Letter From...

Dennis Thomassie, CCE
CDFF National Chairman
(Acceptance speech)

One of my favorite sayings is “Life is a journey not a guided tour”. I consider my association with CFDD to be an integral part in my journey. It has only been 10 years since I became a member of our organization. That has been time well spent and very rewarding for me. I would like to take you on that journey to the present. It encompasses a series of events and people that have shaped my professional development. A development that would, I believe, have been a far different one without the support, encouragement, and educational opportunities afforded to me as a member of CFDD.

The journey began with the persistent determination of a member of the Dallas/Ft. Worth Chapter to get me to attend one of their monthly meetings. Finally, I relented and agreed to go to one. At that time, I did not know anything about CFDD or what it could do for me. I joined after that first meeting. Why? Because I was impressed by the enthusiasm and camaraderie of the membership. By their willingness to accept a stranger with open arms and by the excellent educational opportunity afforded to me by that meeting. Like many others, I lived in my own credit world as dictated by my industry. With CFDD, I could now be exposed to a plethora of credit environments, ideas and help. Also, I did not then have the opportunity to further my professional education through attendance at monthly educational meetings and seminars. Now I would. And it all came about because of the persistence of one member who already knew what a difference membership would make for me.

As a new member, I was immediately given the opportunity to contribute. Our chapter was getting ready to host the then CFDD Southern Regional Conference. I got to serve on committees, head a committee, and even give a general session lecture to the attendees. All of those things aided in my development as an individual and as a credit professional.

My chapter gave me the opportunity to develop managerial skills such as planning, budgeting, organizing and directing through service on the Chapter Board and as Vice President and President. Of course it took my willingness to accept those challenges.

I came into the organization as a CBA and felt certain at that time that I would never gain the Road Map points and knowledge necessary to achieve the CCE designation. Again it was CFDD to the rescue as I continued my journey. I took advantage of my Chapter's mentor program and was fortunate enough to get a mentor who showed me the way. It was through her dedication and willingness to give back to her profession that I quickly realized how I could achieve those needed Road Map points through participation and study. And it was she who never let up until I took the CCE exam. An exam that I would not have taken had I not gone to that first meeting. I could not be prouder of that achievement, a CCE professional designation holder. My journey continued forward because of CFDD, the opportunities that it presented to me and the people involved in it who were willing to share, prod and encourage.

Because my Chapter encouraged participation and involvement in Regional and National Conferences, through generously offered scholarships, I was able to start attending those conferences, continuing to gain much needed professional knowledge through the wide ranging topics offered while gaining a growing list of new professional acquaintances through networking. How did that aid my journey? I got to meet those individuals who were serving in leadership positions in our organization. And through that interaction, I gained the opportunity to serve on a national level when I was selected by the incoming National Chairman.
to be a Member at Large. This was an opportunity that meant a great deal to me since, at that time in my career, it was the only way that I could achieve the goal of serving nationally and it was something that I greatly desired. My professional growth was important to me and the avenues opened to me by my membership in CFDD aided immeasurably in my journey. Because of my involvement locally, regionally and nationally, I was fortunate enough to be awarded the DMA. My company then further recognized my achievements and growth. Support became more encompassing and I went on to serve as an Area Director and Vice Chairman. That all important company support is readily identifiable by the presence last night at my reception of Robert Finn, President of RSR, and at the reception and luncheon today of Jim Schureman, Vice President/Controller of RSR.

My theme this year harkens to that journey—CFDD: The Journey Toward Professional Achievement. Why toward and not to? Because our journey should be ongoing. We should strive at every turn to gain professionally and personally and it is CFDD and our involvement in CFDD that gives us the best opportunity. Where else do we have such a network of friends and business associates willing to help us to learn and to hone those skills vital to our survival in today's business environment? Where else do we have the opportunity to be a mentor or to be mentored by a seasoned credit professional? Where else can we gain through local and national scholarships the opportunity to attend seminars and conferences? To learn from highly qualified instructors and to gain networks of people ready to answer today's business question or in the event of a job change that new business question? I would encourage all of us to begin that journey or to continue forward with it. The challenges await, as do the rewards.

