

E~Credit News

The Business Credit
Management Association
Wisconsin

September 2018

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**Wisconsin
Credit
Association**



"Proofs Of Claim And Trading Claims" Webinar September 11, 2018 3:00 - 4:00 PM

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 and register soon! You can also register [online](#).

2018

Credit Professional's Conference

September 18 September 19

**COST
INSURANCE
FREIGHT
& INCOTERMS**

2018 CREDIT PROFESSIONAL'S CONFERENCE & ICE MEETING SEPTEMBER 18 & 19

This year's event will be held at the Hilton Garden Inn located in Oshkosh!

The sessions you've asked for are on the agenda:

- ◆ The Science Behind Success led by Bruce Christopher
- ◆ Dealing With Difficult People
- ◆ Practical Ways to Manage Your Accounts Receivable
- ◆ Business Credit Mastermind Round-table Discussion
- ◆ Incoterms 2010 led by Frank Reynolds

[Click Here](#) to download the CONFERENCE ANNOUNCEMENT.

[Click Here](#) To See Who Is Attending.

[Click Here](#) To Register Online.

[Click Here](#) for Silent Auction & Sponsor Details!

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What's on the Auction Block so far? Click [here](#) for a list of DONATIONS & SPONSORS supporting our efforts this year (to date).

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Bev MacBrien

Pentair



**If you have something you would like us to announce
please send an email to
admin@wcacredit.org,
Subject line: Member News**

Customer Information Requests--Ten Requirements For Doing it

Take a critical look at the form you use for requesting customer information from fellow creditors. Is it polite, clear, complete, and professional looking? One credit manager friend of ours complains that many he receives fail to meet these reasonable standards.

"My pet peeve is receiving requests for credit information from companies with little consideration of what I consider the proper etiquette for sending a credit request," he says. "The request is a reflection of the sender as a credit professional and of his or her company. Using copies of copies of copies of a request form should be an embarrassment."

He notes that he does not reply to some requests simply because they do not contain what he considers a minimum of information. "One request asked me to fill in my name, address, phone number and sign it," he says. "Sorry, but if you don't have the time to fill in that information, I certainly don't have the time for your request and you will not receive a response."

Another request did not state that the information would only be used for credit purposes by credit personnel and all information will be held in the strict confidence. "If you don't make these statements," he says, "you won't receive a response."

Ten Requirements

He details ten requirements for any credit information request he receives:

1. The request is on your company's letterhead, which includes the address.
2. The request is dated.
3. Is the request routine or a rush?
4. A statement of how information will be used and/or purpose of the request.
5. A statement that all information provided will be kept confidential.
6. The name and address of the company you are requesting to provide information.

Customer Information Requests--Ten Requirements For Doing it Right (Continued)

7. The name and address of the credit reference. (For best results, include owner(s) name, mail address, ship to address and any dba.)
8. Information requested
 - Date opened or sold since.
 - Recent high credit,
 - Total balance owed
 - Amount past due.
 - Payment habits (Prompt, Slow 30, Slow 60)
 - NSF checks?
 - Industry specific questions.
9. Your name, title and signature (if you want my signature)
10. Your return email or fax number (large and readable and not on the edge of the request)

More...

In responding to a request, he continues, it is important to:

- Know the company requesting the information or have a copy of the customer's authorization.
- Provide information only on the company at the specific address requested.
- Provide only factual information.

"My company does not provide terms of sale or credit limits, give opinions or discuss future events," he concludes.

Source: [Credit Today](#).

A Primer on International Trade Terms: Nine Ways to Get Paid

By Sharon Johnson

The world of international trade includes many procedures that may seem strange to the domestic credit manager but are standard practice throughout the world. Credit terms are one of the areas that often confuse those who are new to international credit. Here are nine of the terms of sale commonly used in international trade.

1. Cash in Advance

Cash in advance is least risky to the seller and most risky to the buyer. The advantages to the seller are clear: no credit risk, no foreign exchange risk, and low transaction costs. However, this term may be commercially noncompetitive: some countries may prohibit payments in advance, and the buyer must be willing to assume the risk of never receiving the goods. Additionally, the seller should allow sufficient time for the check to clear before sending the goods. Wire transfer is the quickest and safest way to receive funds.

2. Confirmed Irrevocable Letters of Credit

Confirmed irrevocable letters of credit give the seller the benefit of transferring the risk of payment from the buyer to a known, confirming bank. The bank transmits funds upon the seller's presentation of documents in conformance with the letter of credit. As an added level of comfort, a confirming bank- one, which is known to the seller-adds its confirmation to the letter of the buyer's bank (AKA the opening bank). The disadvantages to the seller are the high costs and sometimes complicated documentation. If a seller decides to ship under letter of credit terms, it is important to review the letter of credit carefully to ensure the viability of all shipping and documentation terms.

