

Szabo at 45 . . . Middle Age, Media, and MORE!

Dear Friends:

It's our 45th birthday, and we think it's a good time to share some thoughts about the past, present, and future of Szabo. Our founder Pete strongly believed in the philosophy that a true leader in any endeavor must first define reality, then serve, and finally, say "thank you." Our commitment to all of you is to continue to define the reality of the media industry, provide the services that help you meet the demands of that reality, and always express our appreciation for the trust you have placed in us. From all of us at Szabo, thank you so much!

Our fall calendar of events includes Breakfast with MFM, October 13 in Atlanta, Georgia; the 2016 BCCA Media Credit Seminar, October 20 in New York, New York; and the Szabo Holiday Party, December 17 in Atlanta.

Best wishes for a fine fall season,



Robin Szabo, President
Szabo Associates, Inc

Szabo Associates has now officially reached middle age (at least according to the U.S. Census Bureau's definition). Some of us definitely have a few mid-life wrinkles, but we prefer to look at 45 as all should and many do—a time to look back, look forward, evaluate past accomplishments with the wisdom of experience, and set even higher goals for the future. Our company is organic and dynamic, with the collective culture and spirit of our people, past and present.

Pete Szabo.

For a young man, our founder Pete had considerable gumption as well as insight. At the age of 23 and barely out of college, he recognized that the media community had nowhere to turn for expertise and help in collecting media and advertising accounts receivable. It was an unmet need, and Pete intended to meet it. With a small office in Atlanta and a single telephone, Pete embraced the opportunity to provide leadership in the relatively uncharted territory of specialized media collections. He appreciated back then the philosophy that author Max DePree expressed later in his 2004 best-selling book, Leadership is an Art: "The first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant." When the company celebrated its 35th

anniversary in 2006, Pete wanted this quote to open the *Collective Wisdom* June issue, published the day before his passing.

The company has continued under the leadership of Pete's appointed successor, his brother C. Robin Szabo, who joined Szabo Associates in 1977 and served as vice-president from 1982 until 2006. As president, Robin has honored Pete's legacy . . . understanding the realities of the media industry and helping our clients understand the realities of debt collection; expanding our breadth and depth of service to meet the needs of a dynamic industry; and developing and appreciating long-term relationships with our employees, clients, and industry associations.

MORE.

Much has changed since our 35th anniversary. The internet and the World Wide Web, as they evolved, blew up the old concept of media marketing and never looked back. Social media, which began in the early 2000s, brought even more players, devices, and methods for consumers to get information. With the introduction of Facebook in 2004, social media engagement and adoption accelerated rapidly. Then came the Internet of Things (IoT), the connected world of billions of

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sensors, machines, and other non-human devices, which stands to shake up—again—everything we know about marketing. Keeping abreast of these fast-developing technologies, along with subsequent changes within organizations, became a new imperative for media, and Szabo Associates maintained our commitment to be the “go-to” partner for understanding the new digital environment while helping clients collect more money.

In view of these rapidly changing times, Szabo recently retired its “media jungle” theme for promotional materials and replaced it with a new theme: “MORE is better than less.” The new theme reflects Szabo’s commitment to continue our unequalled track record of success, collecting more media receivables for clients than any other company. In order to meet that commitment, we have expanded our capabilities to provide collection solutions for every type of media service provider—advertising, marketing, licensing, ad tech, production, and content distribution—while continuing to offer the specialized, personalized staff services that our clients expect and deserve.

Industry involvement is key to maintaining close relationships with our clients and keeping abreast of technological, legal, and structural changes that affect media. Our authorship and co-authorship of books and articles, speeches to various industry organizations, quarterly publishing of our industry newsletter, *Collective Wisdom*, and sponsorship of convention events are all part of our efforts to promote the exchange of information that we deem helpful to our clients.

Collective Wisdom Turns 30. In the mid-80s, Pete recognized that the company could provide

added value to media credit departments with timely and useful information related to credit and collections. Szabo published its first issue of our quarterly newsletter, *Collective Wisdom*, in July 1986.

