

# BUSINESS CREDIT MANAGEMENT ASSOCIATION

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## Ten Tips about Handling Disputes between Sales and Credit

Not surprisingly, the credit department and the sales department will disagree from time to time about customer credit limits and terms, or about how a particular problem such as a serious delinquency issue should be handled. This can lead to tension between the two departments. Here are some ways to work toward a better working relationship between sales and credit:

1. Agree to disagree, but refuse to take disagreements personally.
2. Disagree in private. Public arguments tend to entrench each party in their current position.
3. Take the initiative in trying to mend fences and build bridges between sales and credit.
4. Communicate openly. Do not hold things in, and do not hold back facts.
5. Listen actively. Listen with an open mind. Listen for new facts and insights.
6. When you disagree with the sales department's position, ask the salesperson to suggest a creative solution, or try to work cooperatively at finding solutions to a problem.
7. If you think you "might" be wrong, get a second opinion before making a final decision.
8. Do not wait for perfect information to make a credit decision, or demand perfect supporting documentation in order to authorize the issuance of a credit memo.
9. Make sure subordinates understand that an "Us against Them" sales-credit relationship is unacceptable to you as the department manager.
10. Admit when you are wrong, and correct the problem immediately.

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