

**“What to Do About Slow Payments, Higher Risks,
and Accelerating Rates of Customer Default”
Webinar**

June 17, 2020 | 9:00 - 10:00 AM

THE ECONOMY HAS SUFFERED GREATLY AS A RESULT OF COVID-19.

We will all be dealing with slower than normal customer payments, higher risk accounts & the real potential for customer default. Recovery may take a very long time. During this program, we'll discuss:

- Tips for effective collecting remotely
 - How to accelerate customer payments
 - How to better manage credit risk in this economy
 - Why more customers are likely to delay payments or file bankruptcy
- ... & practical real world examples of tools you can use today to deal with the challenges we face due to changes in our economy!

**“Credit Leader Vs The Economy: Recommendations
From Industry Experts Summarized” Webinar**

June 24, 2020 | 10:00 - 11:00 AM

To help credit managers re-strategize credit policy & decision making in a turbulent economy, HighRadius recently hosted a panel of experts from leading credit bureaus.

In this session, Bill Weiss, Vice President, Credit & Collections at HighRadius summarizes the recommendations from these experts including insight from his conversations with 20+ credit leaders. Join this expert discussion for a one-stop guide to understand & how you could make intelligent credit decisions, leverage the right sources of credit data & minimize risks while leveraging AI & other prediction-based credit scoring models.

Key Takeaways:

- Recommendations from credit experts on key risk indicators, financial metrics to track for accurate risk assessment
- Leverage ready-to-use geography-, industry-specific indicators, sentiment analysis, & risk models to re-profile your customer portfolio into risk segments & update your credit policy
- Understand & quick technology tools to deploy to automate the aggregation of customer-level credit data, & rules-based credit scoring & real-time alerts for bankruptcies

Create a framework to maximize receivables collections while balancing the customer relationship.

Click [here](#) for more details on both Webinars.

On Sundays, we are featuring posts & discussions that are happening on our Company's LinkedIn Page. In the Association's Newsletters & emails, we provide a link to our Facebook & LinkedIn pages. Our hope is to engage our credit pros in lively discussion. What's on your mind? We encourage you to post your comments, questions, & editorials on any of our social media pages.



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**So Many ways that you
connect to The
Association**





MEMBER NEWS

Congratulations to Karen Grubich on her retirement! She has been with Miller-Bradford & Risberg for 12 years in credit. During her retirement, Karen plans to continue her involvement with the Daughters of the American Revolution, as well as serving as treasurer for her condo association. Best of luck to you, Karen!

If you have something you would like us to announce
please send an email to
admin@wcacredit.org

11 Takeaways from Warren Buffett's Annual Meeting

We always like to sit in and listen to Warren Buffett at the Berkshire Hathaway annual meeting. Yes, this is a credit newsletter but there is no one who understands business and credit better than Buffett and his overall observations are always worth paying attention to. This was perhaps his most unusual meeting in that it was just he and one other person in a huge empty room. But he carried on as he always does and offered up some great observations. We listened carefully and here is our take on the most important points he makes:



1. He has taught college courses from the age of 21 until now (the age of 88) and had never used a slide until the day of this meeting. It is noteworthy that his slides were as barebones as you'll ever see: simple black and white text on a white sheet of paper that he held up by hand. You cannot get much more low tech than that. But the thing is, they were compelling.

The takeaway? Fancy slides in a PowerPoint aren't nearly as important as your message.

2. Buffett was a buyer of Berkshire Hathaway stock for the first two months of the first quarter, which is always a positive sign. But strangely and ironically, they stopped buying anything in the third month, as things got worse. Normally when the price drops, he'll be an aggressive buyer but that was not the case then, and he wanted to make that clear. If there is anything that stands out as a warning sign it is this: Warren Buffett *not* buying stocks after a price drop. We can't recall that ever happening. He did explain that what happens next is very unpredictable and said that the range of possibilities of what can happen economically going forward is still very wide right now.