One of my privileges as your new Chairman is to appoint two active members to serve as Member-at-Large to represent you on the Executive Committee. It is my pleasure to do so and to help them in their journey. I am pleased to introduce those who will serve in that capacity, Herbert Dewey II, CCE (Omaha, NE) and Nancy Chouteau, CCE (Direct Member, Cincinnati, OH).

I have alluded to those who have been key in my ongoing journey and I would like to thank them. That persistent member who started me on my journey is Maggie Grisom, CCE. The mentor who would not quit is Honey Graham, CCE. I have been lucky in having a Mentor at Large that I have gained immeasurably from as both an inspiration and as a role model—Lee Ann Garrington, CCE. I shall always be grateful to that incoming National Chairman who saw in me the desire to serve, and a spirit to succeed—Phyllis Truitt, CCE; my company, RSR Corporation, who has generously allowed me to travel forward on my journey and allowed both of us to gain from it; and of course, my own Dallas/Ft. Worth Chapter and all its members who have given me the opportunity to partake of all that they offer to anyone willing to make the choice and start on a journey toward professional achievement.

I greatly appreciate the opportunity to serve you as your National Chairman this year. Let us all continue on our journeys together and in doing so make CFDD ever better, ever stronger and evermore the best place to be for professional growth.

Thank you.
Déjà vu—French for “already seen”. The American translation: “been there, done that”.

In September 1998, I wrote an article for the September issue of the CFDD National Newsletter as your CFDD National Chairman. Today, I have the honor of writing an article as the National Chairman of NACM.

In preparing for this article, I reviewed my September 1998 article as well as articles from other past CFDD National Chairmen and past NACM-National Chairmen written over this six-year span. Every single article spoke about change and it’s affect on the credit professional. And guess what? Today, change is still a constant in our work lives. Fortunately another constant is the fact that NACM and CFDD are both invaluable resources for you, the credit professional, to help you keep pace with the accelerating rate of change.

The NACM-National Staff and National Board are working to provide you the tools and resources necessary, not only for today but for the future as well. President Schauseil and her staff are continually working to provide members with the resources needed to be successful in their jobs.

Let me share with you some of the projects on which the National Staff has been working.

**Credit Manager’s Index (CMI):** Each month we ask our members to go online and participate in a brief survey. The CMI has the potential to be a dynamic forecasting tool. All it needs to be successful is your participation. The larger the number of participants providing information, the more representative the results will be.

**Educational Offerings:** NACM offers monthly teleconference programs as well as Accounting, Business Law and Credit Law classes online. CBA and CCE practice exams and the Business Credit Principles Course are currently available on CD-Rom and a CBF practice exam on CD-Rom is in the works. In addition, the National Staff is continuously reviewing, revising and updating the various credit reference books and manuals offered through the NACM-National Bookstore.

**Resource Library:** This is a marvelous new resource tool available to all members. Once you subscribe, you will have online access to a myriad of credit information, searchable by multiple methods.

In addition, NACM-National has renamed two departments to better reflect the focus of each. The focus of the Asset Protection Group is to combat business fraud. As a member, you receive reports on companies to watch, including but not limited to e-mail alerts and will have access to the newly developed database. The Government Business Group is there to assist the member with training and support for all facets of government business from how to start selling to the government to how to collect your money. GBG also provides a wide range of member benefits such as e-mail updates, and information on new government rules and regulations. Both APG and GBG offer seminars throughout the year.

(Continued...)

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**Calendar of Events**

<table>
<thead>
<tr>
<th>Event Date</th>
<th>Event Name</th>
<th>Location</th>
<th>Website/Contact Info</th>
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</thead>
<tbody>
<tr>
<td>September 8-9</td>
<td>NACM’s Annual Legislative Conference</td>
<td>Washington, DC</td>
<td><a href="http://www.nacm.org">www.nacm.org</a></td>
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<tr>
<td>October 6-9</td>
<td>NACM-CFDD Pacific Northwest Conference</td>
<td>Portland, OR</td>
<td>(see p. 13)</td>
</tr>
<tr>
<td>October 21-23</td>
<td>CFDD Conference East</td>
<td>Louisville, KY</td>
<td>(see p. 5)</td>
</tr>
<tr>
<td>November 1</td>
<td>Nationwide Certification (CBA, CBF, CCE) Exam Test Date</td>
<td>Contact the NACM-National Education Dept. at 410.740.5560.</td>
<td></td>
</tr>
<tr>
<td>February 17-19, 2005</td>
<td>CFDD Conference West</td>
<td>Albuquerque, NM</td>
<td>(see p. 13)</td>
</tr>
</tbody>
</table>
Your National Board is dedicated to the development of programs that will support you, the credit professional, as well as strengthen and enhance the credit profession. Each year you have the opportunity to participate in this process through board and/or committee service. In the September issue of Business Credit magazine will be a “Call for Volunteers”, an opportunity to submit your name as a candidate for the NACM-National Board. As your National Chairman, I appoint members to serve on National Committees and on Work Groups as the need arises. I strongly encourage you to take advantage of these two opportunities to participate in NACM’s mission... to position NACM as the premier global credit association. Answer the “Call to Volunteer”, fill out the application to serve as a director on your National Board. Call me and share with me your interests and concerns, volunteer your time and expertise to serve on a National Committee or Work Group. And when the time comes, make your voice heard, and VOTE.

