

## Local Agencies

Our most common competitor is the local agency. How many times have we heard a prospect say, “we use a local agency”? The local agency is often a single location shop with ten to twenty collectors run by a family or individual. Seems like this would be rather easy for us to differentiate ourselves from the local agency, right? Why then are these competitors often so difficult to displace?

The strengths of the local agency are typically TSI's weaknesses. The local agency is part of the fabric of the community. The employees live and work in the community and use the community's services. The owner of the agency is usually very well connected with local leaders (like members of your prospect's board of directors), involved in charitable events, and may even be connected with local politics. Because the agency is local, the owner can easily wine and dine your prospect, play golf, or even run lunch over to the A/R team at your prospect. Their size usually means they're nimble with little bureaucracy and can make requested changes quickly. It's also easier for the local agency to provide personalized service.

The local agency's weaknesses are where we need to differentiate TSI. TSI's resources are far greater from CollectX, our proprietary scoring methodology, and agent training, to proven call models and IT capabilities, the local agency cannot possibly compete with TSI. It is likely we have more resources dedicated to compliance than the local agency even has employees. Most local agencies have yet to encounter the CFPB. TSI has successfully navigated several CFPB audits already. We are licensed and bonded in every jurisdiction that requires it in the US. Their debtors can move anywhere and TSI can continue to collect. Most local agencies cannot collect across state lines. Information Security is another area where TSI can excel. The local agency does not have the resources to insure the level of IT security that TSI can commit. Their data is safe with TSI.

If you are trying to dislodge a local agency, acknowledge what your prospect likes about dealing with a local company. Do not shy away from it. Then lay out all the advantages of engaging with TSI without trashing your competition. It's best to ask questions that create doubt in the prospect's mind about your competitor. If you are struggling to completely unseat the local agency, suggest a champion challenge. Do not be afraid to compete. TSI has many advantages which will be evident to your client in a challenge.