

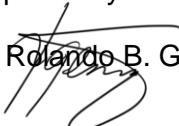
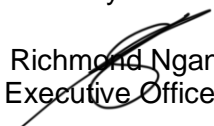
MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
ITEM TITLE :	THREE (3) STAGES OF COUNSELING	Ref. No.
DEPARTMENT :	OPERATIONS SUPPORT DEPARTMENT	OPS-16-03-1405
TO :	ALL BRANCHES/ AREA MANAGER/ REGIONAL MANAGER	

## OBJECTIVE

1. To educate the branch in the stages of effective counseling.
2. To guide the field personnel in the proper process of counseling customer to arrive at a win-win solution.

## POLICIES

1. It is always necessary that the field personnel be neatly dressed or presentable. Some customers tend to be offended or displeased when approached by a slovenly dressed individual.
  - 1.1. Find appropriate hair style;
  - 1.2. Uniform should be worn properly;
  - 1.3. Ensure good personal hygiene; and
  - 1.4. Do a final grooming check and ensure you look neat and clean.
2. Improper conduct or acts of discourtesy or disrespect to customers; using vile, provocative, abusive, profane or obscene language whether verbal or any other mode of communication is strictly prohibited.
3. Any payment arrangement entered into with the customer should be on a written form and should be recorded in the Field Customer Card/Index Card.
4. The customer should be the one to solve his/her problems. The field personnel are only there to guide him/her.
  - 4.1. The main objective of counseling is to bring about voluntary actions from the customer to resolve his/her present predicament and for this purpose the field personnel must provide options and schemes to achieve desire and suitable rehabilitation of account.
  - 4.2. The main goal of counseling is stimulating the customer to evaluate, make, accept and act upon his choice.
5. The field personnel should cease and avoid the following:
  - 5.1. Avoid giving remarks or harsh discussion with other members of the family when the customer is not around. Message could be deleted or be added when it reaches the right person.
  - 5.2. Avoid gossiping with their neighbors regarding customers arrears, we must understand that they also have reputations in their locality. However, in instances that the customers have intentions to transfer or ignore their obligation we can do neighborhood investigation.
  - 5.3. Avoid personal favors coming from the customers. Have a personal relation with them but maintain arm length or professional distance.

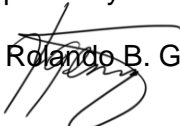
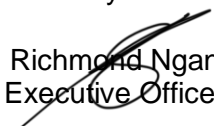
Prepared By:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  March 13, 2016	Page 1 of 4
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6. The field personnel must ensure that necessary counseling has been made prior to repossession of financed unit, reporting to barangay or filing of necessary legal case to court.

## PROCEDURES

### 1. STAGE 1 - PREPARATION

- 1.1. Study the following;
- 1.1.1. Customer's profile
- 1.1.1.1. The field personnel must study character and moods of the customers;
- 1.1.1.2. He must be familiar with Filipino values and traditions related to collections;
- 1.1.1.3. Prior to actual counseling, the field personnel must be observant and look and search for vulnerable area or "Achilles heel" of the customer; and
- 1.1.1.4. Relate to customer's social style.
- 1.1.2. Historical records of payment; the field personnel must be familiar with the status of the account. The Field Visit Card will be of great help in establishing the paying habit of the customer.
- 1.1.3. Reasons for non-payment and what you have to know such as but not limited to:
- 1.1.3.1. Excessive Debt (Denial, Evasion and Defiance)
- 1.1.3.1.1. Who does he owe, for how long?
- 1.1.3.1.2. What are the balances? What are the monthly payments due?
- 1.1.3.1.3. Which are delinquent? How much is the amount?
- 1.1.3.1.4. Total monthly income.
- 1.1.3.1.5. Is there sufficient income to pay all the debts and still support family?
- 1.1.3.1.6. Is the problem excessive indebtedness or plain mismanagement of income?
- 1.1.3.2. Illness, Disability and Accident (Begging for Sympathy)
- 1.1.3.2.1. What is the extent of the Customers' Illness/ Disability/ Accident?
- 1.1.3.2.2. What is his is time for recovery?
- 1.1.3.2.3. What is his income during the period of illness?
- 1.1.3.2.4. Does his Family or Company have reserves?
- 1.1.3.2.5. Can he avail of SSS, Employer, or relatives' assistance?
- 1.1.3.3. Marital Problem (Begging for Sympathy)
- 1.1.3.3.1. Discover where the spouse works.
- 1.1.3.3.2. Determine the seriousness of the problem.
- 1.1.3.3.3. Pinpoint who, if either one, plans to pay.
- 1.1.3.3.4. Identify who has ability to pay?
- 1.1.3.3.5. How? When? Where?

