



Chris Birdwell

## News from the CFDD National Board

Hello Friends and Colleagues,

For those of you who gathered with us in Oklahoma City—thank you! We spent an awesome two and a half days together, kicked off by the members of the CFDD National Board meeting with representatives of our Chapter Boards and some of our Past National Chairs. As always, the conversation was lively and helpful.

After much discussion about the state of business and business travel, our CFDD Leadership recommended to the CFDD National Board that the CFDD National Conference be put on hold until business travel returns to more normal levels and prices and business travel moratoriums are lifted. Of course, our CFDD Leadership recognized that it must work diligently to rebuild an audience willing and able to support a national conference.

The CFDD National Board embraced the recommendations of its leaders who met in Oklahoma City, pledging its full support of NACM's 127th Credit Congress & Exposition scheduled to be held in Grapevine, Texas from June 11–14, 2023. CFDD is already hard at work building a full track of educational programs, powered by CFDD.

Hoping to encourage the full support of the CFDD membership, the CFDD National Board agreed to extend the scholarship deadline to coincide with the early registration date for Credit Congress. Scholarship applications must be submitted by the close of business on December 9th. As an added bonus, the CFDD National Board of Directors will work to simplify the scholarship application, making it easier to apply!

The CFDD National Board also voted to fully fund the cost of the 2023 Credit Congress registration and CFDD Annual Business Meeting & Luncheon ticket, bringing the value of this scholarship to \$938.

The CFDD organization commits its full support to the upcoming 2023 Credit Congress—CFDD will be well represented and promises to deliver a great line up of education sessions. Please plan to budget to attend the premier event for credit professionals in 2023.

*Chris Birdwell is the 2022-23 CFDD National Chairman. Chris is a proud member of the CFDD Wichita Chapter and is Credit Strategies Manager at Pioneer Balloon Company in Wichita, Kansas.*

### DATES TO REMEMBER ...

3rd Quarter 2022 Membership  
Reports Due by  
**October 10**

Scholarship Application  
Deadline

**December 9**

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Marlene Groh, CCE, ICCE

## Excel Tips and Tricks

Learning to excel at Excel (little trick on words there) will set you apart from others and make you a valuable resource on any team. I find the best way to learn Excel is from Dr. Google. Every month, I google “newest Excel tricks” and away I go trying to figure out how I can use the new knowledge.

Today I am going to share three Excel functions I feel are underutilized but can be very helpful—and give you some examples on where you might use them.

**Concatenate.** This function allows you to combine information.

When to use: addresses, account numbers, salesmen numbers and names.

Hints: The “&” key works like a connector and “” (quote signs) allow you to add anything that is between them including a space.

Formula: You start with an = sign and then select the first cell you want to combine and use & to connect the next cell or “” to add something in between. Just remember to use & between anything you want to connect.

	A	B	C	D	E
1	<b>Example 1 - Address</b>				
2	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Concatenate Formula</b>	<b>Concatenate Result</b>
3	Charlotte	NC	28208	=A3&" "&B3&" "&C3	Charlotte, NC 28208
4	Salisbury	NC	28144	=A4&" "&B4&" "&C4	Salisbury, NC 28144
5					
6	<b>Example 2 - Sales # and Person</b>				
7	<b>Sales #</b>	<b>Sales Person</b>		<b>Concatenate Formula</b>	<b>Concatenate Result</b>
8	2H03	Marlene Groh		=A8&"-"&B8	2H03-Marlene Groh

**Lock References Using the \$ Dollar Sign.** This allows you to lock part of a formula so you can copy across multiple cells when needing to use one cell as part of a formula.

When to use: aging report, calculating percentages or days old.

Hints: The placement of the \$ in the cell number determines what is locked—using the F4 key while in the cell will move the dollar sign to different positions—the \$ should be in front of what you want to lock.

