

NACM-Canada



National Association of Credit Management

NACM Canada 13th Annual Credit
Conference and Expo

Employee/Policy/Automation
21/10/11

**PRODUCTIVITY
ENHANCEMENT**

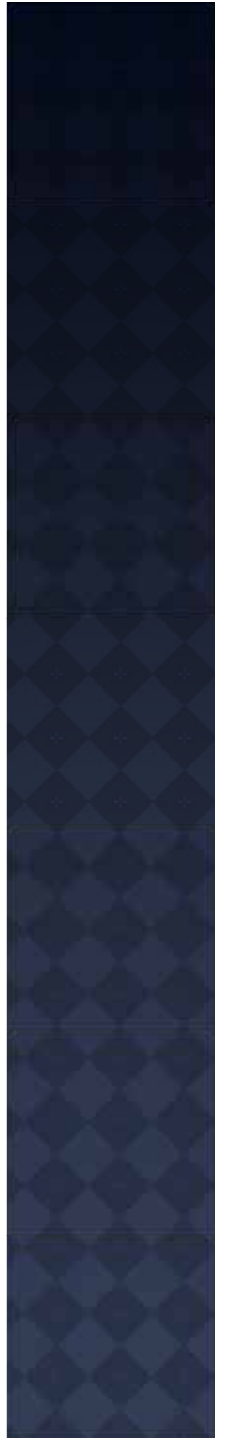
AGENDA

⦿ World Class Credit Organization

- First - Get the right (people) **Employees** on the bus
- Second - Define through a **Credit Policy** how the various processes will be managed
- Third - **Automate** to remove inefficiencies and drive productivity

« **Success is...** the sensitivity to understand what other people want and the willingness to give it to them... »

anonymous



HIRING

- ◉ Hire... right people... right place
 - Understanding the needs
 - Credit Assistant
 - Credit Analyst
 - Senior Credit Analyst
 - Credit Manager
 - Director of Credit

TRAINING

- ◉ Train... purposely... for the future
 - ◉ Understanding the Core Credit Competencies and Proficiencies required
 - ◉ Risk Assessment
 - ◉ Collections
 - ◉ Business, Commercial, and Bankruptcy Legislation
 - ◉ Collateralization / Securitization
 - ◉ Cash Flow Forecasting
 - ◉ Global Risk Management
 - ◉ Measurements of Performance / Reporting
 - ◉ Process Development
 - ◉ Certification

RETAIN

- ◉ Retain... Retain... Retain
 - ◉ Understanding the Behavioral Competencies required
 - ◉ Adaptability
 - ◉ Flexibility
 - ◉ Assertiveness
 - ◉ Communication
 - ◉ Initiative
 - ◉ Interpersonal Skills
 - ◉ Analytical Skills and Judgment
 - ◉ Leadership Skills
 - ◉ Negotiations
 - ◉ Team Spirit

CREDIT POLICY - 4 MAJOR STREAMS

⦿ How important is a Credit Policy?

- In the absence of effective credit policy, Chaos takes over the credit department

⦿ How necessary is a Credit Policy?

- It establishes a framework or guide for consistency of actions and decisions

FIRST STREAM

- Development of an optimal level of sales.
 - Policy guidelines:
 - New customer
 - Existing customer
 - Terms of sales
 - Credit Investigations

SECOND STREAM

- Minimizing the carrying costs of receivables:
 - Policy guidelines:
 - Systematic follow-up of Past Due Accounts
 - Credit Reports

THIRD STREAM

- ◎ Minimizing bad debt losses
 - Policy guidelines:
 - Conversion of open account to note or payment plan
 - Use of Collection Agencies
 - Use of outside attorneys
 - Bankruptcy proceedings
 - Allowance for bad debts and write-offs

AUTOMATION FOR BETTER OPTIMIZATION

- ◉ The ability to optimize processes is KEY to productivity... However...
- ◉ To further enhance productivity, Automation becomes a MUST
 - ◉ Challenge all manual processes
 - ◉ Put a plan to automate

AUTOMATION FOR BETTER OPTIMIZATION

◎ Strive to remove all inefficiencies to:

- Improve cash flow through automated collections
- Gain visibility to cash flow forecasting, risk exposure, collection performance, etc
- Consolidate data from various sources
- Drive performance through automation of deduction workflow process
- To reduce costs and improve AR turns with e-billing
- etc

WHERE DO YOU GO FROM HERE?

◉ Challenge is ...

- To position your department to win:
 - Strong Partner to sales and their supports
 - Strong Partner to Treasury and help them achieve their Working Capital goals
 - Automate the majority of your manual processes
 - Measure meaningfully (metrics)
 - Value your Human Capital

