

# BUSINESS CREDIT MANAGEMENT ASSOCIATION

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## Ten Risk Reduction Rules

1. Take time to confirm customer commitments in writing.
2. Always check customer purchase orders for non-standard payment terms.
3. Given a choice, call customers sooner rather than later to discuss delinquent debt.
4. Request regular financial statement updates from active accounts.
5. Don't delay reviewing new data... even a speed scan is better than ignoring important information.
6. Always ask about the status of the entire past-due balance.
7. If appropriate, require rather than request customer financial statements.
8. Prioritize collectors' collection calls in descending dollar value.
9. Don't delay difficult decisions waiting for perfect data.
10. Require prompt payment of the undisputed portion of any disputed invoice.

*Michael is a frequent Webinar presenter for WCA, and the author of the Encyclopedia of Credit, a fast, free, searchable online resource for credit professionals: <http://www.encyclopediaofcredit.com/>. All Rights Reserved.*

