



Account Management Solutions Incorporated

***Rental Account Management,
Marketing & Consulting
Prospectus***

Account Management Solutions Incorporated

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Account Management Solutions Incorporated

Complete Solutions to Your Account Management and Customer Service Needs

Dear Business Owner,

Congratulations on your choice to include school band and orchestra instrument rentals in your business. While I'm confident you're enjoying increased sales, profits and traffic within your store, I ask you to consider the following:

The success of any growing business depends on the proprietor's ability to continuously monitor, review and modify the various facets of the company infrastructure. It is the goal of every business owner to improve efficiency and cash flow, reduce overhead and maintain focus on growth and profitability.

While the concept of outsourcing is not new, it is one that is tactfully, almost secretly, used by many successful businesses in industries that dwarf the musical instrument market. The outsourcing of billing, collections, customer service and account management allows focus to be redirected to more creative and profitable tasks such as planning and marketing. This type of service has not been available to business owners like yourself, until now.

The service I'd like to introduce to you is in our company name, Account Management Solutions (AMS). We provide complete, convenient and cost-effective solutions to your cash flow and collections nightmares. By use of state-of-the-art information technology, paramount customer service and years of experience in the specialized rent-to-own industry, not only can we dramatically reduce your operating expenses, but also improve efficiency, time management and overall profitability.

I've enclosed more detailed information regarding our services for your review. To learn more about how profitable outsourcing can be to your business or to schedule a consultation, please don't hesitate to contact me at (866) 320-8626. On behalf of everyone at AMS, I thank you for your interest in our company and look forward to speaking with you again.

With regards,

Dawson Flinchbaugh
Marketing & Recruiting



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Profitability Through Outsourcing

How would you rate your rental account management? Are billing and collections out of control? Are the fruits of your marketing and business growth harming your profitability? Looking to improve cash flow, reduce overhead and streamline your rental operation?

The Time to Act is Now

AMS (Account Management Solutions) offers complete solutions to your account management needs. From billing & collections to customer service & marketing, we help business owners recapture and maximize the potential of their rental programs at a fraction of their existing operating costs. Consider these services and benefits:

▪ ***Hands-free Account Management***

Execute the contract, deliver the product and we'll take it from there! Our experienced staff will handle all contract entries, coupon booklet distribution, late notices, reminder phone calls and repossessions. There are no penalties or additional fees for handling high-maintenance, delinquent or uncollectible accounts. Further, our friendly but tenacious staff will keep your collection accounts to an industry-low. That means more money in your pocket and fewer accounts turned over to fee-based collection agencies.

▪ ***Seamless Integration***

We work behind the scenes of your rental operation to ensure your customers continue to associate all correspondence your business and trade name. High-volume clients (10,000+) further benefit from extended aliasing of checking accounts, toll-free customer service and mailings. Thus, customers will continue making checks payable to you, phones will be answered with your store name and funds deposited into your account may be accessed at your convenience.

▪ ***Safe and Secure Online Information Access***

The availability of customer account information extends beyond our personalized service to include password-protected, 24 hour access to our online database. By using the latest encryption and server configuration technology, security is never an issue, though always our first priority. Further, we do not sell information to anyone and do not use your customer data in the promotion of any other product or service.

▪ ***Advanced Direct Marketing***

Our automated information technology includes customized telemarketing campaigns. Let us inform your customers of upcoming sales, clinics and promotions at a fraction of traditional advertising costs. Customer feedback survey services are also available.



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▪ ***Improved Customer Payment Conveniences***

With AMS, customers may continue making payments at your store or take advantage of a host of alternative payment methods such as AUTOPAY, or automatic monthly payment by major credit card, check-by-phone, check-by-mail, as well as 24 hour access to our online payment options.

▪ ***Professional Consulting Services***

Our extensive experience in the specialized rent-to-own industry is available to you through our consulting service. We can show you how to maximize your program's efficiency and reduce overhead through improved technology, management and service.

