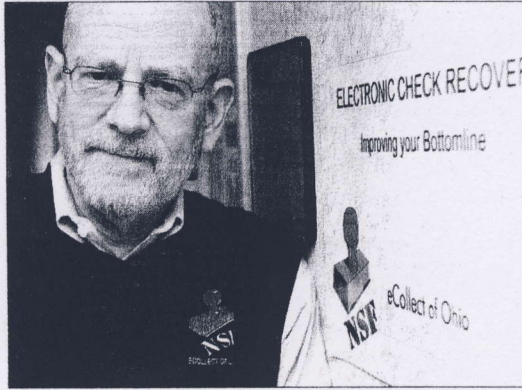


# BUSINESS MONDAY

THE PLAIN DEALER

## MY BIGGEST MISTAKE...



ROADELL HICKMAN | THE PLAIN DEALER

## Marketing has to be aggressive

Electronic bad check service can't leave its promotion to others

By Michael Kline, as told to Plain Dealer reporter Marcia Pledger

I never dreamed it would be so difficult to give away a good service.

I'm in the business of recovering money for companies and organizations when bad checks are written. I get a fee from the check writer, but there is no cost to my customers.

### ... AND HOW I FIXED IT

**Company:** eCollect of Ohio Inc.

**President:** Michael Kline

**Founded:** 2000

**Headquarters:** Bedford Heights

**Employees:** Two

Today, 350 organizations have signed up for the service. Some days the mail brings in as many

as 60 checks. More typically, at least 10 to 25 checks come in the mail.

The business has come a long way. But the first two years, I really couldn't call it a business. I couldn't get companies to sign up. They always wanted to know the catch.

My biggest mistake was thinking I didn't have to do anything after I got a little publicity.

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interested.

After six months, I realized that if I were going to give this business a shot, I would be the only one marketing it. I did everything from putting an ad in the Yellow Pages to direct mail pieces to participating in various chamber of commerce events and trade shows.

At trade shows and events, I got my sales pitch down to covering everything in a minute or two, letting prospects know that debiting money electronically could cut down the turn-around time from a week to overnight — or as soon as money is available. Electronic debiting means money is available overnight and avoids the need to resubmit a paper check.

Whoever I was talking to would say they understood. Then they would ask what it was going to cost. It was difficult. The fee comes from the customer and the fee is set by customers and is equal to what banks can charge in whatever state the customer is. In Ohio, it's \$30. In some other states, the fee is as low as \$20.

Throughout the years, I started creating more and more advertising collateral that spelled out the process of how the service works and addressed concerns I always

heard. No matter what type of marketing I tried, word-of-mouth continued to work best.

About a year and a half ago, I started advertising online, since this is an Internet business. I try to maintain a regular schedule of advertising on a few hundred Web sites each month.

The Internet expanded my business outside Ohio and opened my eyes to clients that I would have never even thought of — such as school districts.

Parents bounce checks all the time for lunch money, after-school programs, field trips, athletics and even fund-raising. After the third school district signed on, I realized that I should create some marketing materials that target school districts. Now we service four dozen school districts throughout Ohio, and I've learned to target our marketing efforts at different industries.

The business is growing, but it's a lot of work. Marketing this business is no different from marketing any other product or service. People evaluate it the same way as if they were paying for the service.

For more Biggest Mistake pieces go to: [www.cleveland.com/biggestmistake/plaindealer/](http://www.cleveland.com/biggestmistake/plaindealer/).

I was so wrong. I work just as hard to build this business as I do in my role as a certified public accountant.

After 20 years of working for large CPA firms, I started my own accounting practice in 1991, working with small businesses and individuals. Now eCollect accounts for about 25 percent of my revenues.

I first heard about the business of collecting on insufficient funds six years ago when I got an advertisement describing a new banking law that allows companies such as eCollect to go into the bad check writer's account and pull out money as soon as it was available. As a CPA, I was intrigued. In my field, you always have to hustle to sell your services. You're always trying to prove why you're better than your competitors. A lot of times it comes down to a fee.

After I did research on the company and the change in law, I thought that since the service was free, all I needed to do was get the information out there. I thought that would be enough.

That was my first problem. The next was trying to get a sales force together who could get the word out. I spent money on different ads, but after interested applicants learned it was strictly a commission job, nobody was