

BUSINESS CREDIT MANAGEMENT ASSOCIATION

15755 West Rogers Drive, Suite 200, P.O. Box 510157 * New Berlin WI 53151-0157
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www.wcacredit.org

What is Character?

Character is one element of the Credit's 5 Cs, along with Capacity, Capital, Collateral, and Conditions.

So what is Character?

Your decision about a company's character is an opinion.

The Josephson Institute has the Six Pillars of Character ---- the six values are trustworthiness, respect, responsibility, caring, fairness, and citizenship.
<http://charactercounts.org/sixpillars.html>

It may sound hokey or impossible to identify until you think about what you consider important in your customer relationships.

To have a successful company, most of your customers must have most of these character traits on any given day. All customers have bad days, but for most, they are days not weeks, months, or years, and they are exceptions to how they usually act. Here are examples, in my opinion, of customers with good character.

- Trustworthiness - You can verify the credit information on independent sources. During the relationship, the customer's word is kept.
- Respect - You ask them for more information and they give it to you or offer alternative information that works for them.
- Responsibility - When there is a problem, they acknowledge and act to remedy it.
- Caring - The customer wants to make sure you have received what you needed, such as payment. The customer realizes you are in business as they are. --- To make money and grow, doing what you do best.
- Fairness - The customer values the relationship with your company and wants to balance the values of the problems and solutions. The intent is to settle the matter not get the upper hand.
- Citizenship - They are long established in the community and contribute to improving it.

The company with character traits that violates what you consider important to your company is not one that you want as a customer. In my opinion, these are examples of character traits they lack that make them unacceptable customers.



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Lacks Trustworthiness - The Company misrepresents or lies about their credit information or other details with orders.

- Lacks Respect - The Company is outraged that you would ask more financial details to approve their credit limit or question them about most anything.
- Lacks Responsibility - The Company makes you chase them for payments or payment promises.
- Lacks Caring - The Company thinks only of their well being and not about your company or payments.
- Lacks Fairness - The Company wants to win an advantage in everything.
- Lacks Citizenship - The Company or its individuals may get in trouble in their community.

When you find companies that lack character traits you want in customers, know that doing business with them has a higher likelihood of risk and loss.

Tom Hoyum