As you know, CFDD National Chairman, Dennis Thomassie’s theme this year is “CFDD... the Journey Toward Professional Achievement”. I encourage each of you to take full advantage of the many educational and networking opportunities available to you through CFDD on your personal journey toward professional achievement. In addition to monthly membership meetings, seminars and workshops offered through your local chapter, I encourage you to attend one of the three CFDD Regional Conferences scheduled for this leadership year. The programs scheduled for each are outstanding. CFDD is the vehicle, but your journey cannot start until you make the commitment. Don’t hesitate, jump on the CFDD train on your journey toward professional achievement.

Letter From...

Pam Foreman, CCE
Vice Chairman of Education and Programs/Chairman Elect

What better way to embark on your journey toward professional achievement than by hitching a ride with CFDD! The annual business luncheon in Phoenix proved the wisdom in being a CFDD member once again. Individual and chapter achievement awards were presented as well as 60 scholarships, totaling a whopping $16,625! My heartfelt congratulations go to all of the winners.

Although it is still months until award and scholarship applications are due, now is the time to start planning for them. If you would like to have one of your programs or workshops considered for an award, keep that in mind while you are planning them. There really is no mystery to winning one—applications, as well as scoresheets, are in the manual. If you keep in mind the guidelines on the scoresheet, the real winners will be those who attend your program!

The scoresheet for the scholarship application is also in the manual. The real key to being a recipient of a scholarship is involvement. Attend meetings, serve on a committee, participate. Aside from having a better chance at winning a scholarship, you will get so much more out of your membership (remember the difference between being a member and having a membership?).

So you applied for an award or scholarship last year and didn't win? Don't let that discourage you from applying again. If you wonder where yours fell short, just contact Millie DeMariano. She keeps the scoresheets on file for a year and will be happy to evaluate yours with you.

Stop and think a bit about what first motivated you to join CFDD. Networking of course comes to mind, but I think for most of us credit education was the "hook". Questions come up every day on procedures, laws, ethics and just plain “how do I do that”. CFDD provides a wonderful monthly resource to get the answers to these credit questions IF your chapter is providing relevant programs. If you are on your program committee, try to put yourself in that new (or prospective) member's shoes when you are planning your topics. Sometimes members say they are bored with hearing about the basics, but isn't that why we joined to begin with? And honestly, don't we almost always learn something new even though we think we know the topic inside out? If you think the program is too basic for you, use this opportunity to share your knowledge with those less experienced. The programs on personal development and motivation are wonderful, but should be an addendum to our agenda rather than the focus. Let’s keep the Credit in CFDD.

Your national officers are here to serve you. We need your feedback to do our jobs well. Please contact us with any comments or suggestions. We all have the same goal—to help you with your journey to professional achievement.
Letter From...

Jeffrey L. O’Banion, CCE
Vice Chairman Member Services
(Member & Publicity)

Chairman Thomassie’s theme this year directly and accurately hits the mark—“CFDD: The Journey Toward Professional Achievement”.

We all have a responsibility and a commitment to our NACM and CFDD organizations. We “belong” because we each have the individual and collective desire for professional excellence and achievement whether it is at the National, Regional or Local level. But what does “belonging” really mean? It starts with each of us. We endeavor to be the best at what we do, to work hard, do our jobs well, achieve recognition, network with our professional colleagues, advance our professional education and, certainly, to give back and share what we have learned and experienced through personal involvement in our individual CFDD chapters.