Formula:

- If you want to lock the row reference, enter A\$1
- If you want to lock the column reference, enter \$A1
- If you want to lock the row and column references, enter \$A\$1

	A	B	C	D	E	F
1		<b>Example 1 - Aging Percentages</b>				
2	<b>Total</b>	<b>Current</b>	<b>Over 60</b>	<b>Over 90</b>		
3	\$5,678,912.00	\$4,567,891.00	\$123,456.00	\$3,456.00		
4	Building Formula	=B3/\$A\$3	formula can now be copied right without retyping			
5	Formulas	=B3/\$A\$3	=C3/\$A\$3	=D3/\$A\$3		
6	Result	80%	3%	3%		

	B	C	D	E	F
10		<b>Example 2 - determining days past due at EOM</b>			
11	<b>Customer</b>	<b>Invoice</b>	<b>Due Date</b>	<b>Days Pat Due</b>	<b>Formula</b>
12				8/31/2022	
13	123456	230769	6/5/2022	87	=E\$12-D13
14	789123	230770	6/15/2022	77	=E\$12-D14
15	456789	230771	6/25/2022	67	=E\$12-D15
16	987654	230772	7/5/2022	57	=E\$12-D16
17	321987	230773	7/15/2022	47	=E\$12-D17
18	654321	230774	7/25/2022	37	=E\$12-D18

**IF Formulas.** Tests a given condition and returns one value for a TRUE result and another value for a FALSE result.

When to use: I use this to review predictions my team gives for collections vs balances due on the aging report.

Hints: I like using actions for the Return values instead of using True or False. For example, "Review" or "Fix" or "Good" or "Correct"

Formula: =IF(logical\_test, value\_if\_true, value\_if\_false)

	A	B	C	D	E
1		<b>Example - checking predictions</b>			
2	<b>Customer</b>	<b>Past Due</b>	<b>Prediction for EOM</b>	<b>Check of Prediction</b>	<b>If statement formula</b>
3	Marlene's HVAC	\$50,000.00	\$70,000.00	review	=IF(C3>B3,"review","good")
4	Dave's HVAC	\$40,000.00	\$36,000.00	good	=IF(C4>B4,"review","good")
5	Spencer's HVAC	\$35,000.00	\$25,000.00	good	=IF(C5>B5,"review","good")
6	Ellen's HVAC	\$30,000.00	\$36,000.00	review	=IF(C6>B6,"review","good")
7	Val's HVAC	\$25,000.00	\$30,000.00	review	=IF(C7>B7,"review","good")
8	Mary's HVAC	\$20,000.00	\$18,000.00	good	=IF(C8>B8,"review","good")

My challenge to all of you is to find a use for each of these functions and put them to use. Happy Excel-ing! 😊

*Marlene Groh, CCE, ICCE, served as CFDD National Chairman from 2010-2011 and completed her three-year term of service as the Director elected by CFDD to the NACM National Board in December 2020. She is a proud member of the Charlotte Chapter and Regional Credit Manager at Carrier Enterprise, LLC in Charlotte, NC.*



