

Use Technology to Improve Credit Processes

The world of credit management is in the process of changing. It's a slow but steady evolution that has been underway for several years. The introduction of technology into the credit field has been the catalyst that sparked the industry during the first part of the 21st century.

"Technology in credit is getting really exciting," said Credit Manager Staci Cima, CCE, during an educational session at this year's Credit Congress and Expo in Phoenix. "Technology allows smaller customers the ability to automate processes in credit and collections, and it gives everyone involved a better experience."

Cima is a one-person credit department in St. Louis, Missouri, so she doesn't have time to do everything, and she often can't do everything. Being a small credit department caused her to begin integrating technology into her daily work. It began with an online credit application; however, this was only the beginning and did not alleviate all the problems. The credit application was not automated, but it was a start, a first step to integrating new technology, said Cima. She was still manually processing the credit applications after receiving them.

This is where a company like Bectran, a software-as-a-solution (SaaS) platform, can come into play to help credit professionals get the job done. As humans, we fear the unknown. The same goes for credit professionals. A fear of technology has caused its implementation to be somewhat slowed, said a Bectran representative at the Credit Congress session. There's a fear of big problems, and some believe it will remove their focus from credit, yet it does the exact opposite—it gives them more time to do their credit functions, he explained.

Cima said she had to determine how to select the correct product for what she needed. She knew she needed assistance with credit applications, being a team of one. But it was also important to have a return on investment. She found that partnering with Bectran saved her time with an easy IT setup as well as the instant benefit of cutting credit application process time from weeks to days. And, according to the Bectran rep, paper credit applications will be obsolete in the next five to 10 years.

She also uses technology to help with trade references, which she did not have time for previously, by adding tech solutions to her job. Technology now has the ability to send notifications to the trade references listed by new customers, in turn, notifying the creditor when references have submitted their information about that potential customer.

In the session, Director Worldwide Credit & Treasury Paul Watters from a Wisconsin manufacturing company revealed that NACM National Trade Credit Report preferred partner HighRadius helped him navigate new technology in credit. "The way we do the job has changed and will continue to change over the next five to 10 years," he noted. "If we don't conform to the industry, and customers aren't buying from us today, they are going to be buying from someone else [competitors] tomorrow."

However, commercial credit is still a step behind consumer credit, where individuals can apply for credit cards online and have an approval and credit limit established in a matter of seconds. "We're on the cusp of reaching credit decisions as seen in consumer credit," continued Watters.

HighRadius helped Watters with online automated credit applications as well as automatically notifying customers when they are nearing their credit limits. Customers enter their own information into the

credit application where certain categories or fields are mandatory, meaning a customer can't submit the application unless the fields are filled in.

Adding new customers has many challenges including manual data entry errors and back-and-forth correspondence. It previously took Watters more than four days to onboard new customers. Now, it's down to about a day-and-a-half. Online credit applications help remove the need to input customer data multiple times. Adding technology also improved productivity 100% and reduced customer onboarding time by two-thirds.

Ultimately, technology, artificial intelligence, online solutions and the like give credit professionals the ability to view customer credit data in a single-view pane, said Watters. This includes bank references, financial statements, trade references, credit application information and more.

It's important, as with anything new, to make sure the decisions you're making are the right ones. Some technology options aren't for everyone, so using the correct solution is the first step toward a faster, brighter future in the credit industry.

-Michael Miller, managing editor