

Effectively Working With a Small Credit Department

Credit departments continue to change and evolve, just as every piece of the business-to-business (B2B) landscape develops over time. The common thread among credit departments of “doing more with less” has continued to spread throughout several B2B companies, with some credit departments shrinking as a result.

Working with a smaller team can be beneficial for some companies and for the credit professionals in those organizations, while downsizing or failing to expand has its disadvantages for other teams. Regardless of the circumstances, learning to work with a smaller team is likely a skill most credit professionals will need to grapple with.

Len Brown, CCE, CICP, previously worked at a large corporation with several credit professionals and now works with a smaller company that has only four credit managers. Brown said at the large company where he worked, most of his duties revolved around reporting and “bureaucratic type stuff,” but at a smaller company, credit professionals are not expected to perform as much of that sort of work.

“You have to be involved in just about everything and have knowledge in a bunch of different things [on a small team],” Brown said. “[On a large team] you’re focused on specifics of what you’re doing, and you may have to go to someone else to get something done. Whereas on a smaller team, a lot of times you end up doing something yourself, or you have a greater knowledge overall of the operation, which sometimes is better.”

And with more diversity in the type of work done in the department, credit managers need to have the flexibility and the knowledge to perform a multitude of different tasks.

DeAnna Leahy, CCE, like Brown, has a small credit team of about five to six people. Her credit department has not grown, despite growth in revenue, which she said means she and her credit team take on various roles within the department. Leahy found education to be a key component in working with a small credit team. Since the credit professionals have to perform different tasks to keep the organization running—especially if revenue is growing, likely adding more responsibility to the credit department—learning as much as they can helps operations run smoothly, Leahy said.

“I try to encourage everybody to be the best they can be. We try to encourage everybody to take NACM classes and get their designations to be promotable,” Leahy said. “We’re never done learning, and we always need to be learning.”

Working with a small department, Leahy said she assures her staff members “click with credit” and with one another. When a new member of the team begins working at Leahy’s company, she places emphasis on the new recruit working well with the rest of the office, in addition to the tricky customers. Having an employee feel comfortable is something Leahy strives for—even if it means someone in her department leaves for a different opportunity. With so little resources, “clicking with credit” can make a credit department work smoothly.

Credit continues to change, and small teams will likely be more common in the future. While it’s still crucial for credit professionals to make executives in the company aware of the importance of the credit department, departments may continue to dwindle. Staying educated, maintaining a

healthy company culture and clicking with credit can make working with a small credit department as efficient as possible.

“The main thing is constantly being focused on the future and on growth, and where you’re going to be six months now or a year from now,” Brown said. “This business is changing very rapidly, and it’s being driven by the software products that are out there. ... They have to create their own values in the organization in the context of the field changing.”

—Christie Citranglo, editorial associate