

Debt Collection Facts and Figures

Debt collectors can serve a purpose

Some companies take advantage of international law and/or act in a manner to deny payment to or to defraud those in the forwarder/freight community. This equates to many millions of dollars lost in any given year

This is where a debt collection service can be a very useful tool for your business to recover your just dues

A note of caution

Some companies involved in debt collection also take advantage of this situation and charge hefty fees for collection and also add their fees plus margin when a third party such as a local collection/legal representative becomes involved. This can involve you paying up to 35% or 45% of the debt collected when the local collection/legal representative is only charging 15% to the original collection entity

When should I engage a debt collection service ?

The simple answer is if you have a DSO exceeding 120 days then you should act without delay. Many companies put this off due to prior business relationships and/or also (hollow) promises made by the debtor for resolution

Some companies look to retrieve debts after several years however the reality of collection becomes remote after long delay and also many countries have a statute of limitation for outstanding debts. A simple rule of thumb is that if the debt is more than three years old then the chance of collection is negligible

About Us

Forwarder Focus Services (FFS) has more than seven years experience in dealing with these entities and has been successful in resolving many cases and recovering much otherwise lost revenue

Until end 2017 we were contracted to another company and since the start of 2018 we are fully independent.

Our core business focus is our global directory – **Forwarder Focus Directory** (FFD) and our marketing campaign service **Forwarder Focus Marketing** (FFM) however we also offer debt collection services and primarily for our FFD members

What does Forwarder Focus Services do to assist with Debt Collection ?

- **Amicable Collection** – Amicable Collection means we contact the debtor as your authorised representative to collect the debt without resort to any legal reparation. If the debtor does not pay within sixty days of our notice(s) then we will list the debtor on our Debtor Warning List
- **Local Collection/Legal Representation** – If we are unsuccessful in obtaining resolution through amicable collection then we will introduce you to a local (country specific) collection/legal representative and whatever fee you negotiate with them is entirely your business not ours. We will **disengage** from the case and charge you no fee for our service to date. If the matter requires involvement of the court(s) then they will advise you accordingly however keep in mind that any legal fees or fees associated with the court will need be paid in advance and a representative of your company will most likely be required to attend the court and this process can drag on for a very long period of time

What are Forwarder Focus Services fees ?

- **Amicable Collection** – We offer amicable collection for a fee of **10% (50% less for FFD members at 5%)** on a no collection/no fee basis for any actual amounts collected. In other words if we collect part of the debt we invoice you for the actual amount collected and if we collect nothing then you pay nothing. Our collection process is such that we instruct the debtor to pay you directly and we will then invoice you once you advise us of the Net amount receipted
- **Local Collection/Legal Representation** – As mentioned above if the matter is passed to local collection/legal representation then FFS will disengage from the matter and whatever fee you agree with a local collection/legal representative is your business not ours. Typically the fee is 15% of any actual amount collected and sometimes 20%. We do not add any fee to their fee nor receive any commission and if the debt is subsequently collected by local collection/legal representation then we will charge you no fee

Our Debt Recovery Acceptance Criteria

We will accept debts over **USD 3,000** (or currency equivalent) in value and which are **less than three years old**. We require our collection forms completed and returned along with invoice copies and a current SOA

Contact

I trust the above is helpful for you and if you have any query or require further information then please contact Dave at – ffs@forwarderfocusservices.com