



## Government Collections Offer Growth Curve for MSB

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*Municipal Services Bureau has expanded for a decade in the government collections sector by offering top technology, trained collectors and a strong sense of ethics.*

It's a recipe for business success - see a need and fill it.

Thomas Giamboi founded Gila Corporation, operating under the name [Municipal Services Bureau](#), in Austin, Texas, in 1991 to offer something he felt was sorely lacking – collecting for court systems in the Lone Star state.

The idea paid off relatively quickly. In the mid-1990s, MSB expanded beyond its initial specialty of Texas court collections to handle collections, payment processing and call center services for municipalities, counties, colleges and other government entities nationwide. In 1997, MSB grew its collections for credit unions with the purchase of Busch Management Systems. MSB changed the unit's name to Gila Group, and brought it under the Gila Corp. umbrella.

[Gila Corp.](#) was recently recognized in Austin Business Journal as one of the 50 fastest growing firms in central Texas, and the firm is in the top 2,500 of the Inc. 5000, according to Bruce Cummings, chief marketing officer.

Government collections still make up the bulk of the firm's work, Patrick J. Swanick, Gila Corp.'s CEO, told insideARM. Swanick said that about 75 percent of the corporation's nearly 300 employees work in the MSB unit, 15 percent in the Gila Group unit and about 10 percent work in the shared administration area.

"Government collections is a growing industry," said Cummings. "One reason is because of budget constraints. There are [personnel] reductions in every department. On top of that, there's a greater willingness on the part of governments to outsource services."

The across-the-board reductions came at the same time that governments were looking for additional sources of revenue, with uncollected debt an obvious target.

Municipal Services Bureau filled this need by investing millions of dollars into technology – something the courts couldn't do simply to support collections, Swanick said.

In the last few years, the corporation added nearly 100 employees while supporting them with a Voice over Internet Protocol (VOIP) telephone system and predictive dialers to provide better data and tracking information. The company also added flat screen monitors for employees.

The technology helps MSB leverage its experience in government collections to compete with larger firms like Alliance One, Linebarger Goggan, NCO Group, and GC Services, said Cummings. "We have a proven ability to execute on contracts. We work only in government [collections]; it's a totally different business than private [sector] collections."

The combination of additional employees and expanded technology has helped the company maintain what Swanick said is an 18 to 20 percent growth rate "for several years." Now, the challenge is to "keep the right employees and to keep them well trained," Swanick said.

Training is essential because government entities have a mix of methods of doing business and different courts have different nuances for their collections, explains Cummings. "Anyone who gets involved in this needs to understand this part of the business. We take the time to understand how the courts work," he said.

Another essential element for the company is a strong ethics program, Swanick added. "Though as a court collector, we don't have to abide by the Fair Debt Collections Act, we behave as if we do."

Swanick said this approach is a major reason why GilaCorp. was awarded the Professional Practices Management System certification from the Association of Credit & Collections Professionals. ("[Gila Corp. Receives Professional Practices Certification](#)," April 21).

PPMS is a management system for collection agencies based upon developing, implementing and adhering to a set of industry-specific professional practices and policies. To date, only 45 firms have earned the PPMS designation.

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