The format back then was considerably different from that of recent years, with brief articles about how to improve credit and collections processes; “Collector’s Corner,” a Q & A forum to address clients’ specific concerns; “True Collections,” humorous short stories about the collection business; and “Szabo’s Forecast,” where Pete discussed his economic predictions for the coming quarter. The feature article in that first issue was “Sales and Credit—Tug of War or Team Effort?,” a subject that continues to resonate today!

In 1994, *Collective Wisdom* was redesigned in both format and content to reflect the growing complexity of legal, technological, and organizational issues facing the media industry. While we still hoped to entertain, we wanted our newsletter’s primary function to be a presentation of useful and “meaty” information in a concise and timely way. As the subjects became more complex, longer feature articles replaced the shorter, leaving room for little else except a brief letter from the president. Who could have known back in the 80s that we would be talking about digital advertising, programmatic buying and selling, and the Internet of Things?

Even so, we continue to cover the issues that are timeless as the tides. Credit policy, collection techniques, payment liability, interdepartmental challenges, due diligence, bankruptcy, and other credit and collection-related issues continue to be paramount within the swirl of industry change.

Some may wonder why we would publish information and suggestions that may help our clients to rely less on our services. The reason is that we regard our client relationships as true partnerships. We want you to collect the

maximum accounts receivable possible. If it is more cost-effective for your in-house staff to pursue collections, we want to support those efforts. When your resources are better spent on credit extension and other tasks for building business, we are here to collect on your behalf.

Our goal with regard to *Collective Wisdom* is to continue to stay ahead of the curve with information that is valuable both to seasoned credit professionals and to new staff members in your organization. If there are specific subjects that you would like us to cover in the future, please let us know. The issue that you hold in your hands is our 122nd, and we look forward to many more!

The Name of the Game.

Szabo continues to collect only for the media industry, and collecting MORE money for our clients is our one and only game. Our specialized staff have an average of 15 years in the collection business and are well-trained in the arts of negotiation and diplomacy. They understand that losing a client is costly, and often the difference between maintaining and losing a business relationship is how a debtor feels during and after the process.

Collecting more money for clients involves much more than asking debtors to pay up. Just as the best way to maintain a business relationship when all is well is with personal genial contact, it may be even more imperative when all is not so well. Rather than undermine all the good work that your organization has done to win a customer’s business, we utilize everything in our tool box to keep and even strengthen that relationship. A customer should come away from the collection process with not only a sense of fairness but also enhanced respect for its media client.

We keep our collection professionals’ caseloads light

so they can most effectively employ the best methods for the greatest returns on all levels. As technology continues to add complexity to every area of the media industry, we assign your account to an associate with specialized training and experience in your particular media. Our broad divisions—television, print, and radio—are composed of subdivisions that cover every area of media activity. Our television division includes the television industry (stations and representatives), cable industry (systems, networks, representatives, satellite companies, and interconnects), and entertainment industry (product licensing, programming syndicators, movie studios, and post-production companies). Our radio division serves the radio industry (stations, networks, representatives, and syndicators), and our print division serves the magazine industry (publishers and printers), the newspaper industry (newspapers), and out-of-home media (billboard, yellow pages, transit, and point of purchase).

Resources at Your Service. Szabo's DebtorNet® database is

the media industry's most extensive database of collection files, including detailed information on more than 600,000 media advertising companies, available for our clients' immediate access. If you need personal attention with any aspect of collections or debt recovery, our staff is available to help. We call this value-added service Szabo 411, and it is free of charge to our clients. Our library resource center is continually updated on issues related to debtor/creditor rights, ad agency and advertiser liability, media advertising law, and past court cases. Periodic industry surveys and relevant news releases are also available to help keep our clients informed.

Debtor bankruptcies can be extremely costly to media, adding up to millions in lost collections every year. Because we are experts in creditor and debtor rights in Chapter 7 and 11 filings, we help our clients throughout the bankruptcy claims process in order to reach the most favorable settlements and recover the maximum possible.

We want to provide you with the kind of reporting that will be most useful to your organization.

Your way is our way, and we can prepare virtually any documentation you need in any form you request—year-to-dates, monthly reports, and/or current account status. Our secure client portal gives you anytime access to your accounts, with printable files, active and closed. You can also link to your Szabo representative to share comments.