Membership in a local CFDD chapter is the catalyst that brings all these things together. I have often said (perhaps too many times according to my own Portland Chapter colleagues) that there is no better bang for the buck than CFDD! I know it, and you know it. Let’s tell our story and share the wealth and success of what we are as an organization of credit and finance professionals.

Education/Program and Membership/Publicity are two critical areas of any successful professional member-driven organization. It is no less true of CFDD. CFDD National recognizes the key importance of these areas by focusing its two National Vice Chairmanships towards developing and refining education and membership programs and assisting the local chapters in effectively utilizing these resources. Chairman Thomassie, Vice Chairman Foreman, Executive Director DeMariano, the Area Directors and I are available to aid any of you in introducing and implementing new ideas that will help your chapters grow while meeting the continuing needs of an active membership.

An active membership takes, well, members! To help you to that end, CFDD National has a wealth of materials and programs available. The CFDD Leadership Manual (every Chapter President receives a copy) has many guidelines, templates, forms and samples that make the areas of Membership and Publicity a breeze and not a burden!

In the Membership area there are guidelines for the new Membership Chairman, forms for the Quarterly Membership Reports, a sample of a letter for welcoming the new member and a letter for retention of current members that can be included with your dues billing. There is even a Membership Resignation Inquiry form that just might help you get that wayward member to return to the fold. You can also find guidelines for a new member sponsor program as well as a member referral program.

In the Member Achievement area templates and forms can be found for recognizing the new professional designation recipient, the 25-Year Member as well as the 50-Year Life Achievement Award. Applications for your members for the National Distinguished Member, Marilynn Daugherty Spirit and National Mentor Achievement Awards are also readily available and easy accessible. There is also a flyer describing CFDD logo branded non-dues income items (great for individual recognition or speaker gifts) and a form for placing your order.

In the Publicity area there are guidelines for the chapter Publicity Chairman, a submission form for CFDD National Newsletter items and the National Publicity Award application. In addition, there is a great CFDD Promotional Flyer emphasizing the importance and benefits of CFDD.
not only to you, but also to your employer. Chairman Thomassie has eloquently penned a “CFDD and You” document that portrays the history of CFDD (yes, we were originally named the National Credit Women’s Executive Committee), emphasizes the education and networking aspects of CFDD, explains the working structure of the Boards and Committees and closes with the future promise and commitment by CFDD National and its chapters to career development for all members.

Our goal, and our mission, at CFDD National is to make available tools for you to grow and retain your membership, recognize the individual achievements of your members and your chapter and publicize the successes of our members and the entire CFDD organization. We are continually reviewing, refining, updating and adding to these tools. They are there for you—please use them!

At the CFDD National Board meeting in Phoenix, Chairman Thomassie appointed me to lead a Chapter Development Committee to explore and pinpoint resources that we could use to determine potential sites for new chapters. CFDD National is committed to helping the current chapters continue to grow as well as cultivating and supporting the formation of new chapters in areas that can effectively begin the “Journey Toward Professional Achievement.” Working together we can truly make CFDD the professional resource for the credit and finance professional. I invite, and request, each of you to please share and contribute your thoughts, ideas and experiences to aid us in this quest. I can be reached via e-mail at jeffcce@aol.com or by telephone at 503-226-4211 x2380.

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**CFDD Award Winners Presented**

at CFDD Luncheon • Phoenix, AZ

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**Marilyn Daugherty Spirit Award Winner**
Liz Hedke, CCE – Detroit

**DMA Winners**
Class A  Nancy Watson-Pistole, CCE – Kansas City, MO
Class B  Beverly Zimmer, CCE – Dayton, OH
Class C  Richard Heavener, CCE – Charlotte, NC

**Membership Awards**
Class A  No Winner
Class B  CFDD Louisville Chapter
Class C  CFDD Detroit Chapter

**Association Membership Awards**
CFDD Portland Chapter
CFDD Dallas/Ft. Worth Chapter
CFDD Raleigh/Durham Chapter

**Program Award Winners – Regular Monthly Meeting**
Class A  CFDD Dallas/Ft. Worth Chapter
Class B  CFDD Omaha/Lincoln Chapter
Class C  CFDD Charlotte Chapter

