

# Sending the boys round – the virtual way

By Hamish Barwick

**H**elping businesses to manage cash flow and chase debts through a user-friendly system was the reason directors Catherine Clark and Melanie O'Neill set up CollectIT 18 months ago.

Based in Hamilton, Clark says they aim to help small business in a broad range of industries, including IT. "Melanie had worked as a lawyer for a legal firm that signed off debts for a debt collection agency. She said there were so many small [debts] of \$1000 or less that people could so easily do it themselves if we gave them a system to follow. When you're paying a lawyer to do it, the time gets chewed up in fees."

She says IT is a perfect fit for CollectIT's service. "We're looking to grow the IT sector as there are lots of small one or two-man-bands out there who do fantastic work. They are great at the computer side of it, but are they good at running the business and getting the money in? That's where a system becomes so important."

Presently five percent of their business comes from IT, but Clark is confident this will grow in the future.

She encourages IT companies to give the system a go. "You've built the relationship with the client and ideally you don't want to lose that relationship, but you need payment. From all our research prior to set-up, if businesses

have a [collection] system to use, they are much faster at collecting money than a debt collection agency."

The company has customers from Oamaru to Auckland. Because CollectIT's business is web-based, people can use the site any time of day or night that suits them, says Clark.

Businesses use a CollectIT form letter with their own letterhead to follow up the slow payers. Fourteen days later they will get a reminder to follow up the debtor with a phone call or another letter. In another 14 days, they are reminded to follow up with the debtor again.

Clark says she or O'Neill are just a phone call away if people need support or help. The company has three staff, consisting of an administrator with two regional reps covering the Waikato and Bay of Plenty.

O'Neill is a barrister with 17 years' legal experience, while Clark has a business degree with 13 years' experience in sales and marketing.

Clark adds that the company is seeing a jump in business as the economic downturn bites.

"In general New Zealanders can be quite apathetic about chasing money, so although there is way more money outstanding they are reluctant to do this. I had a client who rang me because he has \$400,000 outstanding and wanted to use the system properly. The banks are putting the screws on businesses as well."

She says they want businesses to feel empowered. "We will collect debts for people, but we have written a system that enables businesses to



**Collect IT directors Catherine Clark and Melanie O'Neill**

do it themselves."

If the debtor doesn't pay, CollectIT provides legal services to its customers so the business can collect up to \$200,000 themselves through the courts.

The whole DIY system is unique to CollectIT, she claims. "No one else will let you take yourself through the courts. What our customers tell us time and time again is that the anxiety level has gone for them. Even if they get a slow payer, they have a system they can use."

CollectIT expanded its business this year to include a collection arm. On the website, there

is a section for business owners who want the company to collect their debts for them. "The reason we have set up the We Collect arm of CollectIT is because clients get to the point where they don't want to follow up."

She says being located in a central city like Hamilton is good, however the business could be based anywhere. "All of the information is on our website. The most important thing is that people can access the information. Some of our local customers I do visit personally. But people further away are not disadvantaged, because we are just a phone call away."