

# E~Credit News

The Business Credit  
Management  
Association Wisconsin

April 2019

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## "THE ART OF GETTING PAID – QUICKLY!" FULL-DAY SEMINAR

April 11, 2019 | 9:00 AM—4:00 PM

It has never been more important to GET PAID QUICKLY. In any economic climate, companies will use trade credit as a substitute for bank loans & take advantage of any opportunity to delay payment. DON'T LET YOUR PROFITS SUFFER, make sure you have a well-trained and effective team looking after the interests of your business!

•Have you heard the same excuses time after time?

- Would you like to know how to get paid on every collection call?
- Have you ever had a check promised that did not arrive?

IF YOU ANSWERED YES TO ANY OF THESE QUESTIONS, THIS SEMINAR IS FOR YOU!

During this – You will learn:

- ◇ The 4 real benefits of getting paid quickly and how to make them happen.
- ◇ The 3 keys to creating a truly confident and effective collection personality.
- ◇ The 8 communication skills that will get you paid quickly and keep customers happy.
- ◇ The 6 reasons all past-due customers pay bills and how to use them to your advantage.
- ◇ SO MUCH MORE!

### A FULL-DAY COLLECTION SKILLS SEMINAR

This program is packed with practical ideas to help you deal with excuses, delaying tactics, cash-flow problems, and even bounced checks. You will learn:

- √ THE 3 KEYS TO SUCCESSFUL COLLECTIONS
- √ POWER COMMUNICATIONS
- √ INFLUENCING SKILLS
- √ DEALING WITH EXCUSES

Click [here](#) for the meeting announcement or register [online](#).



## "Proofs Of Claim And Trading Claims Webinar

April 23, 2019 | 3:00 PM - 4:00PM

When it comes to proof of claim, "there best is done deliberately, with information compiled immediately upon learning of the bankruptcy case." And where does your claim stand amidst

other claims? When it comes to claims trading, let's understand the enticement to sell your claim and apply reason. In most cases, "Honey Don't" (Apologies to Lady Macbeth and Ringo Starr).

Click [here](#) for the meeting announcement or register [online](#).

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**MEMBER NEWS:**

Congrats to Pam Greenberg, XL Screw on her March marriage and best wishes to Mr. & Mrs. Byk on their future together.

If you have something you would like us to announce please send an email to [admin@wcacredit.org](mailto:admin@wcacredit.org)  
Subject line: Member News

## SEVEN TRAITS OF TRUE CREDIT PROFESSIONALS

"If you're someone who's meant to be in Credit, you'll probably love the experience," says Janet Flack, CCE, credit manager for Northwestern Pipe Inc. (Portland, Oregon). "If you're in credit but you're not meant to be, it will 'eat your lunch.' "

Flack is someone who was meant to be in credit and loves what she does. In addition, she takes care to make sure that the people she hires to work with her are also meant to be in credit--not just people "looking for a job."

One way she could determine which applicants will work out well would be to simply hire carbon copies of herself. However, she realizes that such a strategy would be narrow-minded and shortsighted.

So instead, she has studied the traits, characteristics, and qualities of the most successful credit professionals she knows as colleagues in her credit industry group. "Networking with these people has been a very worthwhile experience for me, both in terms of the practical information I have learned and as in identifying the most important traits, characteristics, and qualities required for a successful career in credit."

Over the years, she has identified seven characteristics that are extremely important for success in credit, and she looks for these when interviewing applicants for positions in her department.

## SEVEN TRAITS OF TRUE CREDIT PROFESSIONALS (CONTINUED)

1. **Flexibility.** "A person who is demanding and will only accept things when they go his or her way will simply not make it in Credit," she emphasizes. "Credit professionals must be flexible and willing to change--willing to work with customers in unusual and unique circumstances." (It is the lack of this characteristic, in fact, that Flack has seen as the causative factor when employees in other companies who are new to credit get "eaten for lunch" quickly and decisively.)
2. **Open-mindedness.** While this is similar to flexibility, it is a bit different. Open-mindedness refers to being open to changes and open to suggestions related to individual work habits and career growth. "Adapting to changes and suggestions usually leads to professional and personal growth," she explains.
3. **Negotiating ability.** A person with good negotiating skills is someone who is able to relate personally to customers, listen to their situations, and arbitrate payments. While negotiating ability is a skill that can and must be learned and honed over time, the basis for the skill is the characteristic of sensitivity, according to Flack. "Every customer and situation is different, and you must be sensitive to these each and every time you're working with a customer," she notes.
4. **Honesty.** This involves being honest with people in your own department, employees in other departments, customers, and colleagues (credit professionals in other companies with whom you have contact). In fact, in interacting with successful credit managers from her industry group, Flack has found them to be among the most open and honest people she knows in any profession or walk of life.
5. **Leadership.** While the credit department is a support function for the company and exists to serve the needs of the company as a whole, credit professionals must still take a leadership role, according to Flack. "They must be able to communicate and cooperate with all types of individuals," she emphasizes.
6. **Dedication, dependability, and reliability.** While these are three distinctive characteristics, they all revolve around a single theme of commitment--commitment to the profession and to the company. "Credit professionals must realize that they have careers in credit, not just jobs, and they must enjoy those careers," she says. They must understand, and be willing and able to actively support, the department's and company's goals related to credit and collection. "In addition, they must be willing and able to give 100% to what they do--doing whatever it takes to complete the task."
7. **Education.** The credit professional is also someone who understands the importance of continuous education and is committed to the continuing education process. In fact, one of the questions Flack specifically asks job applicants relates to existing and previous continuing education involvement.