▪ ***Direct Deposit and Detailed Activity Statements***

Reduce your payroll expense by eliminating the preparation and transportation of daily deposits to the bank. We can process and direct-deposit funds into your bank account electronically. Each month, you'll receive a detailed report of all transactions to and from your portfolio including posted payments, late fees, inventory control and the status of delinquent accounts. Now you can experience the convenience of a complete and accurate statement delivered to your office via mail, email or fax without the expenses and accounting nightmares.

▪ ***We Are NOT a Factoring Company***

We are nothing more than an outsourcing service of your data entry, billing, collections, posting and marketing responsibilities. We do not buy your paper and there is no recourse on uncollectible accounts. AMS keeps a small portion of the payments collected on your behalf. It's that simple!

▪ ***Reduced Exposure Through Increased Efficiency***

The quality of your account management and customer service have a direct effect on the credit requirements of your rental program. As collection matters grow out of control, credit criteria inevitably tightens. However, our proven efforts reduce collections and allow our clients to relax their approval process & enjoy increased unit volume.

Confidential Client Operational Survey

This brief questionnaire will determine your cost of account management & customer service.
Information will be held in strict confidence.

Monthly Revenue

Limited to your band and orchestra rental department

Rental income: _____

Maintenance/Service Fee income: _____

Late Fee Income: _____

Total Monthly Income or Actual Monthly Revenue: _____

Monthly Expenses

Account management and customer service related expenses

Payroll Expenses: (directly related to account management and customer service)

	Total Hours	Per Hour Wage	Weeks Per Month	Monthly Cost
Collections	_____	x \$_____	x 4.3 weeks =	_____
Repossessions	_____	x \$_____	x 4.3 weeks =	_____
Customer Service	_____	x \$_____	x 4.3 weeks =	_____
Payment Processing	_____	x \$_____	x 4.3 weeks =	_____
Accounting	_____	x \$_____	x 4.3 weeks =	_____
Office Management	_____	x \$_____	x 4.3 weeks =	_____
			Total =	_____
			Plus Benefits & P.R. Taxes =	_____

Total Monthly Payroll Expense _____

Operating Expenses: (directly related to account management and customer service)

Bank Charges (including credit card fees etc.) _____

Postage (billing, collections and other correspondence) _____

Telephone (long distance, line charges, etc.) _____

Occupancy (not including retail display area) _____

Insurance General (not including retail display area) _____

Utilities (not including retail display area) _____

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Office equipment rental/lease (postage machine, computers, letter folders, letter inserters, copy machines, fax machines, etc.) _____

Office Supplies (paper, envelopes, toner, paper clips, pens, etc.) _____

Collections/Field Work (collection work done outside of store location by sub-contractor and/or collection agency, as well as court costs and filing fees, etc.) _____

Legal and Professional Fees (Accounting fees, legal fees etc.) _____

Miscellaneous _____

Total Operating Expense _____

Expense Percentage analysis

To determine your account management and customer service cost as a percentage of revenue, please complete the following:

Total Operating Expense and Payroll Expense _____

Divided by the Total Monthly Income _____

Equals the total cost of account management and customer service in terms of percentage of income _____

If you're spending 13%-30% (or more) of your revenue on rental account management, AMS can save you a considerable amount of money as well as time, energy and valuable employee resources.

Cash Flow Analysis

Account management and collections performance is directly related to cash flow. To what extent are uncollectible accounts affecting your monthly income? Let's find out:

Monthly revenue (if all accounts paid on time)? _____

Number of active accounts? _____

Average monthly rental (w/fees)? _____

Total projected rental and service fee income by multiplying the total active accounts by the average monthly rental w/fees? _____

Subtract the Actual Monthly Revenue found above from the Total projected rental and service fee income

This is income that you are entitled to but not receiving _____

continued on next page...

Late Fee Analysis:

How much of your monthly revenue as a percentage is late fees? _____

If late fees do not account for at least 4-6% of your revenue, opportunities are being missed.

