



April 11, 2013

Wisconsin Family Business of the Year Award  
Smith and Gesteland LLP  
8383 Greenway Boulevard  
Middleton, WI 53562  
Email: [info@sgcpa.com](mailto:info@sgcpa.com)



Dear Nominating Committee:

Thank you for allowing State Collection Service, Inc. the opportunity to submit an application for the Wisconsin Family Business of the Year Award. We are proud to be involved in a process which clearly recognizes the importance of family businesses throughout the state.

State Collection Service has been serving the needs of creditors around Wisconsin and the country since 1949 and is known for quality service and leadership. Founded by Hilding Haag, the company is currently run by his son, Thomas Haag. The third generation of the Haag family is also involved with the company's growth and is poised to take over day-to-day operations in the years ahead.

Our company was founded upon the principles of integrity, respect, and solid ethical standards. Established as a family company in 1949, these principles reflect strong family values and a desire to deliver strong ethics and integrity through our customer relationships and collection practices.

For questions regarding our company or this application, please do not hesitate to contact myself or our Marketing Associate, Mona Sen:

Terry Armstrong, President  
State Collection Service, Inc.  
2509 South Stoughton Road  
Madison, WI 53716  
Email: [terrya@stcol.com](mailto:terrya@stcol.com)  
Phone: (800) 477-7474 x330

Mona Sen, Marketing Associate  
State Collection Service, Inc.  
2509 South Stoughton Road  
Madison, WI 53716  
Email: [monas@stcol.com](mailto:monas@stcol.com)  
Phone: (800) 477-7474 x384

Thank you again for this opportunity. We sincerely hope that you will seriously consider State Collection Service, Inc. for one of this year's prestigious Family Business of the Year Awards.

Sincerely,

Terry Armstrong, President  
State Collection Service, Inc.





**State Collection Service, Inc.**  
**Application for 2013 Wisconsin Family Business Award**



***Section 1: Nominator Information***

Contact name: Terry Armstrong, President

Relationship to nominee: Employee

Company name: State Collection Service, Inc.

Street address: 2509 South Stoughton Road

City/State/ZIP: Madison, WI 53716

Phone number: (800) 477-7474 x330 or (615) 330-9545

Email: [terrya@stcol.com](mailto:terrya@stcol.com)

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Section 2: Nominee Information

Company name: State Collection Service, Inc.
Highest ranking business member: Thomas Haag
Title: Chairman and Chief Executive Officer
Email: tomh@stcol.com
Principal owners: Thomas Haag
Year founded: 1949
Principal product/service: Accounts receivable management services
Number of employees company-wide: 256 employees
Street address: 2509 South Stoughton Road
City/State/ZIP: Madison, WI 53716
Phone/Fax: Phone: (800) 477-7474; Fax: (608) 661-3001
Website: www.statecollectionservice.com
Number of family members employed by the company (including board of directors): 3
Number of generations actively involved since the company was founded: 3
Number of generations currently involved in the company: 2
Generation currently running the company (1st, 2nd, 3rd...): Second
Please list all locations: Madison, Wisconsin; Beloit, Wisconsin; Woodbury, Minnesota; Geneva, Illinois
How did you hear about the Family Business of the Year Award?: Advertisement on Wisconsin Public Radio

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### ***Section 3: Tell Us Your Story***

In 500 words or fewer, describe the qualities that make this family and family business so special.

Not many businesses can say that they have continuously been in business for nearly 65 years – this is a fact everyone at State Collection Service is extremely proud of and one that makes our organization special. Strong leadership, first by founder, Hilding Haag, then by current CEO, Tom Haag, and soon by the third generation, Tim Haag, has helped to not only keep the company going, but has directly influenced the growth trajectory and success of the company. Following are a number of the qualities that make State Collection Service deserving of this award.

Integrity and best practices are at the core of our business. No other receivables organization in the nation has passed HFMA's Peer Review Process<sup>1</sup> – an industry-specific designation awarded based on very stringent criteria, won the Better Business Bureau's Torch Award<sup>2</sup>, and been certified in the industry standard PPMS Quality Assurance/Process Control System<sup>3</sup>. Most importantly, our complaint to call ratio is extremely low, averaging at approximately 0.0007% annually.

At State Collection Service, we consistently position ourselves at the forefront of innovation and change, leading the industry by example and reputation. Our company is often viewed as the benchmark for innovation, quality assurance, technological investment, training, and customer service initiatives that provide benefits to our client base. State Collection Service is committed to continuous improvement of the credit and collection industry, achieved through our active involvement in industry organizations such as ACA International. Several members of our executive management team including our Chairman and CEO, Tom Haag, are prominent and influential in various industry organizations such as ACA International, the largest and most reputable organization in our industry. State Collection Service managers and executives have been consistently asked to share their expertise and forward thinking, serving terms and holding certifications and membership positions in many prominent industry organizations. Our commitment to leadership, quality assurance and education within the credit and collection industry has helped raise the bar high for collection agencies across the nation.

Our company was founded upon the principles of integrity, respect, and solid ethical standards. Established as a family company in 1949, these principles reflect strong family values and a desire to deliver strong ethics and integrity through our customer relationships and collection practices.