Prepared By:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  March 13, 2016	Page 2 of 4
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1.1.3.4. Debtor's Debtors are not Paying (Sympathy and Compassion)

1.1.3.4.1. Ascertain the magnitude of the debtor's receivable portfolio.

1.1.3.4.2. Identify the reasons for his debtors not paying.

1.1.3.4.3. What collection efforts were exerted to collect?

1.1.3.5. Force Majuere or fortuitous events. Investigate the causes and extent of the damage and its effect on the debtor's capability to fulfill his obligation. If needed, offer some assistance with proper, prudent and practical safeguards to our further credit exposure.

1.1.4. Best time to collect; knowing the following but not limited to payroll date, specific date of remittance from abroad; and harvest period of the customers is very important in counseling.

1.1.5. Analyze timing & physical environment.

1.1.5.1. Careful in selecting collection time. It should not interfere with customers' routine.

1.1.5.2. At the presence of another guest, refrained from directly stating your purpose of visit, since your presence was tacit, indication that you are collecting.

1.1.5.3. The field personnel must be knowledgeable and familiar with one's collection area. He should also have previous experience in dealing with the population of the area.

1.2. Anticipate; foresee for possible variables, issues, outcomes, alibis, and come up with a planned tactics.

1.3. Goal; establish a clear Goal and acceptable bottom line

## 2. STAGE 2 - ACTUAL COUNSELING

2.1. Important points to consider during actual counseling.

2.1.1. Always think Win-Win solution and your BACA (Best Alternative Counselling Agreement).

2.1.2. Be Positive and always stick on the issue.

2.1.3. Name of the customer must be used; avoid "Sir" or Ma'am". Personalize the interaction.

2.1.4. Conflict is unavoidable but it is acceptable. Discuss the differences, keep calm and don't end with dispute.

2.1.5. Establish common grounds; issue, interest, option for agreement and common goal

2.2. Actions to be done during actual counselling:

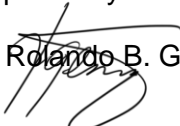
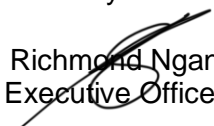
2.2.1. Listen;

2.2.1.1. Give your full attention. Use active listening skills (EARS).

2.2.1.2. Show interest to the person talking.

2.2.1.3. Maintain eye-to-eye contact.

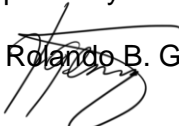
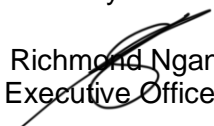
2.2.1.4. Do not interrupt / suspend judgement.

Prepared By:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  March 13, 2016	Page 3 of 4
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- 2.2.1.5. Lean forward a little; nod once in a while. Use short phrases to encourage her to talk: “Opo,” “Sige po,” “Talaga po”.
- 2.2.1.6. Seek permission to ask questions *“Pwede po bang magtanong ng mga ilang bagay?”*
- 2.2.2. Acknowledge;
  - 2.2.2.1. Acknowledge what the customer is saying.
  - 2.2.2.2. Paraphrase or restate in your own words what the customer has told you e.g. “Parang gusto po nyong sabihin ay...,” “Ang pagkakaunawa ko po ay ganito...”
  - 2.2.2.3. At the appropriate time, say something like: *“Ganun po ba ? naiintindihan ko po kayo...”*
- 2.2.3. Solution;
  - 2.2.3.1. Let the customer solve his own problem, you are there to guide him.
  - 2.2.3.2. Use the power of asking questions
  - 2.2.3.3. Focus on the solution rather than the cause of the setback and solicit customer’s suggestions on solving the problem.
- 2.2.4. Empathize;
  - 2.2.4.1. Amplify benefits of maintaining good account.
  - 2.2.4.2. Magnify the effects of failure to pay.
  - 2.2.4.3. Understand the predicament of customer, show that you care.
- 2.2.5. Reinforce;
  - 2.2.5.1. Never accept promise to pay on the following month.
  - 2.2.5.2. Ask for specific date but do not impose a date.
  - 2.2.5.3. Impose discipline from the start.
- 2.2.6. Periodically recapitulate key points in the discussion. Be sure to summarize your agreements and next steps before ending the conversation. Thank the customer.

### 3. STAGE 3 – POST-EVALUATION

- 3.1. Monitor new updates, result of the visits.
  - 3.1.1. Monitoring; pertain to the continuing process of checking updates of the result and implementation of what has been agreed upon during the counselling process.
- 3.2. Areas for improvement. What can I do better next time? Was it “My Best”?
- 3.3. Progress report and development should be noted.
  - 3.3.1. What has change?
    - 3.3.1.1. Account has been rehabilitated from overdue account to current status;
    - 3.3.1.2. From field paying to office paying; and
    - 3.3.1.3. Sustainable of the change.
  - 3.3.2. Customer paid on the promised date and promised amount.
  - 3.3.3. Impact of counselling to the customer paying habit and attitude after counselling.

Prepared By:  Rolando B. Galang	Approved by:  Richmond Ngan Executive Officer	Effective  March 13, 2016	Page 4 of 4
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