Nancy Watson-Pistole, CCE, ICCE

## Maintain Positivity When Using Written, Spoken and Non-Verbal Communications

*What we say matters.*

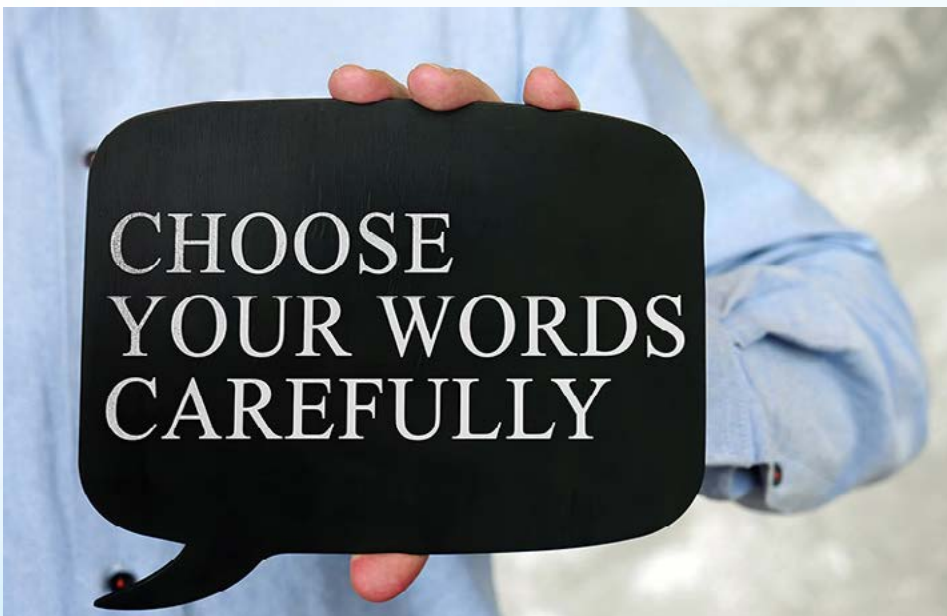
*How we interact matters.*

*How we treat others matters.*

The session, *Positive Language in Communications: How to Evaluate the Words You Choose*, kicked off at the Louisville Credit Congress with each attendee joining in to repeat the above phrases. After all, with every word and every action, we are either building up a relationship or tearing it down. As human beings, we are affected by the communications we receive from those around us. Whether good, bad or neutral, the words we hear and the tone in which they are seasoned, as well as the technique of delivery, can have a powerful impact on how we feel about ourselves and how we see the world around us. Positive communication can uplift our souls.

*Choosing positive words* was the first of four areas of positive communication that I covered in this session. Attendees were provided with several examples of phrases which contrasted word choices, which enabled everyone to clearly identify specific word choices that communicate a positive, supportive tone. A group exercise followed to discuss three phrases that:

1. irritate or offend you;
2. make you suspicious of motives; or
3. undermine trust and accountability.



## NEW DESIGNEE

**Congratulations to CFDD's Newest Designee.**



**Angela Dixon, CBA**  
Raleigh/Durham Chapter  
Credit Underwriter  
Cary Oil Co., Inc.

Lively interaction ensued and phrases were shared with the room of 181 attendees. My favorite phrase, or should I say least favorite, is “If you let me finish ...”

Detailed guidelines for positive language followed with additional exercises for attendees to use their newly learned skills for choosing and evaluating words. Whether communicating verbally or in writing, the way you express yourself will affect if your message is received positively or negatively.


Positive language is the art of using words and phrases to communicate a positive, supportive tone to your employees, customers, friends and family members—everyone you meet. *What we say matters. How we interact matters. How we treat others matters.*

I’m passionate about the topic of positive language in communications and it was my pleasure to present this session with Heidi Lindgren-Boyce, CCE. Upon completion of the *choosing positive words* area, Heidi took the baton and covered the additional areas of positive communications—writing words, speaking words and non-verbal words.

Words can inspire us to greatness; they enable us to share our deepest feelings with one another. Words can change us as individuals. When used with care, they can change the world around us. Choose to use words that will encourage and uplift. Choose words with wisdom and love.

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*Nancy Watson-Pistole, CCE, ICCE, currently serves as the Chapter Director representing the Kansas City Chapter on the CFDD National Board of Directors. Nancy served as the CFDD National Chair from 2007-08.*



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# CFDD NATIONAL CONFERENCE

SEPTEMBER 8-9, 2022

Sheraton Oklahoma City  
Downtown Hotel







Bob Karau

## Credit and the Customer Experience: Proactive Steps to Collection Success

As credit and collection professionals, many of us spend a significant amount of time focusing on accounts receivable collections. We use collection policies, practices, workflows, tactics, strategies and have collection goals. As I have shared, my mission is to maintain a strong cashflow, minimize loss, maximize profits and manage all areas with high levels of customer service. Effective and timely collections are integral to each of these areas.