If you prefer that Szabo manage your accounts receivable, we are happy to provide the level of A/R management service you choose. Our expertise in credit-sales coordination, credit investigation, and contracts can be applied in a way that fits your internal policies.

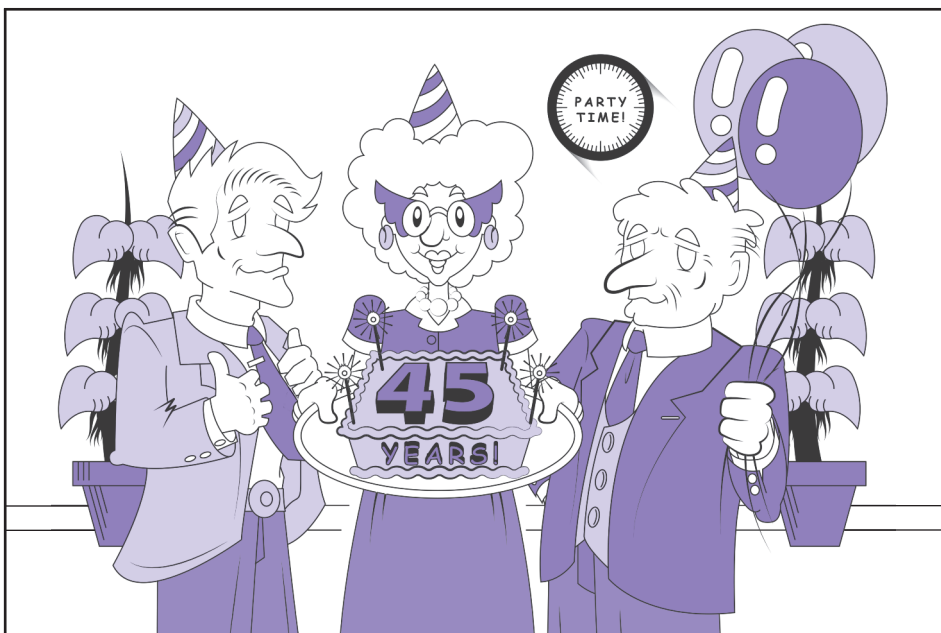
When All Else Fails.

Lawsuits are always the last resort in debt collections, but sometimes they are unavoidable. Our network of superior attorneys specializes in collections in jurisdictions all over the world. When we deem an account uncollectible, with your consent we forward it to the attorney in the proper jurisdiction and best suited to your case, and our representatives, staff litigation coordinators, and paralegals shepherd the process until its resolution.

Into the Future.

Media will always matter. Who doesn't love a good story, and storytelling is where the future of media is going. Digital infuses our lives with stories on every subject, and we like that it does. The savviest marketers realize that merging good storytelling with commerce is a win-win situation, and both marketers and consumers insist on a win.

Digital will continue its march through the media landscape like Alaric the Visigoth through Rome (but in a nicer way), creating new opportunities and challenges for media properties. The consumer landscape is also changing. Millennials and Generation Z, the first native digital generations,



Happy 45th Anniversary, Szabo Associates!
From Flo, the Boss, and the Sales Guy.

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Collective Wisdom® is a publication of
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already comprise 45 percent of the U.S. population, according to data presented by BI (Business Insider) Intelligence. These 35 and under consumers have profoundly different media habits than older generations, with smartphones being their apparatus of choice. Millennials and Zs are crazy about messaging

apps and, according to BI, the top four of these (WhatsApp, Messenger, WeChat and Viber) have about four billion users worldwide. Traditional media may struggle with the immensity and speed of change but will continue, out of necessity, to find their niches in the digital world.

Here is another certainty: The media industry will never be boring. For us, it will always be fun and serious at the same time. We enjoy our work, we like helping our clients get their due, and at the

same time, we recognize just how consequential and critical a business it is. We at Szabo Associates promise to continue providing the value-added and personalized services tailored to your organization's changing needs, and every day we will work hard to earn and keep your trust. That's true partnership, and that's what we will always be about. ♦