

INSIGHTS & PERSPECTIVES



April 2006

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Lee D. Baldieri - CEO & President

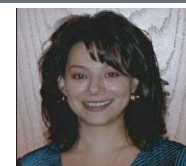
Laurie L. Vingiano - Executive VP & Chief
Operating Officer

Rhett A. Frimet - Vice President & General Counsel



LEVY DIAMOND BELLO
& ASSOCIATES, LLC

The High Price of Gasoline?



by Laurie Vingiano

It may be a Monday, a Wednesday, or even a Friday, but there is always one day a week I dread. Nowadays, it's the day I need to fill up my gas tank.

I was on a cloud the day I picked up my SUV. I no longer had to cram my baby's stroller, making sure the wheels were in the correct placement so I could close the trunk door. I now had the space in my car for the stroller, kids, groceries, and toys. A mothers dream!

Within six months of my beloved purchase came the devastating hurricane season of 2005 and gasoline prices went sky high. Wonderful!

This week the dreaded day was to be a Wednesday. The low fuel indicator told me so. Having eliminated unnecessary driving, I have managed to stretch about 6 days between fill ups.

I pulled into the gas station, \$2.59 for the medium grade. Here we go! Almost 18 gallons and just over \$46.00 later I was on my way... for my daily coffee fix.

Every day, sometime between 3:00 and 4:00, I head out to my favorite establishment for my medium regular. As usual, there is a line in the drive thru. With seven cars ahead of me and two pulling up behind me, I am hoping the line moves quickly.

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Pat Nothnagel Named Influential Collection Professional



Collection Advisor magazine announced its selection of the Top 25 Most Influential Collection Professionals in the Collection Industry for 2005. Among those in this elite group was our very own Pat Nothnagel.

The announcement came during the Collection Advisor Technology Conference and Expo held at the Bellagio Hotel in Las Vegas on November 17, 2005.

“All of these professionals represent the best of the best in the industry, and were chosen not only for their participation as leaders in the

profession, but for their support of leading-edge technologies, collection methods and years of insight into what makes this industry a market leader” says Editor/Publisher T. Allen Rose.

Pat had his introduction into this industry thirty-five years ago. At that time, he was just married. Actually, just returning home from his honeymoon when he learned his position in the credit department at International Telephone & Telegraph was being eliminated.

The following day fate stepped in when he received a call from a man dubbing himself “Charming Bud Brown”. Bud was easily the most unforgettable character Pat had ever met. Bud turned out to be Pat’s introduction, as well as mentor, into the collection business. Bud, who was president of a Buffalo based collection agency at the time, hired Pat as a Sales Manager in the Mid-Atlantic region. And the rest is history.

“Pat has been with us in sales since 1987 says Richard Graziano, Vice President, Sales, and his talent to this day continues to amaze me. Everybody knows him and he knows everybody. He has so much going on every day of every week. He is unbelievable! It is a very well deserved honor and we are all so pleased for him.”

These professionals were, also, featured in the January/February issue of Collection Advisor.

The Use of Technology in Collections

by Douglas R Swafford

We all reach those crossroads when we have to redefine what we are trying to achieve. The Credit, Collections and Cash Application department at U. S. Xpress, Inc. reached that moment in 2000.

U. S. Xpress, Inc. is the fifth largest publicly held truckload carrier in the country in terms of revenue. We have over 5,000 trucks, 19,000 trailers and employ over 9,000 associates. Revenue reached \$1.1B in fiscal 2004.

The company has experienced a 17% annual growth rate for the past ten years through acquisitions and improvements in technology. The problem we faced in credit at that time was that very little of the technology was finding its way into our department.

As a result, we faced several business issues. The high growth rate of the company produced a significant year over year increase in our A/R portfolio. We were experiencing an ever growing volume of deductions and payment discrepancies and control and follow up was inconsistent. We had to keep operational costs to a minimum through this high growth period through operational excellence and effectiveness of the credit department. In addition, we have to review, approve and manage a diverse customer base including small and large manufacturers, retailers and 3PL's in a competitive industry and a tight freight environment. Too much time was wasted on clerical tasks which resulted in an outbound call volume that was far too low. There was no way to measure our daily progress nor report adequately the state of our A/R portfolio to management. As they say, if you can't measure it, you can't manage it.

What was the impact on us? We needed extra staff, our past due A/R was too high, cash flow suffered and customer relationships were impacted. Instead of working capital we had loafing capital!

How did we address these issues? The decision was made to implement The Get Paid order to cash automation and workflow technology. Once our policies were embedded within Get Paid, we were able to introduce new processes to further operational excellence and effectiveness. We have used the reporting capabilities to form cross functional teams with sales, billing and auto rating. We were finally able to monitor our performance and make changes for process improvement.

Automation replaced manual processing. The strategy engine of Get Paid now drives our processes. Thus, we were able to achieve a 29% reduction in our DSO and reduce past due accounts receivable by 25%. We were able to reduce dispute volume by 87% because we can use the Get Paid technology to perform root-cause analysis.