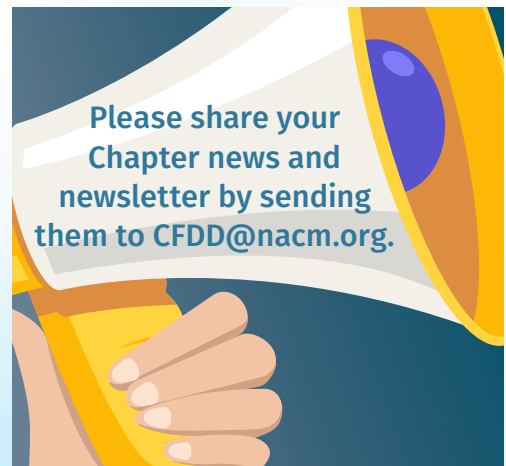
In my previous article, I posed questions about what could be done to position our companies for success with improved and proactive management of collections. In this article, we will explore how to recognize and use proactive steps, techniques and strategies that may influence our customers to pay faster. We will begin looking at opportunities that could accelerate customer payments, help us minimize AR risk and maximize company profits, all before the first collection contact is made with that customer. Through this process, you will see many ways where these steps also improve the customer experience.

I realize that a diverse group of credit and collection professionals read this newsletter. Our companies differ in size, scope, market and customer base. While one size does not fit all, I hope that you are able to leverage some of these proactive ideas to improve your results and customer service.

Author Steven Redhead said: “Limitless opportunities abound, governed only by your focus on achieving them.” Many business studies have shown that the first steps in any customer relationship are pivotal to a good customer experience. Gartner Inc (NYSE: IT) is the world’s largest information technology research and advisory company. According to an expansive Gartner study performed in 2021, **“89% of North American companies surveyed now expect to compete mostly on the basis of customer experience.”** Credit and collection professionals cannot ignore this statistic.

During my 40-year career, I have worked for regional companies, a Fortune 500 company and a Fortune 100 company. I also have been privileged to work for Grant Thornton, one of the world’s largest professional services networks of accounting and consulting professionals. During my time, I have managed, evaluated and consulted in many credit and collection departments. Many of the ideas we will discuss were reviewed, tested and implemented during those years.

Songwriter Paul Simon sang about *50 Ways to Leave Your Lover*. I would like to talk about *17 ways to accelerate your cashflow* before your first collection contact is made with your customer. Although you may be familiar with many of these, I hope you will find some new ideas.





## Review Your Credit Application

Your credit application is a primary source in credit underwriting and can be beneficial in communicating payment expectations. Ensuring your customer is creditworthy is the first step. Many times, it also is appropriate to include your terms under which credit will be extended and an agreement of how the account should be maintained. Take a fresh look at your credit application to see if you are not only getting the information you need, but also setting your company's payment expectations.

## Conduct a Forms Audit

Besides your credit application, make sure that all your company forms are in concert for a clear and concise wording of terms and other company expectations. For example, I worked with a Fortune 500 company, which did industrial manufacturing, wholesale sales and construction/building products. When new financial management made a company-wide change of terms on all invoices, they did not realize that other forms such as bid sheets, floor plan documents and sales agreements also included a variety of different terms. I noticed the discrepancy in a review of sales forms and contracts. We did a forms audit to make sure that our payment expectations communicated to our client were consistent with our other forms and gave our customer a clear message on expected payment.

## Contracts & Purchase Order Review

Review your customer's documents as well. In our new customer intake process, the credit team reviews all customer issued contracts and purchase orders. Make sure that a reliable and capable person from your company reviews each new purchase order for all required terms and expectations.



## Review Financial Capacity for Potential Cross-selling & Upselling

If appropriate, you may consider establishing a triage for your new incoming customers. While credit traditionally sets credit lines and communicates to sales about possible financially weak customers, I have seen dynamic systems established



## Publicize Your Virtual Meetings Nationwide

CFDD Chapters wishing to publicize their virtual meetings nationwide should email details to Vice Chairman - Education, Programs & Chairman Elect Kelly Shock at [kelly.shock@clr.com](mailto:kelly.shock@clr.com). Kelly will share the program information with all Chapter Presidents.

where credit also reports on financially strong customers. Credit also may be able to report to sales and marketing on good prospects for cross-selling and upselling. While the level of sophistication may be present in many companies so that sales and marketing know their customer's financial status, there are many companies where that is not the case. Giving positive feedback to sales and marketing about potential sales opportunities can be a powerful tool for your company. Cultivating more sales to financially strong customers will have a positive impact on both credit and sales.