3. While he seems very nervous about the near term, he's nonetheless still very positive long term. For perspective, he noted that the wealth of the country in 1789 is estimated to be about 1 billion dollars (we paid 3 cents an acre for the 800,000 square miles in the Louisiana Purchase, and that included the mineral rights). Now it's over 100 trillion dollars or about 100,000 times each original dollar. In real terms that is about 5000 to 1. ("It's mind-blowing," he noted. "Beyond what anybody could have dreamt.")

And these mind-blowing gains did not come with smooth progress:

- The Civil War -- 6% of the male population was wiped out in 4 years from 1861 -- 1865 (equivalent today would be 4 million males)
- The Great Depression -- He was born in 1930, and it took until early 1951 for the stock market to break even from that point.

EMPLOYMENT SERVICES

We have skilled & experienced staff available immediately to help our member/client companies with temporary or permanent assignments as Credit Managers, Credit Analysts, Collectors or Cash Application Clerks.

If you are in need of temporary help in the Credit, Collection & A/R Management area, call The Association. We are the preferred provider of temporary help in this niche.

Job Postings

[View Open Positions!](#)

Visit this area of our website to view current employment opportunities.

Resume Referral

[Resume Referral Service](#)

We have been successful in matching qualified individuals for credit-related positions. Submit a resume, or request resumes for open positions.

11 Takeaways from Warren Buffett's Annual Meeting (Continued)

The point of these two stats; it looks rough now, but we have had worse and the goal of credit is more important than ever in hard times.

4. The Federal Deposit Insurance Corporation (FDIC) was a huge innovation that did not exist in the Great Depression and its existence dramatically cuts the risk of another big Depression today. It is essentially a mutual insurance company for banks and their depositors, which costs taxpayers nothing.

Think you need a fancy PowerPoint? Your message is more important than how beautiful it looks.

5. **"What I don't know."** -- He doesn't know, nor does he believe anyone knows, what is happening next week, next month, or even next year in the market. But he does believe our country will move ahead.



Now let's move to a much broader subject:
What I don't know

6. You can be positive on America, but you still must be careful, because "markets can do anything." In 1987 it went down 22% in one day. In 1914 they closed the market.

7. Operational and risk concept: "We run Berkshire so that we literally try to think of the worst case of not only one thing going wrong but literally other things going wrong at the same time."

The takeaway for credit managers? Think about your customers from the same perspective.

8. "Most good salespeople believe their own baloney."

9. Operating earnings of the first quarter have no meaning whatsoever as far as what's going to happen in the next year. "I don't know the consequences of shutting down the American economy. I know eventually it will work whatever we do. . . Our operating earnings will be less -- considerably less -- than if the virus hadn't come along. It hurts."

The takeaway for credit managers? Be very wary of past financial statement data.

10. "When money stops flowing," Buffett observed, "every bank and CFO in the country knows it and they react with fear and fear is the most contagious disease you can imagine...Makes the virus look like a 'piker.'"

11. **To the Rescue (?) -- Biggest Borrowing Binge Ever:** "And then (in) March, when the market had essentially frozen, closed a little after mid-month, (it) ended up, because the Fed took these actions on March 23rd, . . . being the largest month for corporate debt issuance I believe in history. And then April followed through with (an) even a larger month. And you saw all kinds of companies grabbing everything." Buffet observed that anyone borrowing money in March or April ought to have sent a thank you letter to the Federal Reserve, which opened the spigots of liquidity.



On June 2nd Darryl Rowinski, President & COO at Business Credit Management Association, WI HQ, was a guest speaker for a Sales & Income Tax Advisory Network Discussion.

10 On Tuesdays has trending topics for businesses – mainly focused on sales and use tax but we will also bring in other experts to discuss common issues businesses are facing!

Share your topic ideas and feedback in their "10 on Tuesdays" Facebook Group. You can also find a link to their page on our Facebook page as well.

Next week's half hour discussion will be on, MBE CPAs, Sales and Income Tax Advisory Network.

These webinars are free, but do require a one-time registration [here](#).