Integrity is imbedded in all of our processes, practices, and interactions. State Collection Service hires, trains, and compensates our employees based on treating both our clients and our clients' customers with respect and dignity at all times. Our employees are held to a zero tolerance policy for complaints, and we employ stringent procedures for managing any complaints we do receive. From our hiring practices, to our training program, and continuing through our daily operational practices and customer service interaction, State Collection Service works to uphold our company vision – *Partnerships for a Lifetime*.

<sup>1</sup> <http://www.hfma.org/Content.aspx?id=1503>

<sup>2</sup> <http://wisconsin.bbb.org/torch/>

<sup>3</sup> <http://www.acainternational.org/education-professional-practices-management-system-ppms-quality-assurance-10275.aspx>

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### **Section 4: Company Profile**

In approximately 100 words per question, please answer the following inquiries.

1. Please provide a brief history of the company's business.

State Collection Service was founded in 1949 in Madison, WI by Hilding Haag. Established under the foundation of serving the needs of local creditors, Hilding and State Collection Service employees developed a culture and value system based on ethical business practices, integrity, and hard work.

Sixty years, over 250 employees, four locations, and a nationwide client base later, this culture and value system remains intact. Our foundation of ethics and integrity with clients, employees, and our clients' customers was validated by the Wisconsin BBB as we were awarded their Torch Award for Business Ethics and Integrity. Most importantly, we are extremely proud to continue serving our very first client (established in 1949), a local hospital in Madison.

2. How have you successfully linked your family with your business?

Of course, by maintaining family ownership since 1949, business and family are inextricably linked. By ensuring that the current owner's son is fully trained and capable of continuing the company's growth while he slowly steps away from the day-to-day operations, State Collection Service is positioned to continue its success as a family-owned business. Additionally, while it may sound clichéd, our employees too appreciate the benefits of working for a family-run organization – namely, that the company understands the importance of family and family life in the lives of our staff and encourages a healthy balance between work and home.

3. Describe the impact the company has had on the community.

State Collection Service is committed to stewardship within the communities we serve; in fact, this is one of the company's core values. Not only do we make financial contributions to various organizations, our employees regularly commit their time and resources to charities in and around our offices. Some of the organizations we have supported include The Salvation Army, Special Olympics, the Children's Service Society of Wisconsin, American Red Cross, Second Harvest Foodbank, and March of Dimes among others. In addition, we have made large financial contributions to Meriter Hospital and the American Family Children's Hospital in Madison.

4. Has your family developed innovative business practices that have helped the family business succeed from one generation to the next?

The key to any company's success is the documentation and following of critical processes and practices. Nearly 15 years ago, the company improved significantly in this area by implementing a comprehensive

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management system based upon the ISO 9000 standards called Professional Practices Management System (PPMS). This is industry-based system provides a framework that assists companies in continuous improvement and tracking of all client and internal activities. By integrating the system throughout the company, we are assured of a consistent process for improvement and change. All activities are tracked through five key components: client issues, non-conformances, IT requests, third party disagreements, and continuous improvements. The company goes through an annual audit to ensure we are following the established policies, procedures and work instructions. This process ensures that company will follow standard practices from one generation to the next.

5. How do the family's values influence the business?

The fundamental values with which Hilding Haag started this company – honesty, integrity, ethical behavior, fairness, and community – continue to be the basis of our business today. Everyone who works for State Collection Service understands our values and is expected to follow a Code of Conduct that further outlines the importance of our core values. Working in a much-maligned industry, we make every effort as an organization to rise above, not only helping our clients, but also working with consumers every day to strengthen their own financial situations.

6. Describe your growth in sales, employees, profits, locations, etc., since the company's beginnings.

State Collection Service has experienced its largest growth, more than doubling its revenue in the past five years. We have grown from a "mom and pop shop" established in 1949, to a nationally-recognized and respected company employing over 250 individuals across four locations. Most importantly, we maintain a significantly lower rate of turnover than the majority of competitors in our industry.

Our revenues have increased substantially, year-over-year averaging over 12% annual growth, for the past decade, and continue to grow year after year. In the past 15 months alone, we have brought on nearly two dozen new clients and currently serve nearly 150 hospitals, over 150 physician groups, 600 ambulatory centers, and 1,200 home health agencies around the country.

The company has been profitable every year since its inception.

7. Is it the family's intention to pass on the business to future generations? If so, how are major management decisions made, and what succession planning steps have been taken?

Yes, it has always been the family's intention to pass the business on to future generations. Currently, management decisions are made within our Executive Management team with key input from the current owner, Thomas Haag, and his son, Timothy Haag. In addition to being a part of all major organizational decision, Tim is supported by a strong group of management team members, all of whom have come to the company with a long history of experience within large corporations. Additionally, the company has brought in a veteran President to mentor Tim Haag and prepare him for succeeding as owner.

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### ***Section 5: Additional Information***

In order to create a complete picture of the company, please provide brochures, sales materials, catalogs, copies of articles on the company or family, photos of family members and staff, business location, and historical photos. Please send an electronic file of your company logo (300 DPI in JPG or TIFF format) to [info@sgcpa.com](mailto:info@sgcpa.com). Electronic photos will also be accepted as part of the nomination.

**As requested, one copy of these materials has been provided separately.**

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