### **First Experiences Become Lasting Experiences**

How does your company and department welcome a new customer and introduce them to your practices, processes and payment expectations? With any new customer, there are certain expectations on the vendor and customer side. Are you communicating with your customer to make sure that you have a mutual understanding on all business practices, including the order to cash process? Many business studies show the first steps in any customer relationship are pivotal to a superior customer experience and more prompt payment. What does your company do to capitalize on this and make sure that you and your new customers are “in harmony” on billing and payment processes—not only to help improve customer payment practices but also enhance the customer experience? Do you rely on your sales force to do this or reach out from other areas of your company including your credit and collection department?

### **Customer Onboarding**

Speaking of greeting new customers, does your credit and collection department use welcome calls? These calls can accelerate cash flow and improve relationships to position your department for success in future dealings. How would it impact your customer relationship if the first call from the credit and collections team was a positive, customer focused call instead of a request for payment on a past due amount? Learning about your new customer's payment cycles, requirements and other practices could help you formulate ways to get your company paid faster.

### **First Invoice Follow Up**

When your first invoice(s) goes out to your customer, is there a follow-up call to make sure that the invoice(s) met your customer's needs and that your customer understands your company's invoicing practices? Many customer relationships are enhanced by companies who follow this practice. Do you want to know about any invoicing problems within several days of the issued invoice or do you want to wait 45-60 days to discover this?

### **First Payment Default Policies**

Do you focus on making sure that your new customer's first payment is made on time? Studies by Dun & Bradstreet, the FDIC and the Office of the Comptroller of Currency all show the importance of reinforcing prompt payment at the beginning of a business relationship. These studies show that first payment defaults in consumer and commercial transactions can impact future payments from your customer. Avoiding new customer, first payment default on invoices is significant. According to Dun & Bradstreet, proactive steps to avoid a first payment default along with an immediate follow-up on all first payment defaults may increase the probability of more timely future payments in more than 45% of B2B first payment

default occurrences. How and when you respond to a first payment default can be critical in consumer or commercial transactions. Does your company have a policy and a sound system on how to avoid and handle first payment defaults? You only have one chance to get this right.

### **Invoices Matter**

Does your invoice contain everything your customer needs to process payment? Are your terms and/or a due date clearly displayed? Is the pricing accurate and are all applicable purchase order numbers furnished? What about the composition and presentation of your invoice? How and when are your invoices delivered to your customer? Both form and substance matter to effectively invoice your customer.

### **Electronic Billing**

Speaking of form and substance, does your company do a lot of e-billing to customers? If you do, does credit and collections actively monitor and track e-billed invoices for presentation, approval and payment? In my industry, our company must deal with over 25 different e-billing systems. Is your company and your credit and collections department trained on how to correctly administer and follow up on e-billed invoices that age past due? Many of our larger customers require all their billing be done electronically. In scenarios where a customer will prefer e-billing but may accept manual invoices, the delay in payment of manual invoices could be up to an additional 45-60 days.

### **Embrace Marketing and Sales Philosophies**

Any prompt payment issue is also a customer service issue. We must make certain that our internal team members are trained thoroughly and that our communication is clear and understood. This would include those in our credit and collection departments. We all must speak the same business language and communicate our company payment terms and expectations. Credit and collection professionals also must understand and embrace the business practices and philosophy of our sales and marketing teams. We need to have a mutual understanding of goals and expectations.

### **Uniform Goals & Expectations**

Please remember that sales and marketing also are part of your customer experience team. They also must understand your company's payment terms and expectations so that we may communicate with our customers in one voice. Training and cross-training with sales and marketing is critical.