[Click here to visit MBE & Affiliates' Coronavirus Resource Center for COVID-19 updates regarding legal and business implications, helpful resources and tips, and more.](#)

Commercial Recovery & Collections

Members & non-members alike can trust WCA Commercial Recovery Services Department to assist with debt recovery here in the United States or anywhere in the world. For **IMMEDIATE COLLECTION** use our placement forms & our Recovery Services Department will begin collection efforts on your behalf today.

BACKGROUND....Wisconsin Credit Association Commercial Recovery Services Department offers effective results. Regardless of your company's size or location, the consistent common denominator of all business concerns is professional & efficient recovery specialists who can help with your delinquent accounts.

CREDENTIALS.....WCA Commercial Recovery Services Department is recognized & acknowledged for establishing & setting industry standards for generally accepted credit & collection practices & principles & is integrally associated with the Commercial Law League of America. To ensure our financial responsibility, Wisconsin Credit Association Inc is licensed by the Wisconsin Department of Financial Institutions.

PERSONALIZED SERVICE.....Our experienced professional staff acts as an extension of your collection function working with you to obtain results. We pride ourselves on our ability to analyze each case, take the necessary & appropriate action(s) & recover your receivable in the shortest time possible. Our number one goal is to protect our members' interests at all times. Our recovery services staff can provide you with professional & practical advice at critical times during the collection process.

INDIVIDUALIZED & STATISTICAL INFORMATION.....Effective no-nonsense communications is key to keeping you informed on your debtors. We report significant timely information to you as your case proceeds. We provide, upon request, a computerized status report to keep you apprised on all of your debtor accounts, allowing you to track individual debtor progress.

Credit Talk: Ways to Secure Accounts Upfront

"Most credit people are good collectors," observes one credit manager we know. "But we need to focus on what we can do to secure accounts up front." Securing accounts is not synonymous with tight credit. In fact, it can be the opposite. "Our credit policy is: 'Whatever it takes to make the deal happen,'" he reports. He finds ways to secure accounts that otherwise would not be eligible for the credit lines they need. He assesses customer risk and extends credit that the risk level warrants.

If the customer needs more credit than its risk level indicates, he seeks a way to secure that extra credit: "We offer the customer a menu of security instruments," he explains. "Each instrument is assigned a value--one to which we can attach a line of credit."

The menu includes the following:

- letters of credit
- blanket security agreements
- purchase money security agreements
- cross-corporate guarantees
- personal guarantees
- dual-payee checks
- partial cash in advance
- documentary collections
- escrow agreements
- assignment of proceeds

While customers should be allowed to select the plan that best meets their needs in order to achieve the level of credit they need, this CM finds that one of the most popular for customers and suppliers alike is the purchase money security agreement.

"If you don't get paid for your product, you have the right to get it back or receive the proceeds of the sale of that product," he explains. Customers are usually comfortable with this option, and their banks will usually allow them to sign such documents even though the banks

Work With Customer Service And Everyone Wins

The credit department may not have control over how the company's customer service department processes orders, but a cooperative relationship between Credit and Customer Service can help both departments achieve greater productivity, efficiency, customer service, and profitability. It can also make your job a lot easier!

How You Can Help

Occasionally when Customer Service receives an order, it may want to run a quick credit check to make certain the customer is still in good

Work With Customer Service And Everyone Wins

(Continued)

standing with the company. Don't see this as an imposition on your time. Instead, welcome the contact. After all, making a quick check on an account now could save you a great deal of time in the long run.

If the customer is on shaky ground, telling Customer Service now could save you collection headaches later.

On the other hand, if the customer is in good standing, it may mean the customer could receive a larger order or a price break. This is the kind of news Customer Service loves to give customers. After all, happy customers mean better business for everyone.

What Customer Service Can Offer

When customers are delinquent, you'll often hear that there was a problem with their orders. Some of the more common problems include the following:

- Orders shipped too late
- Too few parts shipped
- The wrong parts shipped
- Damaged shipments

These problems can often be solved readily by customer service people, but it's the credit department that hears about them first when payments are late. Therefore, when customers offer complaints as reasons for nonpayment, you should turn to Customer Service for answers. They will have the information you need to settle the problem once and for all.

