

Robert Pinchuck Interviews Phil Duff On Nearshore Collections

1. First of all, Phil, tell me the difference between Outsourcing, BPO and Near Shoring. Which is best for debt collection?

Duff replied, “Great question, Robert. Outsourcing is the practice of handing over control of public services to private enterprises. BPO or Business Process Outsourcing is defined as a subset of **Outsourcing** that involves contracting the **operations** and responsibilities for a particular **business process** to a third-party service provider and Near Shoring is defined as relating to the transfer of a business operation to a nearby country.

So when you are Outsourcing the entire project or just parts of the process, Outsourcing lets you just define the project and hand-off the work to another company to perform the work. In some cases the outsourcer will use their own technology and in some cases, they may use the clients software systems to perform the tasks. In these scenarios the client has lost some or all control of the process or project as the outsourcer is making decisions on how to get the tasks completed at the cheapest costs. The cheaper they can perform the tasks, the more profits they will see.

When you Near Shore, you do not lose all control of the project as you have moved your own process to another office that happens to be located near shore. By moving the complete process to an office that is run and managed by you daily from the US or with a Local manager that works for you, you can keep control. This is imperative in the debt collection space as the more sophisticated clients want to have as much control in their outsourcing to you as possible. The larger banks and debt buyers will not allow you to outsource their paper as they will lose control completely. They audit intensely to maintain as much control as possible. They tell you which vendors are acceptable and which are not in many cases.

So in my educated opinion Near Shoring is the best option for debt collection.”

2. Tell me about the labor pool in Jamaica.

Duff stated, “Robert, the labor pool in Jamaica is strong due to the investment of the government and the private BPO sector. The second largest industry on the island, behind only tourism is call centers. Many Fortune 500 companies have set up call centers in Jamaica and that has driven smaller businesses like collection agencies to move to the island.

The people are easy to train, willing to learn and eager to work. The majority of the staff are single mothers that are very dedicated to taking care of their families. There are many companies doing debt collection on the island making calls into the US, Canada and many other English speaking countries so there are experienced staff available to hire in the work force.”

3. I feel much more comfortable. The big issue for most debt collection owners is the cost of labor. Tell me about the costs and what I should be expecting when I use Jamaican collectors? “Cost are about one third of the cost in the US. Lighthouse Consulting Jamaica has set it’s cost at \$10 per hour or below for not just the labor, but including everything you will need to perform debt collection and be secure,” said Duff.

4. What is included with all the labor costs and are there any other charges I should expect?

Duff quickly replied, “Robert, the \$10 per hour per agent includes computer stations, desks, internet, physical and internet security. It also includes things like a big screen smart TV for training and remote video meetings, cameras so you can see what’s going on from anywhere in the world and everything else you will need to do business.

There are no other costs for the client due to way the project is set up. The client will pay Lighthouse the hourly fee and Lighthouse will pay all taxes, entitlements and government payments allowing the client to have peace of mind that all they will owe is the \$10 hourly. They do not have to fear things like unknown laws, HR differences, unforeseen taxes and any other cost of doing business in a foreign country. This is the peace of mind my clients want and I provide,” Duff said with passion.

5. Please explain in order what happens after we sign a contract with Lighthouse Consulting. “The client needs to work with my IT department to make sure we are set up in a manner consistent with your current business model and then it is time to come down to Jamaica and train your staff. All work will be done just like you do it if you opened a satellite office in Tampa or De Moines,” stated Duff.

He continued, “After training you go back to the states and manage the project remotely with Lighthouse’s help when needed. The client is in charge of production and Lighthouse handles HR and IT duties. Periodic visits show benefits, but that schedule is up to your team.”

6. Please explain all the positive points and why collecting in Jamaica makes sense.

Duff answered, “Costs and results are the biggest driving factors for my clients. Robert, the total costs of a collection seat is between \$29-35 dollars an hour on average in the U.S., so my program is roughly one third the costs of the U.S.. Plus those same cheaper employees in Jamaica will meet or exceed the production of your average US based debt collector.

The proximity is another big advantage - being just 2-4 hours from most major airports in the U.S. and the large number of daily flights make travel to the island simple. That proximity also helps the familiarity with U.S. culture.”

7. How familiar are Jamaican residents with U.S. culture and who trains the collector to handle my files?

“TV has been the biggest factor of late as about 10 years ago the Cable providers began to carry many U.S. stations, the BBC and service from Canada. The people of Jamaica are now watching the same channels you are and that has deepened the cultural knowledge. Remember Jamiaca has 3 million people and we get more that 3 million visitors annually, most of which are Americans, so they see and interact with U.S. citizens almost daily.

The client is responsible to train the staff hired by Lighthouse as it is truly their office.

Lighthouse will hire experienced debt collectors for the client making it easier to get up and running. Jamaican staff are eager to learn so training goes quickly.”

7- The bottom line in the collection industry is Return on Investment. Please speak a bit about that and provide an example to show my costs and the competitive gain on the ROI I can expect when using Lighthouse Consulting.

Duff replied, “As I have outlined, the cost savings provided along with the results make this a simple ROI equation. Take your current production and costs and reduce the costs by two thirds,

then do the math. You said it when you said it is a ROI business. It has always been just that and this is the best ROI multiplier in the industry currently. “

“Thank you, Phil, for all this valuable information. It seems to me your service is the best option available for collection agencies, debt buyers and creditors. Is there any other important information you want to provide our readers that I didn’t cover?”

“Robert, I tell prospects to come down to Montego Bay and spend 2 hours looking around and talking to my staff and you will instantly see the value.

Thanks for the privilege of informing your readers,” said Duff.

You can contact Phil and his team at:
Phillip W. Duff
CEO, Lighthouse Consulting Jamaica
904-347-5901
876-395-0826
Phil@lighthouseconsultinginc.com