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## Positive cash flow

An upbeat attitude has helped Gail Cullen make a career of bill collecting

[Douglas E. Caldwell](#)

Gail Cullen doesn't break kneecaps. As one of Silicon Valley's most veteran bill collectors, she prefers the nice-guy approach. It has served her and her company, Collectal Associates, well for more than three decades.

"I've had some bad times, but that's a part of life and I can't let it bring me down," she says.

People who first meet her and see her personality can't believe she runs a collection agency.

"Some people think we repossess kids," she laughs. "But it's easy because it's business. The money is not owed to me personally. I'm working for my client. And a lot of times that's really important because some of my clients are so angry and frustrated."

"That's why she's so successful," says Pat Forst, president of Forst Commercial Real Estate of San Jose and a longtime friend.

Another friend, Al Zapala, partner in the San Jose law firm of Herr and Zapala, agrees — but sounds a bit bemused.

"She always looks at the positive side of things. I wish I had her ability to do that," he says, adding, "She has the street smarts and knows how to deal with the people, and that has done her very well in her job."

Ms. Cullen is a third-generation San Josean. "My grandfather as a little boy delivered groceries to the old lady at the Winchester House," she says, referring to Sarah Winchester, whose home is now a world-famous tourist landmark.

"I can remember when Valley Fair [mall] wasn't there," she says.

But while the valley has changed in many ways, one thing has remained constant: The need to collect overdue bills.

Ms. Cullen joined Collectal as a part-time file clerk a year after her father and a partner founded it 35 years ago. She hasn't left, taking over her father's portion of the business when he retired and then buying out the partner when he decided to retire.

Ms. Cullen is active in community events including serving as a member of the executive committee of the San Jose Silicon Valley Chamber of Commerce.

"When a lot of people get into business, they tend to bury themselves in the business. Every time you do that, you end up losing business because you're not open to what your clients are telling you," she says. "Because I'm a small business, I've got to make [my clients] want to do business with me, not have to do business with me. So I have to be out there — visible."

Unlike many businesses, a collection agency has a unique problem in that many of the people with whom it deals are frustrated and angry, both the people owing money and those trying to collect it, Ms. Cullen says.

"I have to be a little bit understanding," she says. "You're going to get a lot more with sugar than with vinegar."

Unlike other collection companies, Collectal does not go knocking on doors, she explains. Its collections are handled with phone calls, mail, and "if push comes to shove," with litigation.

"In 34 years I've only been threatened once," she recalls.

People and companies owe money for a variety of reasons, she says. Some simply can't pay, but some cases could be considered fraud, such as buying something with a knowingly bad check.

"The people we're collecting from know they owe the money. It's not a surprise," she says.

There is no "typical" debtor, she says. "I have had accounts against the little guy and I've had accounts against the multi-multimillionaires, against a judge, against city officials — it's all over the block," Ms. Cullen says.

She says that contrary to what might be expected, the collection business does not necessarily boom during recessions.

"If the person doesn't have a job, he can't pay me either," she says.

Collectal charges a variable commission on collections. When Collectal presents a check to those who've given up on ever getting their money, "it's like found money," she says — even after deducting the commission.

For some clients, the money collected by Ms. Cullens' company means the difference between staying in business and closing the doors.

"I'm necessary because if they are going to keep their mind on current business, I'm dealing with the dead weight. They need to work the current accounts," she says. "The difference between what I do and what someone else does is I have the time, because this is all I do and I have the expertise."

Collectal will take any size of case, she says. Clients include storage firms, lawyers, dentists and property managers.

"Every business out there is a potential client," she says. "As long as they can prove to me the money is owed, they can be a client."

Collection agencies are federally regulated and Ms. Cullen says her company is careful to adhere to all regulations.

"I have to be very careful that I'm reporting true and correct information," she says. "I have to make sure that my clients' information to me is correct."

After work, Ms. Cullen enjoys cooking.

"I have more than 300 cookbooks," she says. "There isn't anything that I cannot cook. I love to cook."

She holds small dinner parties for friends in her San Jose home and can spend an entire day preparing the meal.

At a recent dinner, the menu included osso bucco — veal shanks "which are cooked long and slow in wine" — along with other Italian favorites.

Ms. Forst has enjoyed Ms. Cullen's cooking on many occasions. She was among those invited to the osso bucco dinner. "It was absolutely wonderful. It was 'dee-lish,'" she says.

Golf is another passion, although Ms. Cullen indicates that Tiger Woods needn't worry. When asked what her handicap is, she replies, "Golf."

*Douglas E. Caldwell is Web and broadcast producer for the Business Journal.*

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