## Seven Traits of True Credit Professionals (continued)

### The Interview

Flack admits that it is difficult to identify all of these characteristics quickly and easily during job interviews. She must rely on educational background, employment background, reference checks, and traditional interview questions. However, to begin to get a sense of just how well an applicant might fit into the profession, she utilizes two strategies:

1. She asks applicants what they expect from the company and from their jobs/careers. "I ask what they want from us, as well as where they want or plan to be a few years down the road," she says.
2. Without getting too personal, she asks some general questions about applicants' personal backgrounds and interests.

"Both of these approaches tend to loosen people up, eliminate the nervousness that goes with being interviewed, and emphasize that I'm interested in them," she explains. "All of this works together to get them to open up and talk about themselves."

It is then that Flack is able to gather the insights she needs into how many of the characteristics the applicants possess.

## Collecting for Services

**"All we sell is time," notes Greg Baker, CPA, owner of Baker & Company (Buffalo, NY).**

**"Because we've already provided that time and covered our own payroll, we can't slow up our accounts payable just because our accounts receivable are slow."**

Given this problem, Baker has developed a number of strategies designed both to collect from recalcitrant clients and to reduce collection problems in the first place. When he takes on a client, he likes to get a retainer if possible. "However, if the company is obviously very successful and will present no payment problems, a retainer may not be necessary."

Baker has found that the best bulwark against delinquency is a full discussion of his range of fees with new clients. "This gives them an idea of the type of billings they can expect to receive so that they can plan for them," he explains. This helps eliminate the problem of new clients not paying because they were either confused about the billing process or surprised at the fee structure.

If he agrees to take on a high-risk client, he asks for payment up front. This prevents collection problems later. His collections strategies include . . .

- 1. Monthly billing for all work in progress.** "This helps to eliminate any large bills from accumulating," he explains. "A senior manager and I go through every bill and compare it with the work in progress to make sure that the billing and narratives are correct," Baker says. "We want to make sure every bill is fair, based on the work we've done."

## Collecting for Services (continued)

**2. Computerized billing.** "Our program helps us keep on top of aging's and missed payments on a daily basis," he says. "We can identify any problems quickly, such as a dependable client beginning to run late."

**3. Computerized running totals for each client.** If he finds that a normally small client is accumulating more billing than usual during a year, he will place a call to the client explaining why the billing is unusually high. "I also explain what I think the fees will settle back to the following year," he says.

**4. A rubber-stamped "Past Due" on statements** to delinquent accounts and often a handwritten note explaining the urgency of payment. These notes almost always generate a response from clients, in the form of either prompt payment, or phone calls in which clients express a desire to work out some form of payment arrangement.

Baker will usually cooperate with any client who is having financial problems and who has a sincere willingness to work out an equitable payment arrangement.

## "Let Me Speak to Your Boss"

**A credit manager friend of ours received an interesting call a while back from a customer in response to a 10-day free demand on a past-due balance of less than \$5,000. The background is as follows, and we will let her tell the story in her own words:**

"Up until two months ago, the customer was on open account terms, but because of their poor payment pattern with us and other vendors, I changed the terms of sale to COD company check. The customer agreed to purchase on these terms.

"With their first sale on COD terms, the check bounced. I tried to contact the customer for two weeks. When that did not work, we issued a final demand. In response, I received a call from the company's CFO, who reported that they had received the final demand and wanted to work something out.

"I responded that I wanted the bounced check replaced immediately. But the CFO contended that I had 'a legal duty and a moral obligation' to allow them to make payments to clear this past-due balance.' I disagreed and told the CFO so. I also asked the CFO to cite the state or federal law requiring them to offer this accommodation.