We have been able to reduce operational costs by automating transaction based activities, i.e. the collection process. We have been able to maintain headcount despite the continued increase in revenue. We can recognize problems and address these issues faster now. We can serve customers better by providing information to them faster.

The advantages of this technology was never more evident than during our Sarbanes-Oxley compliance efforts last year. We were able to prove consistent treatment of all customers and provide the detailed reporting and analysis needed to comply with SOX requirements.

While we have seen significant improvements since implementing Get Paid, we are looking to the future. We need to find ways to mitigate risk and expedite decision making by integrating credit, collections and dispute management. We want to introduce an online customer self-service web site. We need to prepare ourselves to implement EIPP to continue to meet customer's needs through our eCommerce initiative now being implemented.

In short, we need to lay the groundwork now to prepare ourselves for the future. At U.S. Xpress the future starts tomorrow.

This was a condensed version of a presentation made to the Credit Research Foundation Forum in Chicago. Doug Swafford, Credit & Collections Manager at U.S. Xpress is a frequent contributor to many industry relation programs and publications and a very dear friend to us at Levy Diamond Bello & Associates, LLC.



Sales Department Update

Richard Graziano, Vice President, Sales is pleased to announce the latest additions to our sales force.

Doreen Burghart -Sales & Client Service Associate



Doreen, who is handling insides sales/telemarketing along with some client service functions, has been with us since February.

She previously worked a number of years in the telemarketing department of Grolier Publishing, now Scholastic, and later as Sales Coordinator for Barter Network.

A lifelong Connecticut resident, Doreen enjoys photography in her spare time.

Doreen can be reached at 203-882-7966 or at doreen.burghart@ldbassociates.com

Judith Cooke - Regional Sales Manager



Judy, who has been with us since December, handles a sales territory that includes the states of Maine, Vermont, New Hampshire, Massachusetts and Rhode Island.

She has spent her career, until now, exclusively in the managed staffing industry working for industry leaders such as Westaff, Adecco and Robert Half International. During this time, she was the recipient of several local and national awards recognizing her sales performance.

Judy, who is originally from Ohio now resides in Massachusetts. In her spare time she enjoys spending time with family, dining with friends and all outdoor activities.

You can reach Judy at 413-788-3763 or judy.cooke@ldbassociates.com

Charles Dammling - Regional Sales Manager



Charlie, who has been with us since December, has a territory that includes the states of New York and Connecticut.

The majority of his career was spent at SBC/SNET, now AT&T, where he was Director of Sales for the wireless, voice messaging and video services division. While there he earned the Corporate ICE Award and was a member of the President's Club from 1990-1998.

He is on the Executive Board of Directors for Quinnipiac University Athletics (his alma mater) and a member of the National Youth Sports Coaches Association. In addition, he is an inductee in the Connecticut Amateur Softball Association Hall of Fame.

Charlie resides in Connecticut with his wife, Denise and son, Chad. In his spare time this proud dad spends his time with his family and coaching Chad's baseball and basketball teams.

Gasoline

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As I sit in line, I begin thinking of the number of people that must pass through this one franchise a day. They must do a good business.

I know it by heart, my medium coffee is going to cost me \$1.80. After just spending over \$45.00 for gasoline, pulling the two dollar bills out of my wallet seems like pennies in my pocket.

But wait a minute! Let's put this all into perspective.

When I get back to my office, I look on the establishment's webpage and see that the medium size is 10 ounces of coffee. Ten ounces for \$1.80. Okay, there is 128 ounces in one gallon. That means that it would take almost 13 cups of this coffee to fill up one gallon. Oh my god! I pay over \$23.00 a gallon for coffee!

Keeping with my the glass is half full, not half empty creed. I can now fill up my gas tank with a smile on my face!

My car runs on gasoline, not coffee! Instead of paying over \$420.00 for my 18 gallon fill up, I'm only spending \$46.00.

Now, if only I could find a way for my body to take a liking to gasoline. My daily caffeine jolt would cost me less than 20 cents a cup!

LDB Joins CBIA

LDB is now a member of CBIA (Connecticut Business & Industry Association).

CBIA, representing Connecticut businesses for over 175 years, is the largest statewide business organization in the country. Their membership totals more than 10,000 companies.

CBIA sponsors programs and events that bring business, government, education and private enterprise together to work on common problems to promote a better business environment in the state.

To learn more about them, you can visit their website at:

www.cbia.com

Family Watch Dog

John Walsh from America's Most Wanted developed a website that everyone should know about.

www.familywatchdog.us

When you visit this site you can enter your address and a map will pop up with your residence shown as a small icon of a house.

You might see red, blue or green dots surrounding your entire neighborhood. When you click on these dots a picture of a person will appear with an address and the description of the crime he or she committed.

Another great tool to keep our families safe!