**Program Award Winners – Seminar**
Class A  CFDD Kansas City Chapter
Class B  CFDD Salem/Albany Chapter
Class C  No Winner

**Publicity Award Winners**
Class A  CFDD Kansas City Chapter
Class B  CFDD Salem/Albany Chapter
Class C  CFDD Charlotte Chapter

**Scholarship Winners**

**School Registrations**
Drue Rutledge Cobb, CBA – Charlotte

**Certification Programs**
Shawn Ismert, CBA – Kansas City
Laura Lowrey – Kansas City
Gloria Meyer – Dayton
Steven Rodvelt – Kansas City
Roy Stout – Los Angeles & Minneapolis/St. Paul
Tonya Von Bulow-Stickney, CBA – Denver

**Self Study Courses**
Cheryl Gullart – Los Angeles

*(Scholarship Winners continued...)*
Abstract
For years the value and contribution of a Credit Department has been measured by days sales outstanding or DSO. This single formula has been, and is, looked upon as the standard for measuring the effectiveness of an accounts receivable department. It is often relied on as a key indicator of the quality of accounts receivable customers. This is especially true when looking at trade accounts receivable.

Although DSO's do give a direct reflection of how quickly sales are converted from AR to cash, there are several things that DSO's do not measure that are quite important in the evaluation of the quality (or collectibility) of an accounts receivable portfolio.

Important factors that DSO's do not address include:
- Aging of accounts receivable
- Bad debt or write-off amounts
- Terms

I don't believe there is any single formula or equation that can display the entire answer to AR quality. I do believe there are different ways to look at financial data and express a more complete analysis of quality. For this reason, I designed the RQE, or Receivables Quality Equation, and the associated analysis.

Why RQE?
It is very easy to overlook the aging of accounts receivable. When the focus is on days sales outstanding, there is little consideration of the age of past due amounts. Aging is assumed as a normal part of managing AR and should be expected. The consideration that the older the AR, the less collectible is acknowledged but seldom addressed. Bad debts or write-offs of accounts receivable is an expected function in AR. Allowance accounts are maintained to absorb this event and becomes part of “keeping the accounts clean” process.

Terms are quite often overlooked when examining DSO's. They can be deceiving when using DSO's for comparison between companies or divisions of the same company. For example, a DSO of 30 is better than 45. However, if you also know that the 30-day DSO is obtained under selling terms of Net 10 days, while the 45-day DSO was obtained under terms of Net 60 days, the meaning of the DSO may lead to a different conclusion.
It therefore becomes necessary to look further into the AR portfolio than DSO, and express an opinion of the quality of the amounts a business is representing as an accurate, often significant, critical asset.

**What is RQE?**

To describe the RQE formula and analysis, let's begin by explaining the objectives. There are three primary goals: (1) estimate a quality factor to the overall portfolio, (2) estimate a confidence level in that quality factor for a specific point in time, and (3) forecast expected cash flows from that AR portfolio. These estimates are based on several key components contained within the accounts receivable. These factors include:

- DSO
- Terms
- Aging
- Bad debts or Write-offs

The RQE is represented as a percentage. Generally, the higher the percentage the higher the quality and collectability of the amounts represented in the portfolio. As an example, an RQE of 40% represents limited quality, while a RQE of 80% communicates a much higher level.

**EXAMPLE:**

Below is an aging of accounts receivable as might be reflected at a given month-end.

<table>
<thead>
<tr>
<th>Balance Current</th>
<th>1-30 Days</th>
<th>31-60 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1575</td>
<td>$1000</td>
<td>$250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>61-90 Days</th>
<th>90+ Days</th>
<th>90-Day</th>
<th>Write-off's</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150</td>
<td>$100</td>
<td>$75</td>
<td>$25</td>
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</table>

If we now multiply the aging by the weighting factors we have:

<table>
<thead>
<tr>
<th>Balance Current</th>
<th>1-30 Days</th>
<th>31-60 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>$25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>61-90 Days</th>
<th>90+ Days</th>
<th>90-Day</th>
<th>Write-off's</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45</td>
<td>$50</td>
<td>$67.50</td>
<td>$25</td>
</tr>
</tbody>
</table>

The totals of the aging times the weighting factors is $212.50. This amount represents the weighted value of the potentially uncollectible amounts within the past-due portion of the portfolio plus the amount written off during the past 90 days. We add the actual write-offs over the past 90 days because the quality of an AR should not be rewarded for bad debts write-offs.