3. Unconfirmed Letters of Credit

Unconfirmed letters of credit follow the basic form of confirmed letters of credit except that the credit risk is now entirely with the opening bank. While this is usually better than accepting the credit risk of the

A Primer on International Trade Terms: Nine Ways to Get Paid

(continued)

buyer, it does open the seller to country risk if the opening bank is in a foreign country. If an unconfirmed letter of credit will be accepted, it is important to investigate the creditworthiness of the foreign bank as well as the economic stability of the country in which it is located.

4. Cash Against Goods

Here, the seller ships his goods to a warehouse, which holds the controlling documents until evidence of payment is produced. The seller has good assurance that payment will be made before the buyer receives the goods. However, the prudent credit professional takes care to be sure the buyer is able to pay for the goods once they arrive. In addition, the seller should make a thorough investigation into the reputation of the warehouse. Additionally, the seller must be aware of local commercial laws to be sure that he is not opening himself up to local taxation.

5. Sight Draft Terms

Sight draft terms allow the seller to send to an intermediary bank the controlling documents along with a draft payable at sight. The bank will hold the documents until the buyer pays the draft. Then, the buyer may take the shipping documents to obtain the goods from storage. The seller must determine that the buyer is able to pay for the goods once they arrive.

6. Time Draft Terms

Time draft terms allow the buyer to obtain the controlling documents from the intermediary bank, but only after, he has accepted a draft for payment at a certain date in the future. This offers some advantages over open account terms: the draft is evidence of indebtedness, and the bank acts as a somewhat interested intermediary. The credit department must conduct a credit investigation as thoroughly as if shipping under open account terms. With time drafts, the intermediary bank has no obligation to pass funds to the seller until they have been received from the buyer, at times months after receipt of goods.

7. Consignment Terms

Consignment, or floor plan, terms are not unheard of in international trade. The advantages are that this method may be commercially competitive, and the seller may be able to recover goods not sold and paid for. However, the seller must be sure of local laws concerning transference of title and taxation. The cost of periodic inventory checks also may affect your decision about whether to use consignment terms.

8. Open Account Terms

Open account terms are becoming more common as sellers are becoming more comfortable with international trade. Documentation is easy and transaction costs are low. The seller needs to thoroughly investigate the creditworthiness of the buyer as well as study the economic stability of the country of the buyer.

9. Extended Credit Terms

Extended credit terms are available through various commercial and government programs. These can make the seller even more competitive and can provide some assurances of payment. Details are available from the seller's bank, local credit association, or the U.S. Department of Commerce.

Whichever credit terms you and the customer negotiate, it is important to know when title transfers and when physical control of the shipment goes to the buyer. Laws vary by country, as does the level of real security in warehouses. Even with payment methods that usually give good assurance of payment, the credit professional relies on that old saying: Know your buyer!

Expanding Credit's Role: 10 Essential Skills Guaranteed to Increase Your Value at Your Company

When companies need consulting services, they generally go outside the organization, one credit exec we respect greatly advised a while back. "The result," he noted astutely, is that companies end up paying dearly for a three-ring binder.

"It seems as though businesses feel they have to have third-party understanding and pay for it. They fail to realize that they should be able to get the information they need within their own organizations--without all of the costs."

For this reason, we agree with his thesis that credit professionals should transform themselves into internal consultants in their organizations. "Future business conditions will require us to rethink our current roles," he contends. "In addition, you already know your organization better than a third party does."

What can you contribute to your organization as an internal consultant? This pro offers up several opportunities:

- ◆ You can make recommendations related to strategic and operational questions being considered. This information can help management make more intelligent operating decisions and strategic decisions.
- ◆ You can develop alternative courses of action.
- ◆ You can make recommendations to improve efficiency.

"Your input could be very valuable under the right conditions," he notes.

Skill Requirements

What skills do you need to become an internal consultant? Some of the essentials are

1. Be sure to begin with a broad base of experience (including accounting and industry trend knowledge).
2. Develop a mind-set of starting your own consulting practice, and think like a professional consultant.
3. Generate credibility with senior management if you do not already have it.
4. Work to be perceived as a professional or no one will seek out your advice.
5. Be sure you have excellent communication skills.
6. Think of co-workers and managers as clients who could easily outsource your services. "Adopt a willingness and ability to be responsive to client (internal customer) needs," he says.
7. Be sure to have a strong sense of "value-added" in the performance of your duties.
8. Begin with an "olive branch" approach, rather than trying to "bull" your way in. Approach the process as a team player, rather than an intruder.
9. Explain what you can provide and how your services will add value to the organization.
10. Be able to demonstrate some measurable improvement in the organization as a result of what you do or recommend.

