

Building a relationship with sales to aid quick credit turnarounds

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Credit managers spend a lot of time seeking out the ideal balance between risk and speed. Finding a credit line that protects your company without hindering profits is no easy task. Whether they're eager to close a large sale or trying to accommodate a customer on a tight timeline, salespeople may want the credit department to make a fast credit decision for a host of reasons.

Why it matters: When facing pressure from the sales team, it's easy to lose sight of the importance of a thorough credit investigation. Building a stronger relationship with your sales team can help you better communicate the credit department's needs during these moments of tension.

Working on a tight deadline is pretty common for Tracy Mitchell, [CBA](#), [CCRA](#), director of accounts receivable for Trinity Logistics (Seaford, DE), and she's established a process for screening credit requests quickly.

"We have a special box called 'Hot Credit' with a one-hour turnaround time," Mitchell said. "But just because someone sends over a request does not mean they're going to get the credit line they are requesting; it means that they will get a preliminary answer within an hour."

When asked to make a prompt decision on a credit line, credit managers may sometimes bend their traditional investigation process to help them determine a preliminary line of credit. Leaning on your sales team to glean more information can help move the process along when available information is insufficient.

"The reason for having a strong relationship with my salesperson is exactly for these types of situations," said Krystal Daughterty, [CCE](#), director of order to cash for Acuren Inspection (La Porte, TX). "We can better navigate these stressful scenarios, and if I do have to tell them I can't extend the credit line they want for their customer, they trust that I am not just feeding them a line."

When there isn't enough information readily available to support a credit decision or the information does not support the level of credit requested, creative solutions may help with a preliminary credit extension.

"When a customer requests multiple loads and it's more credit than we're able to really qualify them for in that hour, we'll propose a more out-of-the-box solution," Mitchell said. "We might ask them to pre-pay, always with the goal of getting them in the door and building that customer relationship so that we can eventually extend credit."

The stronger that relationship is, the easier it is to build a set process for extending credit quickly. "At the end of the day, no matter what kind of reporting you have, no matter what information you pull, the ease in your day is really going to come with building those relationships with your sales department," Mitchell said. "And it's finding a way to say, 'Okay, how can I give you what you need and still protect the company at the same time?'"

The bottom line: A quick credit decision can be risky, but if you build a relationship with your sales team, you can set clear standards for quick credit approvals and protect your company from risk.