it is still the monsoon season until the end of December the threat is high and ever present.

The Thai Government and Thai Central Bank have made a request to all businesses to be patient and acknowledge that business has virtually ground to a halt in the city. Our Thailand partner and their collection agents are finding it very difficult to get out and about to contact debtors and have therefore put on hold all files for Thailand until the end of January.

If you have any urgent cases then please contact us if, however they can be left for a while please advise your clients of the current situation.

GCS Thailand will keep us all informed of the situation as it continues.

What makes GCS different?

All GCS-partners are linked to each other through an IT platform called G-CMS.

These standardized connection guarantees the client a best possible timeframe in file and document transfer. An easy monitoring of the files status, where it doesn't matter in which country the debtor is located.

The platform is for the GCS Group a support tool to share common values and goals.

Is the GCS Group limited to B2B collection files?

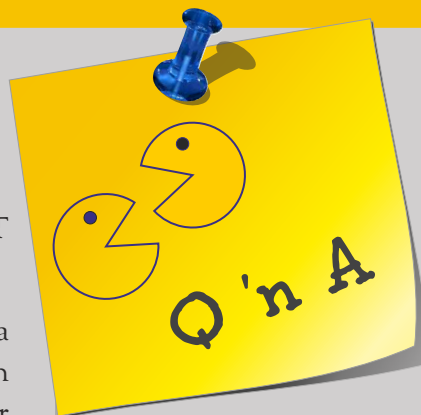
The GCS has the resources to handle efficient and successful B2B and B2C files, even smaller amounts on a no win fee regulation. The GCS finds solutions for creditors with a single case or with a need for volume collection.

Is GCS only a Global network for collection services?

GCS offers credit and risk solutions. The risk solutions are:

Know Your Customer(KYC) and Know Your Supplier(KYS)

Business owners & financial institutions around the world are now required by law to conduct due diligence on their customers or suppliers to identify who they are & what they do, and ensure they are not already known to be involved in any illegal or fraudulent activities. Many industries are now required to regularly report their KYC compliance, and of course to report any information relevant to the policing of this initiative.



Know Your Employee(KYE)

Do any of your current or prospective employees have incidents in their background that, if left undetected, could cause your company considerable loss? Fraud, thefts and negligence usually occur where employees are not properly vetted.

Due Diligence

Due diligence is the process by which confidential legal and financial information is exchanged, reviewed and appraised by the parties before a legally binding agreement is finalized.

Investigation

When someone who, by deceit, falsehood or other fraudulent means, defrauds the public, a company or any person, whether ascertained or not, of any property, money or valuable security.

IPR & Brand Protection

GCS work closely with our clients in the fight to enforce IPR laws around the world. Impeccable work ethics, dedication to succeed & strong client relationships has meant GCS have continued to develop high level sources that provide valuable intelligence.

Consulting & Advisory

Many Global Credit clients seek to establish important, often vital contacts, in countries where they seek to establish a presence or build on their global network. We provide business consulting to those clients.

☺ Highest and Lowest Corporate Tax rates around the World

- ☺ Japan - 40.69%
- ☹ Cameroon - 38.5%
- ☺ United States - 38%
- ☹ Argentina - 35%
- ☺ Angola - 35%
- ☹ Serbia - 10%
- ☺ Cyprus - 10%
- ☹ Uzbekistan - 9%
- ☺ Montenegro - 9%
- ☹ Bahamas - 0%



☹ The world's smallest country

Vatican City is the world's smallest state, consisting of just 0.2 square miles and a population of 770, none of whom are permanent residents. The tiny country which surrounds St. Peter's Basilica is the spiritual center for the world's Roman Catholics (over 1 billion strong). Also known as the Holy See, Vatican City is surrounded by Rome, Italy.

☺ Over 20% of Americans owe more on their homes than they are worth.

As of June 30, 2011, some 22.5 percent of all U.S. homes had a mortgage that was under water. That's 10.9 million properties. Another 2.4 million borrowers had less than 5 percent equity in their home.

Industry experts say a housing market turn around isn't

likely to occur as long as there remains a glut of potential foreclosures hovering over the mark

☹ World's 10 largest corporations

3rd quarter, 2011 rankings by The Financial Times Global500

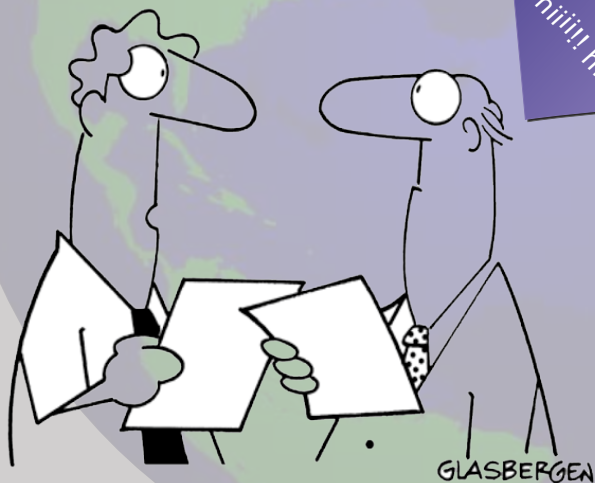
Company	Country	Net Worth
Apple, Inc	U.S.	\$353.5 billion
Exxon Mobil	U.S.	\$353.1 billion
Petro China	China	\$276.4 billion
IBM	U.S.	\$208.8 billion
Microsoft	U.S.	\$208.5 billion
Industrial & Commercial Bank of China	China	\$206.0 billion
China Mobile	China	\$198.7 billion
Royal Dutch Shell	Great Britain	\$197.0 billion
Nestle	Switzerland	\$191.1 billion
Chevron Corp.	USA	\$185.4 b



"Send him our toughest collection letter, threaten him with legal action, and subliminally suggest some type of bodily harm. But put XOXOXO under my signature to show that we still love him as a customer! "



"I don't think sales is quite you. How about debt collection?"



"I found a quick fix for our company's financial problems. I removed the red ink cartridge from the printer."



"The word 'invoice' is too soft and friendly. We need a new word that means 'pay up or die'."