

Increasing Packaging and Collections

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The importance of a prospect or student understanding the rules and regulations of his or her financial investment cannot be overlooked when considering the collection of in-school payments and the ultimate pay back of student loans. To that end we hire specialists who are expert in financial aid regulations and are efficient at maintaining compliance. The bottom line is no school could function without them.

Perhaps this is where the problem lies for increasing packaging rates and collections. Whether handled in person or utilizing the internet, the process focuses narrowly on maintaining compliance rather than improving the communication between the professional and the prospect or student. We are not suggesting a “sellout” regarding processes and procedures. In fact, we salute those professionals who ensure complete compliance in this area. However, experience has taught us that time and communication frequently become the enemy of financial aid officers, bursars, and business offices as the class start bears down upon them or cash flow needs become a pressing priority.

Whether we like it or not, it’s time that we admit that our financial departments also need to be in the business of sales and listening, as well as policy, procedure and compliance. Now, before you are tempted to become defensive regarding the word “sales,” let’s drill down a little deeper. Everyone on the planet is in sales. Whenever you have an opinion to share, every time you try to win someone to your way of thinking, or closer to home, convince a prospect or student that it “must be done this way,” you are selling.

When the prospect or student is sitting in front of your financial aid officer, he or she expects to be listened to intently. Unfortunately, this expectation is often unmet. People are people – they come filled with biases, fears, perceptions and expectations of their own. Unless they are truly listened to, the officer cannot make the connections to complete the sale – handling financial issues as mandated by the school.

Even the quintessential sales person, the “gifted” recruiter in admissions, may lack the attention for and skill in dealing with this most important factor – effective

listening. Poor listening skills are the leading factor for failure in any sales endeavor. Whether the breakdown occurs in admissions or financial aid, the results are frequently the same – a failure to package and obviously, no collection.

Financial departments around the country seem to suffer inherently from the same malady – too little time. Under the pressure of a time crunch, listening to the prospect or student describe how they feel, their concerns, or looking for the source of misunderstanding is usually what is jettisoned in favor of describing the steps of the process and sending them on their way. If the expectation is that the financial aid officer will “close” the sale, management will be greatly disappointed. Time pressure is one of the significant barriers to effective listening and ultimately is a major factor in poor performance.

Effective communicators learn to listen and then use the information given to shape and sharpen what they say. They learn how to use right type of question for the situation. Primary and secondary questions become second nature to them. Revisiting a conversation or redoing work because of a communication failure happens much less to these people, thus saving effort and time, making them more productive in the jobs.

When financial aid officers utilize these tools on a regular basis they uncover the real issues and illuminate fears surrounding the financial process. Consider the financial officer who might make this statement to a student or prospect, “Pam, what can you pay each month?” That was a primary question, not a good one, but that’s what it was. A less than positive answer puts the financial aid officer on the defensive and unless the conversation is unusual, it will not provide the support needed for the person to make a decision that is fearful for them. Notice the positive dynamics in the example below and the use of a primary question.

“Michael, I know that your educational and career goals are a real priority. What are you willing to invest in yourself monthly in order for you to achieve them and get the career you want?” A very different answer will likely occur, providing understanding for a well thought out secondary question that will have positive impact. Effective listening is an active process. It encompasses the ability to ask the right question, in the right order, at the right time and knowing when to say nothing.

The powerful message that each of us should get from this is that we need to set ourselves up to be successful by doing the things that will help us get there. Effective listening is one of the most underutilized tools in our toolbox. Training and practice have conclusively proven to be effective, providing such dividends that an immediate increase in productivity in any department is probable. .

Winston Churchill said is best.

“Courage is what it takes to stand up and speak; real courage is also what it takes to sit down and listen.”