

What Is Lost Can Be Found: Personalizing Credit Relationships

The passage of time fuels the never-ending cycle of new hires and retirees flowing in and out of the workforce. Those who are bringing their careers to a close often leave behind knowledge and experience, while the newly employed build upon their predecessors' legacy to develop fresh ideas for the position. With the latest cycle currently underway in the credit industry, longtime credit managers are expressing concerns about the change and/or loss of personalization in business-to-business (B2B) credit and why it's crucial their successors carry on this quality.

For the sake of this article, I will use TechTarget's definition of "personalization," which is "a means of meeting the customer's needs more effectively and efficiently, making interactions faster and easier and, consequently, increasing customer satisfaction and the likelihood of repeat visits."

Just before the start of the New Year, *Forbes* shared five B2B marketing trends anticipated in 2020 with a focus on millennials in the profession. The article cited a survey from marketing service Merit that found more than 70% of millennials are involved in buying decisions. Technology plays a heavy role in millennials decision-making process, the majority basing their decisions on information from search engines and websites. Another study from software company Salesforce states that 72% of buyers expect personalized communication from B2B companies; otherwise, they'll find someone else who will.

"First impressions matter as much as ever in B2B markets," *The Harvard Business Review* reported in 2018.

Much of this information is particularly useful for companies' sales teams; however, the shift in personalization also requires credit managers to adapt. At Rosen Materials of Nevada, Credit Manager Sandy McConnell said personalizing credit relationships is not quite what it once was when she started in the industry more than 50 years ago; for example, the way credit managers and customers communicate. Certified mail, phone calls and customer visits are still relevant, she said, but today, it is becoming more apparent younger generations rely more on sending emails and/or texts.

"In this day and age, most of my customers, particularly on the East Coast, prefer texting because a lot of them are just small companies and I'm dealing directly with the owner. They're out in the field and don't have time for a phone call," McConnell said. "They always check their texts and that provides me with a paper trail."

When she joined the credit industry in 1963, McConnell said, she quickly learned customers like to know their credit managers care about them and understand their problems. She soon began personalizing relationships with customers by showing care, passion, empathy and sympathy—elements that don't easily translate via phone, text and email. According to McConnell, using those forms of communication can lead to a loss of personal touch.

"I try to get to know a little about what they like and don't like as far as their personal life because when you make that call, you've got a prompt rather than saying, 'Hey, you owe me money. When are you going to pay?'" she said. "I still like to meet customers face-to-face, as I'm a firm believer in visiting customers even when things are good."

Credit professional Barbara House said personalization is growing stronger at Qwest Air Parts in Memphis, Tennessee, where the business is seeing repeat customers who are after the one-on-one

creditor-customer relationship. In addition to emails, texts and face-to-face visits, she said her department also uses automated messaging from the computer system.

“[We utilize] the usual methods, [such as] using first names when possible and learning personal tidbits about your customers,” House said. “It seems my generation likes to talk face-to-face or on the telephone, which develops a quicker understanding of our customer. Messages are returned and returned quicker than with other customers.”

The key, McConnell added, is to personalize while also keeping friendship and business separate.

“To [the younger generation], I think personalization is more like a job and how much they can get paid rather than what they can do for the company to protect cashflow and save customers,” McConnell said. “Not everyone is the same, but my goal for 2020 is to continue what I’ve been doing. I have a lot of new accounts I haven’t touched base with yet, but I intend to personalize them as well and get to know them better. I will let my customers know that if they have problems getting paid, I will definitely jump in and help them.”

—Andrew Michaels, editorial associate