



Growing Profitability With Electronic Check Recovery



Where do you start if you want to reduce the number of hot checks you receive?

Most businesses today are incorporating advanced technology to manage their finances and day-to-day operations. At the same time, retailers are challenged to find business partners that provide electronic verification of checks and online reporting to manage their hot check recovery attempts.

Traditional check recovery companies attempt to recover checks using outdated methods. They attempt to collect returned checks by writing letters and calling the hot check writers. Basically, they send the check writer a bill and hope it gets paid.

Even with the increased use of debit/credit cards by retail clientele, the ability to accept paper checks has continued to be a major medium for payment. In fact, the Nilsson Report projected the number of checks written annually will increase 2 to 4% by the year 2020. Currently, more than 1.2 million worthless checks enter the payment system daily. Merchants received over \$28 billion in bad checks in 2002, an 18% increase over the year before, according to the Nilsson Report in June 2003.

In the past, businesses have had little choice but to wait for the bad check writer to decide to pay. Today, electronic check recovery provides a more effective solution with a system that gains access to the hot check writer's account through the Federal Reserve Bank. **ReChek** is a leading provider of this technology. **ReChek** has the capabilities to reach into the hot check writer's account upon first deposit and get your money.

Cattle Call Calls on ReChek

Cattle Call, a barbeque business in Amarillo, Texas, is renowned for their barbeque and chicken fried steaks. In fact, for the past several years they have been the official caterers for "Texas," the historical play enjoyed by thousands each year in Palo Duro Canyon. With two locations in Amarillo, Cattle Call provides a relaxed, family atmosphere for customers.

With 5% of the checks Cattle Call received monthly returned, David Wilson, owner of both Cattle Call locations, used an outdated check recovery company to manage the recovery process. "The check recovery company I used did not send reports or provide information concerning the success rate of recovering the returned checks. Basically, we would wait months before we were notified whether a check had been collected. Even then, it was difficult to keep track of our check recovery process."

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In March of 2005, Cattle Call made the decision to reexamine their options and find a better solution to recovering hot checks. "I had received a phone call and brochure from **ReChek**. They explained to me how **ReChek** would not only help me in recovering bad checks but would setup a check verification procedure that would save both time and money. This made sense to me and the promise of check verification and reporting ultimately led to my decision to use **ReChek**."

Within one month, David's decision to use **ReChek** proved profitable. Combining the results from both locations, Cattle Call denied 48 checks resulting in over \$900 worth of savings. The second month proved equally profitable with 38 checks denied and a savings of over \$970. Prior to **ReChek**, these checks would have been accepted and then returned for various reasons.

March 2005			
Store Name	Verified Checks	Denied Count	Savings
Cattle Call	424	24	\$672.29
Cattle Call Express	149	24	\$262.33
Total	573	48	\$934.62

April 2005			
Store Name	Verified Checks	Denied Count	Savings
Cattle Call	849	18	\$570.81
Cattle Call Express	265	20	\$402.39
Total	1114	38	\$973.20

In addition to these savings, Cattle Call only had 6 checks (less than 1% of verified checks compared to 5% before **ReChek**) returned the first month, some of which were returned because they were not scanned properly. Out of these checks, 5 were collected within the first month. "We have seen a significant improvement in our hot check recovery process within the first 2 months of using **ReChek**. We hope that with more training for our employees, we will continue to see a reduction in our hot checks. The reporting we are provided makes it easy to follow these checks

throughout the recovery process and keep better accounting records and exceptions by location. With this information, we can continue to improve our cash flow and profitability."

ReChek – Fast, Effective, Profitable

ReChek is committed to providing clients with the latest tools and information in an effort to improve their business' performance. **ReChek** provides accurate, easy-to-read reports that enable clients to review the performance of each location and track the check recovery process.

ReChek employs a team of legal advisors to keep them informed of the ever-changing collection laws. All current collection methods are monitored and approved by the legal advisors to ensure the integrity of our customers.

As in the case with Cattle Call, over time our customers notice a decrease in the number of returned checks. We are able to achieve this success because:

- We offer interactive training for your employees. We provide integrated testing for your staff and send their scores directly to you.
- We use electronic verification to ensure checks are denied before merchandise is delivered.
- We file prosecution paperwork more efficiently. Our advanced system works seamlessly with most counties.

Most recovery companies offer only one solution for their clients. **ReChek** is committed to providing unsurpassed electronic and traditional check recovery, accurate monthly reporting, and attentive customer service that exceeds recovery industry standards.