"Next, the CFO employed a common tactic: she indicated that if I placed her account for collection, we would only receive a portion of the balance owed because the collection agency would take its share in the form of a contingent collection fee. I responded that the topic was not one that I was prepared to negotiate, and that partial payment through the collection agency was better than none.

"The CFO also argued that my actions were not well reasoned and not carefully considered, and I responded that my company did not make deals with customers that bounce checks and that my decisions were consistent with my company's policies for dealing with NSF checks. I also told the

## "Let Me Speak to Your Boss" (continued)

CFO that I was unwilling to discuss the underpinnings for the company's policy and that it was not the CFO's problem but mine that a collection agency would take a portion of whatever they collected.

"The CFO next asked to talk to my supervisor - another common tactic. I told her that I was responsible for the decision and there was no reason or justification for involving my boss in this matter, especially for a bounced check that was less than \$5,000.

"In my opinion, the reason the CFO called me is that she finally realized that we were serious. Clearly, the customer did not want the stigma of being placed for collection, but as I told her, not everything is negotiable, and clearly this is an issue where I had no reason to be flexible. One final thought: if this customer could not pay less than \$5,000, there was no reason for me to believe it would make a series of progress payments. Clearly, their financial problems were worse than I had thought."

Thanks to Credit Today's [Tip of the Week](#).

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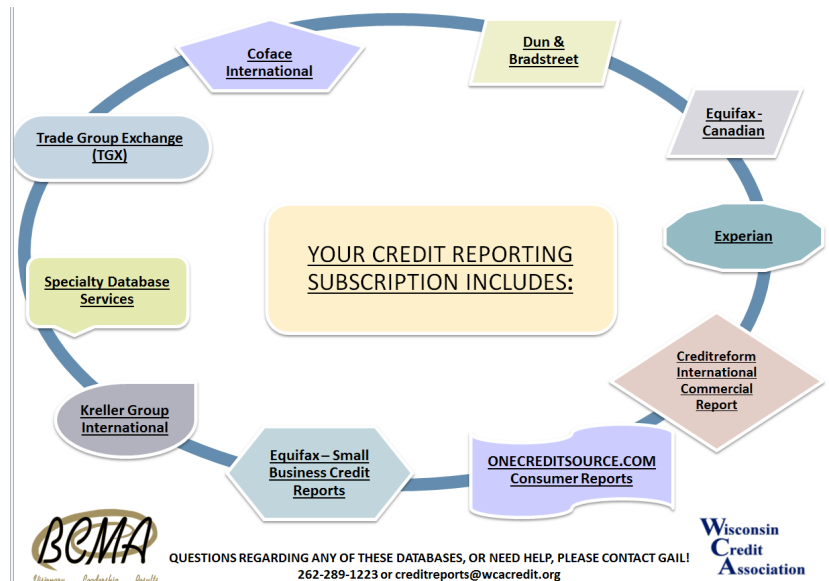
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Would you like to contribute to the BCMA Newsletter? The most important part is your idea. We can handle the polishing. Just write to us at [BCMAEditor@Credit-Today.net](mailto:BCMAEditor@Credit-Today.net) with your idea!

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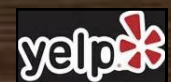
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**UPCOMING INDUSTRY CREDIT GROUP MEETINGS**



**APRIL 9, 2019**

Regional Paper & Packaging Industry Credit Group  
Book of Reports only

**APRIL 10, 2019**

Plumbing & Heating Industry Credit Group  
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**APRIL 12, 2019**

Electrical Suppliers Industry Credit Group,  
Delafield, WI

**APRIL 16, 2019**

Building & Construction Materials Credit Group  
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Fine Paper/Graphic Arts Industry Credit Group  
Teleconference Call

**APRIL 18, 2019**

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**APRIL 22, 2019**

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**APRIL 23, 2019**

WI/IL HVAC Industry Credit Group  
Rockford, IL

**APRIL 24, 2019**

Food Service Supply Hospitality Industry Credit Group  
Pewaukee, WI



**2019 Education**

**April 11**

"The Art Of Getting Paid – Quickly!" Barry Elms full-day Seminar

**April 23**

"Proofs of Claim & Trading Claims" Webinar  
May 16  
"Smart Credit Policies That Improve Collections" Webinar

**June 04, 11, 18, 20, 2019**

"Financial Statement Analysis" Webinar Session ~ A Six-Hour Online Crash Course  
**June 18**  
"Equipment Finance Issues & Bankruptcy" Webinar

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