Credit Criteria & Productivity Analysis:

How many more contracts would be written if you could dramatically relax your credit criteria through improved collections? _____

Obviously, any number other than zero is an improvement. The purpose of this analysis is to demonstrate the opportunity for increased rental volume. Our largest account provides credit card references for approximately 40% of their approved contracts, thus, capturing the majority of the market their competitors turn away.

By what percentage would your retail sales and/or employee productivity increase by outsourcing the administrative tasks related to your rental operation? _____

While sales are more easily measured than productivity, it is suggested that your current payroll expenses could be redirected to other areas of your business or dissolved, either of which would directly relate to gains in your favor.

If AMS could help you...

Decrease your delinquent account volume and account management operating expenses while...

Increasing your rental volume, monthly cash flow and productivity...

What would you do with your extra time & money?



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Big Benefits to Businesses of All Sizes

AMS works with single-store businesses managing as few as 200 accounts as well as multi-location mega stores with tens of thousands of monthly rental receivables. You have nothing to lose and so much to gain by learning more about our account management services. Thousands of Customers, Clients and Vendors can attest to the benefits offered by our program.

Don't Take Our Word For It. Here's What Others In The Industry Have To Say...

"Working with over 1,200 music merchants and their delinquent rental accounts, we have come to understand the importance of a strong and successful receivables program. The AMS clients I've spoken with have always been 110% thrilled with their services. The effectiveness of the AMS program leads to better client service, more customer attention and fewer accounting nightmares. I would like to personally thank the management and staff of AMS for putting together an account management program for music merchants that makes sense; one that takes away the headache and adds dollars to many of our clients pockets."

-Robert Hecht Jr., President, Allen, Lewis & Associates Inc.

"AMS has been extremely consistent and effective in their collection efforts, thus, immediately improving our cash flow. The administrative workload on our employees has been reduced, allowing focus to be redirected to other areas of the business. I've personally been able to dedicate more valuable time to music educators and retail customers since incorporating the services of AMS."

-Larry LeBerte, Owner, Nuncie's Music, Birmingham AL

More detailed references and contacts to the industry's leading vendors are available upon request.



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Client Questionnaire & Data Sheet

Business Name: _____

Business Address: _____ City: _____ State: _____ Zip: _____

Business Phone: () _____ Business Fax: () _____

Internet URL: _____ Email: _____

Primary Contact: _____ Phone: _____ Ext: _____

Second Contact: _____ Phone: _____ Ext: _____

Please Choose a 6-Character Password You Will Use to Gain Access to AMS Reports Online:

Your Password: _____ Your Client Number (Assigned by AMS): _____

Number of Active Rental Contracts: _____ Number of Delinquent Accounts: _____

Current Billing Method (Check All That Apply): _____ Monthly Statement _____ Coupon Booklet
_____ Automatic Credit/Debit Card _____ Check-by-Phone _____ Payment via Web/Internet

Describe Current Collections Procedure: _____

Do You Negotiate and/or Settle Collection Matters? _____ Accept Payments at Store? _____

Reporting Requests (Frequency & Format): _____

How Should We Send Your Statement (Check All That Apply): _____ Mail _____ Fax _____ Email

Special Instructions: _____

How Should We Handle Deposits? _____ Mail Check to: _____

Direct Deposit (Bank Name & Account Number): _____

Describe Current Provisions for Product Repairs, Exchanges, Returns and Replacement (if any):

Thank you for providing the above information. In addition to this questionnaire, we ask that you also provide a copy of your current customer rental agreement and a sample of your customer database (electronic format preferred).



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Hands-free Account Management

Seamless Integration

Safe and Secure Online Information Access

Advanced Direct Marketing

Improved Customer Payment Conveniences

Professional Consulting Services

Direct Deposit and Detailed Activity Statements

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Reduced Exposure Through Increased Efficiency