### **Keep Communication Clear & Concise**

We must make sure there is a shared understanding throughout our company. This means upstream and downstream communications must be clear and consistent. Many times, communication is done through one or a series of reports. Instead, take the time to review and ask if the reports your department is generating are clear and align with your policies and expectations.

### **Value Added Services Build Close Customer Relationships**

In two companies I worked for, our credit and collection department focused on some value-added benefits for our customers. We would present A/R management classes and related presentations at dealer shows and company events when our customers were invited. Sometimes these presentations were not just related to



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**LISTEN & LEARN**

A/R issues, but went into other aspects of effective business management. At one company, sales and marketing would produce a customer newsletter and we would always have a business column that was of interest to our customers. Through these value-added services, we were able to present a number of positive thoughts and communications. Many customers felt they had a closer relationship with credit and collections. In most cases, this also meant that customers made paying our company a priority versus other vendors.

### **Prescreening & Vetting Prospects**

To better work with our sales and marketing teams, we offered to prescreen potential customers whenever possible. We found some credit reporting companies that would automate much of this for us. At times, we did this for a larger geographic area instead of just one customer. We would do this for new undeveloped sales territories as well as sales territories where we had some customers who posed a large financial risk. Both sales and management appreciated these efforts to improve and upgrade the financial strength of our customer portfolio. This not only helped our department build a stronger relationship with sales and management, but also allowed us to cut ties with many of our financially distressed customers.

### **Great Customer Pays Dividends**

Credit and collection professionals realize the need to provide customers with premier and proactive customer service in our quest to provide the best customer experience. Great customer service is not always easy to deliver, but it has a huge impact on the success of an organization. This includes all aspects of the customer relationship—including faster payment, more profitability, minimized risk and enhanced customer experience.

### **KYC**

*Know your customer* is a mantra that credit, collection and sales professionals embrace. The information you obtain from your customer is critical to a positive experience. Knowing your customer's expectations, how the customer is set up in your system, how your products were marketed, delivered, billed and used are all areas that can affect the client experience and impact the payment process.

Effective communication with credit and collections often begins at the onset of a new customer relationship. I believe there are a number of things that we can do to help our customers pay faster while building a better and stronger customer relationship. This article is just the beginning of what you can do to improve the customer experience and strengthen cashflow for your company. Dare to reimagine the many things you can do to make these possibilities a reality.

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*Bob Karau serves on the CFDD National Board of Directors as Chapter Director representing the Minneapolis/St. Paul Chapter. Bob also serves as the President of our Minneapolis St. Paul Chapter. He is the Credit Manager for Merchant & Gould PC in Minneapolis, Minnesota.*

## Keep the CMI Accurate!

As we monitor today's turbulent business environment, we need your participation to allow NACM's CMI to continue to be an accurate, forward-looking, leading economic indicator. Commercial credit is the lifeblood of all economies as companies rely on credit to purchase everything from raw materials, inventory, and equipment to services—or just about everything that sustains the business economy. Virtually every business transaction that involves another business depends on credit.

The few minutes you invest to answer the CMI's 12 questions, indicating if something is better, the same or worse than the month before, the more accurate the reading.



- Earn 0.1 roadmap points each month
- Receive email alerts when survey opens
- All responses confidential

SURVEY OPENS	SURVEY CLOSSES
Mon., October 10	Fri., October 14
Mon., November 7	Fri., November 11
Mon., December 5	Fri., December 9

Read more about the CMI [here](#).

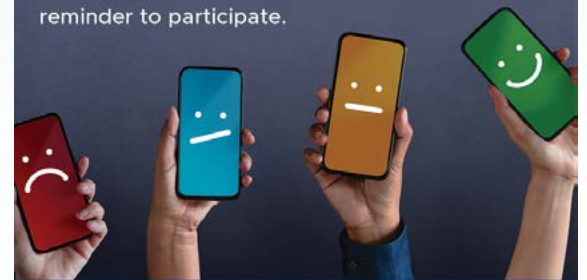
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