If the facts show that your company acted properly, you can contact the customer and explain your position. This will force the customer to either validate its claim with solid facts, or back down from a false complaint. On the other hand, if the facts show that your company is at fault, Customer Service will be able to help you correct the situation, thereby getting the customer to pay in a more timely manner than if you hadn't contacted Customer Service about the problem. Customers with legitimate claims will appreciate your efforts to straighten out the problem, and will probably be more loyal to your company in the future.

A Pattern For Better Service

- Try to work out a pattern that allows you to do the following:
- Alert Customer Service to specific problems.
- Receive confirmation that the problems will be addressed.
- Wait for return notification of resolution.

In return, make certain you respond to Customer Service's questions quickly and correctly.

By working with Customer Service, you can make both your job and the jobs of customer service representatives easier while keeping your customers satisfied. Everyone wins with teamwork.

Need credit card payment solutions for your business? Whether large or small, TSYS has the customized solutions to



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fit your business needs. BCMA partners with TSYS because they are focused on creating more value in our client relationships than ever before, and their voice has emerged as one of the most trusted in the payments industry. This true spirit of partnership, and the accompanying understanding that our success is determined by our clients' success, infuse everything we do. Whether you're LOOKING TO BEGIN ACCEPTING CREDIT CARDS, or LOOKING TO LOWER YOUR CREDIT CARD SURCHARGE FEES... TSYS will help. Contact the Association at 262.827.2880. We'll put you in touch with a representative that will assist you. **TSYS was named to Ethisphere's 2013, 2014-2018 World's Most Ethical Companies List!**

**NACS Credit Services, Inc*

**The Business Credit Management Association Wisconsin*



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Would you like to contribute to the BCMA Newsletter? Just write to us at admin@wcacredit.org with your idea!

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UPCOMING INDUSTRY CREDIT GROUP MEETINGS



JUNE 9, 2020

Regional Paper & Packaging Industry Credit Group

Book of Reports Only

Fine Paper/Graphic Arts Industry Credit Group

Book of Reports Only

JUNE 10, 2020

Plumbing & Heating Industry Credit Group

Teleconference Call

JUNE 12, 2020

Electrical Suppliers Industry Credit Group

Teleconference Call

JUNE 15, 2020

Western Electrical Suppliers Industry Credit Group

Teleconference Call

JUNE 16, 2020

Building & Construction Materials Credit Group
Teleconference Call

JUNE 17, 2020

Minnesota Electrical Suppliers Credit Group
Teleconference Call

JUNE 18, 2020

Construction Industries Credit Group
Teleconference Call

Iowa Plumbing Heating Electrical & Construction Industry Credit Group
Decorah, IA

JUNE 19, 2020

IL Fine Paper Industry Credit Group
Teleconference Call

JUNE 23, 2020

WI/IL HVAC Industry Credit Group
Teleconference Call

JUNE 24, 2020

Food Suppliers Industry Credit Group
Teleconference Call

Food Service Supply Hospitality Industry Credit Group
Teleconference Call

No Meeting this month

Metals & Industrial Suppliers Credit Group
Minnesota Fine Paper Credit Group

BCMA
Business Credit
Management Association

Education Events

June 17, 2020

["What to Do About Slow Payments, Higher Risks, and Accelerating Rates of Customer Default" Webinar](#)

June 24, 2020

[Credit Leader Vs The Economy: Recommendations From Industry Experts Summarized Webinar](#)

July 15, 2020

["COMMON EXCUSES Customers Use to Delay Payment, and How Collectors Should Respond" Webinar](#)

September 16- 17, 2020

[Credit Professional's Conference](#)

October 21, 2020

[Advanced Collections & Negotiations Skills" Seminar](#)

YOU CAN TRUST THE ASSOCIATION TO ASSIST IN [COLLECTION RECOVERY](#) FROM YOUR DEBTORS ANYWHERE IN THE WORLD.

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