

# COLLECTRONICS

## Web-Based Automated System Eases Collections Burden

by Peter Golden

**A**mong all the terms in the community association lexicon, “collections” ranks among the most unpleasant. The very word conjures up images of embarrassment, contention and even outright conflict.

Improperly handled collections, whatever their cause, give rise to gossip and rumor. Yet, all collection actions hold one thing in common, and that is nothing at all. Each proceeds at a pace of its own and eventually reaches its own unique conclusion.

Certainly the collection process itself is well known, often too much so. Calls, letters and legal notices create a wearying litany of demand and delay. But beneath such enduring themes as financial distress, divorce, dislocation and inattention, collections are all about people, some of whom may be our neighbors.

In fact, among the 20 million member households in America that belong to community associations (of which there are roughly a quarter of a million), about five percent are subject to collection actions at any given time. On any given day, one million association units are “in collection.”

### Complexity and Endless Detail

Given such a circumstance, collections are a serious matter, indeed. However, when collections are done right, the interests of all parties can be accommodated and resolved. When done wrong, otherwise decent, civilized people often descend into a maelstrom of hurt feelings, recrimination and, to the disadvantage of all, litigation.

Such thinking motivated three legal professionals with long-standing interests

in community association law, software and the Internet to begin to systematize the complex of issues associated with the HOA collection process. In doing so, they have created an efficient solution to the problems encountered by all parties—and in a way that is readily available to associations through the agency of legal counsel at virtually no cost, all while respecting the needs and special circumstances of the whole HOA community.

Software and services company Collectronics Business Solutions, L.P. of Dallas, TX, ([www.collectronics.com](http://www.collectronics.com)) has created a secure framework to completely automate the collection process. Collectronics has built its product on a backbone of established community association law. The company has leveraged the wisdom and good will of experienced board members and the skill and savvy of association managers through the power of the Internet.

### Respect for Homeowners' Rights

Add to that Collectronics' solid technical skills (the company's chief technology officer is a former programmer and troubleshooter for IBM) and a healthy respect for the rights of the individual unit owner. Now you're beginning to understand some of the many attractions drawing more and more people in the HOA community to the Collectronics Web site.

Collectronics combines technical prowess with solid business experience. “I left Computer Associates International Inc. to work for a dot-com,” says Lauren Williams, who in explaining the genesis of Collectronics and its CollectMinder software application makes reference to her days both as a dot-comer and a para-

legal. “One day I realized the Internet was a way to coordinate all the complexities of the collection process. I knew this was the solution everyone was looking for to simplify the collection process.”

Lauren's impulse was not a random one. Her business partners, Dean Riddle and Lance Williams, are widely regarded Dallas attorneys with a practice specialty in community association law. Their firm, Riddle & Williams, P.C., represents more than 600 Texas associations comprising upwards of 100,000 units. One association alone the firm represents includes more than 8,000 units, with 22,000 units planned at build out.

In fact, the Riddle & Williams collections department had its hands full with only a few hundred accounts before using the CollectMinder application. It now has upwards of 2,000 or 3,000 collection accounts underway on any given day, with virtually no additions in the department.

Along the road to success, Collectronics and Riddle & Williams found a common theme with which to unify the disparate interests of all parties to the collections process: communications. Between calls to delinquent unit owners and updates to association managers and boards, the deadlines, volume of detail and accompanying blizzard of paper was overwhelming. Plus, it was onerously expensive for all parties, and not very efficient. And all of it hung on communications—or lack thereof.

### Accessible to All

Enter Collectronics and its “application specific” approach to “business process automation” (the latter term widely used among management consultants as a proxy for the task of rationalizing

