

Managing Responsibilities in a High-Performance World

Whether managing 30 accounts or 1,000, credit professionals can often feel that there are just not enough hours in the day to get everything done. Setting goals to maintain performance is nothing new for any profession, but given the demanding pace, those in credit must establish realistic goals to prevent falling behind from setting unrealistic ones.

The following objectives are important to keep in mind to ensure that the credit profession continues to add exceptional value to the business world.

Set Priorities

Credit professionals can plan their work every day, but the business world can often move in the opposite direction, at odds with strategic planning. Unforeseen and urgent credit opportunities often dictate what requires immediate attention, but tools are available to assist in accomplishing daily tasks and assigning priorities.

When Charles M. Schwab, president of the Bethlehem Steel Corporation, wanted to increase the efficiency of his managers in 1918, he summoned respected productivity consultant Ivy Lee. Nearly 100 years later, the Ivy Lee Method, which follows five simple steps, is still known and used today.

1. At the end of each work day, write down the six most important things you need to accomplish tomorrow.
2. Prioritize those six items in order of their true importance.
3. At the start of the next work day, concentrate only on the first task. Work until the first task is finished before moving on to the second task.
4. Approach the rest of your list in the same fashion. At the end of the day, move any unfinished items to a new list of six tasks for the following day.
5. Repeat this process every working day.

The Getting Things Done method from best-selling author David Allen takes a similar five-step approach: Capture (collect what has your attention), Clarify (process what it means), Organize (put it where it belongs), Reflect (review frequently), Engage (simply do). Another system that has taken the internet by storm in recent years is Ryder Carroll's Bullet Journal system that uses lists and symbols for task planning and organization.

No matter the method, finding a way to manage tasks can save time and increase efficiency.

Sharpen Skills

To keep up with the challenges the profession faces, credit professionals need to constantly improve existing skills and learn new ones. Skills should be honed in analysis of financial data and economic/market fundamentals, managing business relationships, and negotiation skills. Trade credit associations are an excellent source of knowledge. Additionally, annual educational conferences, such as NACM's Credit Congress, provide an extended learning opportunity for credit professionals to keep on the cutting edge of the industry. Conferences and meetings provide an invaluable source of knowledge and the opportunity to meet with peer contacts outside one's own company. Beyond the ethical exchange of information, new horizons in learning can be opened about credit processes and systems.

Develop Best Practices

Managing and benchmarking credit processes are keys for the profession to stay ahead and build solid methodologies around the credit function. By managing its credit processes, an organization can increase efficiency and minimize waste. Benchmarking allows a credit group to measure how good its processes are and how much improvement is needed. Best practices vary by industry, customer base and company, but sharing methods within a credit group can lead to unexpected creative solutions.

Learn to Say "No"

Credit cannot do everything that is asked of it. The profession must go through a selection process to focus on the most critical and profitable challenges, and to do so the profession must learn to say "No." Those in credit must carefully review with management and subsequently with sales and marketing any work issues that no longer will be handled on a priority basis or handled at all. A plan should be specific about which tasks will be postponed or eliminated. By making excellent and prompt business decisions, credit can address the most demanding and profitable business opportunities.

Think and Act Positively

Instead of thinking in terms of confronting a problem, see it as engaging an opportunity or a challenge. Instead of a credit limit, think in terms of a credit line. Instead of feeling overwhelmed by the amount of work and number of priorities, feel important by having the opportunity to tackle so many challenges at once. A positive attitude will create energy, provide an environment for creativity and facilitate the search for new solutions to the many challenges facing the credit profession.

The credit profession is full of opportunities. With these tools in mind, the credit professional can strike out on the path to delivering the best results.

Sources: Credit: Beyond the Numbers, Lucas Gomez, CCE; "The Ivy Lee Method: The Daily Routine Experts Recommend for Peak Productivity," James Clear, jamesclear.com; David Allen, gettingthingsdone.com; Ryder Carroll, bulletjournal.com.