Opportunities to 'Shine'

What kinds of results and benefits can you expect by setting yourself up as an internal consultant? "You'll have the opportunity to 'shine' in your organization," he says. "If you can show substantial bottom line results, you may even be able to work your way into a different job title and promotion."

Some readers may agree that they can do more than they have in the past in the role of consultant but feel that there is still a role for third-party consultants.

After all, don't they bring a sense of objectivity to the table that internal people lack?

Expanding Credit's Role: 10 Essential Skills Guaranteed to Increase Your Value at Your Company (continued)

Our friend disagrees. "I think this concern really boils down to communication--or lack of it," he says. "Traditionally, people in organizations have often had difficult times talking with one another. I think something is wrong with an infrastructure if you cannot work together. Once you are able to do so, you can accomplish so much--and you can do it by yourselves."

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

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BCMA, in collaboration with the American Society of Credit & Collection Professionals launches 32 hours of online training.

You heard it first here. This comprehensive series of training courses is now being offered to individuals interested in 1) stepping up their approval process for Certification, 2) broaden your knowledge in areas necessary to perform your job, 3) train others in your department, 4) recertification, 5) the need for concise, in-depth an relevant continuous education.

Take a look at all there is to offer. Chose one course or more individually, one module or both. These courses can be taken at your convenience. A full description of their role in the achieving the Certified Credit Profession (CCP) and Certified Professional Collection (CPC) is included with the announcement. Contact the Association for more information and to register.

CERTIFICATION

Why should business credit and collection professionals apply for Credentialing Standards Board (CSB) accreditation as soon as the opportunity is available? The answer is this. By having accreditation in place, Certificate holders are more valuable to their employers. Why? Because they have invested in their own professional development in order to strengthen specific skills needed on the job. Individuals with professional credentials are also more respected by their colleagues and peers in the industry.

Each course is approximately one (1) hour in length. Courses can be taken individually, and used for professional training or the series of courses can be taken to fulfill certification requirements for either the Certified Credit Professional (CCP) or the Certified Professional Collector (CPC) accreditation. To meet eligibility requirements for accreditation, students must complete all courses in each module. In addition, certain core competencies are required for both the CPC and the CCP accreditations,

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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@CreditToday.net with your idea!

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UPCOMING INDUSTRY CREDIT GROUP MEETINGS

SEPTEMBER 11, 2018

Regional Paper & Packaging Industry Credit Group
Book of Reports Only

SEPTEMBER 12, 2018

Plumbing & Heating Industry Credit Group
Brookfield, WI

SEPTEMBER 13, 2018

Metals & Industrial Suppliers Credit Group
Brookfield, WI

SEPTEMBER 14, 2018

Electrical Suppliers Industry Credit Group
Pewaukee WI

SEPTEMBER 17, 2018

Food Suppliers Industry Credit Group
Madison, WI

SEPTEMBER 19, 2018

Fine Paper/Graphic Arts Industry Credit Group
Teleconference Call

SEPTEMBER 20, 2018

Construction Industries Credit Group
Appleton, WI
Minnesota Electrical Product Suppliers Group
Brooklyn Park, MN



SEPTEMBER 21, 2018

IL Fine Paper Industry Credit Group
Lombard, IL

SEPTEMBER 24, 2018

Western Electrical Suppliers Industry Credit Group
Madison, WI

SEPTEMBER 25, 2018

WI/IL HVAC Industry Credit Group
Rockford, IL

Minnesota Fine Paper Credit Group
Book of Reports Only

Teleconference Call

Building & Construction Materials Credit Group
Milwaukee, WI

SEPTEMBER 26, 2018

Food Service Supply Hospitality Industry Credit Group
Brookfield, WI

SEPTEMBER 27, 2018

Iowa Plumbing Heating Electrical & Construction Industry Credit Group
Cedar Rapids IA



2018 Educational Events

September 11

["Proofs Of Claim & Trading Claims" Webinar](#)

October 9

["How To Get A Bankruptcy Case Dismissed Or Converted, Or To Lift The Stay" Webinar](#)

November 13

["Anatomy Of A Preference Litigation" Webinar](#)

December 19

["Anatomy Of A Fraudulent Transfer Litigation" Webinar](#)

CHECK OUT OUR [CALENDAR](#) FOR MORE UPCOMING EVENTS.
YOU CAN TRUST THE ASSOCIATION TO ASSIST IN [RECOVERY](#) FROM YOUR DEBTORS ANYWHERE
IN THE WORLD.

LET THE ASSOCIATION HELP WITH [EMPLOYMENT OPPORTUNITIES](#).