## Vendor Spotlight

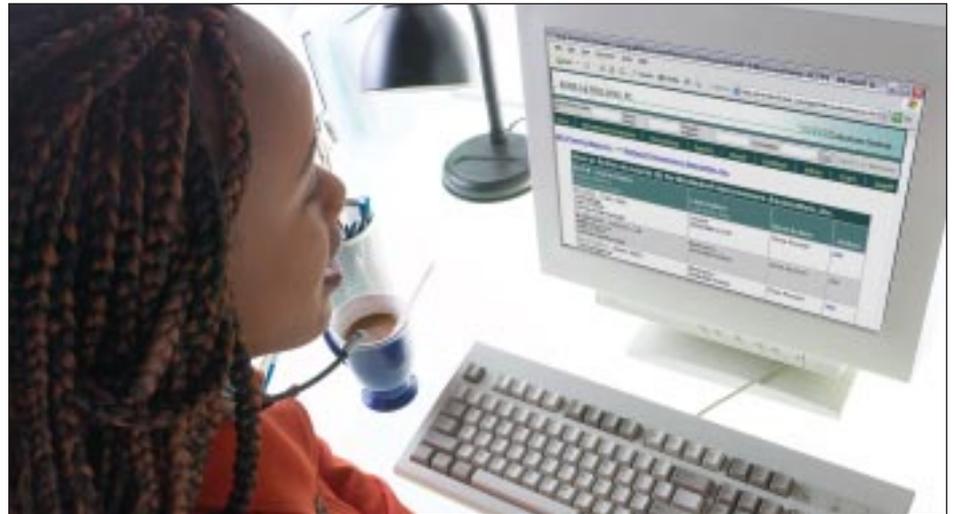
business functions). Based on Lauren Williams' insights in the dot-com space, they chose to develop an "Application Service Provider" solution. Simply put, Collectronics created a password-protected, secure, Web-based software application accessible to association board members, managers and legal counsel 24/7 for the sole purpose of collections management.

That means in those instances when a collection action must be undertaken the association and its service providers can: **1.** Share a common set of scripts and procedures while scrupulously observing state and federal collections law; **2.** Communicate interactively by instant messenger so that board representatives, managers and legal counsel are reading from the same page; **3.** Issue uniform notices based on direct, date-stamped and documented contact with subject unit owners; and **4.** Accelerate or retard the collection process out of respect to individual circumstances and special requirements.

If that sounds complicated and expensive, be assured it's not. The whole process takes place on a secure Web server and is based on an easy-to-implement set of actions familiar to anyone with even modest experience in the community association field. Collectronics sells to lawyers specializing in collections, so associations and managers bear no direct cost. And because the unit owner quickly grasps the need to resolve the collection matter and ultimately is responsible for all expenses, CollectMinder essentially provides its services at no cost to anyone other than the subject of the collection action.

### CollectMinder at Work

To gain a better sense of CollectMinder at work, listen to Rose Hill, a 14-year HOA professional in the collections office of CMA Management in Plano, TX. CMA "went live" with the system in May of 2003, and according to Hill, "It allowed us to create a computer-based interface rather than just a human interface. Once preliminary data on a collec-



tion is keyed into the system it flags us step by step through the process, with all the online reports we need to keep communication lines wide open."

Joe Douglass is an experienced legal practitioner who heads the community association practice at Whiteford, Taylor & Preston in Washington, DC. Douglass likes CollectMinder because it adapts instantaneously to collection actions in multiple jurisdictions, in this case in Maryland, Virginia and the District of Columbia.

"We developed our own system in house," says Douglass, "but it wasn't integrated. I've dreamed about having a system to handle the 300 to 400 open HOA collection actions we're pursuing on any given day. It's refreshing to deal with developers like Collectronics, because they understand community association law. The principals are down to earth, very accommodating and have worked to create a system that meets our specific needs."

### Major Benefits

"There are two major benefits," says Douglass. "Greater efficiency and quality control, and then greater client satisfaction on the part of boards and managers. Someone can go online at 7 p.m., download a report and step into a board meeting ten minutes later with a complete understanding of every collection action."

Because CollectMinder is Web-based, property managers can conveniently view and print collection status reports from home or office just minutes before a board meeting.

Collectronics principal Lance Williams, whose Dallas firm, Riddle & Williams, was the first CollectMinder user (or "beta site," as is said in the trade), confirms Joe Douglass' impressions as he describes how the system grew: "This automates the practice and speeds things up while ensuring that the Federal Fair Debt Collection Practices Act and all state laws are carefully observed. It disciplines the process and makes it timely and efficient."

Lawyers are Collectronics' customers, and associations and their managers are the beneficiaries, he says. "And with 24/7, real-time access to reports, full document preparation and vastly improved communications, the burden of collections is lifted from everyone's shoulders."

Len Catanach, a board member of a 692-unit Texas condominium and CollectMinder user echoes Williams: "I'm a volunteer, so I love the time savings. CollectMinder has been constructive in terms of its social effect. I'm not going to have a collection problem next year." 

*To learn more about Collectronics Business Solutions and CollectMinder, call 877-315-2862 toll free or click on [www.collectronics.com](http://www.collectronics.com).*