If we were to stop at this point, deduct the $25 bad debt amount, we could compare this $187.50 amount to our bad debt reserve account and estimate the accuracy of the reserve. However, the equation is not yet complete.

The total past due amount in the aging is $575. So, the equation for the potential write-offs within the portfolio is: $212.50 / $575 or 36.96%. However, we are interested in the collectible portion of our past due portfolio, so the reciprocal of this factor is 100% – 36.96% or 63.04%.

We stated early in the example that our DSO was 37.8 and terms were Net 30 days. If we now compare the actual DSO to terms we can state this as an equation: 37.8 / 30.0 or 1.26. This means DSO's are exceeding terms of sale by 7.8 days or 26%. (This equation would hold true for DSO's that are less than selling terms. The effect would be a factor less than 1.)

The last part of computing the quality portion of the RQE is to combine the DSO equation with the past due quality equation. We have: 63.04 / 1.26 or 50.03. Our RQE is 50.03%.

What does this tell us? We can state that on a rating scale of 1% - 100% we have achieved a 50.03% quality level within our existing AR portfolio. Does this mean that we are only 50% effective in managing our receivables? Not necessarily. It only means that based on this given set of data and at this point in time there may be room for improvement. One data point does not represent a pattern, and a conclusion cannot be drawn from this information. We will need to tack the RQE over time to establish a level of quality. Additionally, there is no consideration given for marketing programs, overall credit philosophy, or economic conditions. These are major considerations when evaluating the RQE.

Finally, we need to now determine a confidence level for the RQE. To estimate this we must return to the original weighted calculations.
Recall, the AR balance in our example is $1575 and the value of the original past due amount is $575. Taking the $575 and multiplying this by the RQE factor of 50.03%, we get $287.67. This estimates the collectible portion of the past due AR based on the RQE formula. If we take the $287.67 and add this to the current portion of our AR of $1000, we get $1287.67. $1287.67 / $1575 is 81.76%. (An assumption is made that the $1000 of current AR is expected to be collected. If this is not true the assumption is that credit would not have been extended.)

**Conclusion**

To summarize the analysis, we can state the following about our Accounts Receivable portfolio:

- The overall quality rating of the portfolio is 50.03%
- The expected cash flow from the portfolio is $1287.67
- We are 81.76 (or 82%) confident that the real collectible value of our AR is $1287.67
- The reserve for bad debts should be about $187.50

These equations give us insight as to the overall management of our accounts receivable. They include actual collection time (DSO), terms of sale, actual write-offs, forecasted collections and cash flows, and assisted us in estimating our reserve accounts. These equations can compare the quality of DSO’s between different AR portfolios. They can be used within industries or between different industries. Finally, they allow comparisons for different terms offerings from companies, by comparing DSO activity to actual terms offered.

The weighting in this example is subjective. Any use of these equations should reflect the goals and actual experiences of the user. These equations are an attempt to better reflect the quality of an accounts receivable portfolio, without reliance exclusively on DSO’s.

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**NACM’s Resource Library:**

The Corporate Credit Manager’s Ultimate Tool

The National Association of Credit Management (NACM) has long been associated with its vanguard publication, the Manual of Credit and Commercial Laws, which lawyers and corporate credit and financial managers rely on for comprehensive legal information relating to national and state commercial credit and bankruptcy laws. Nationwide, subcontractors and wholesale distributors of building and construction materials turn to the Manual for the most up-to-date lien law requirements. More recently, the association has gained national recognition for its Credit Manager’s Index (CMI), which is reported on monthly in economic publications and columns of business journals, newspapers and magazines. Now, NACM is becoming known as the comprehensive online resource for those who manage the financial and credit functions at corporations across America through its online Resource Library.

NACM’s Resource Library contains the searchable text of the entire Manual of Credit and Commercial Laws, as well as other NACM proprietary titles, such as the Principles of Business Credit, Credit Management: Principles and Practices, archives of their flagship publication, Business Credit magazine, as well as handouts from national seminars and downloadable forms. Those people responsible for their companies credit risk management and financial performance understand the importance of staying up to date on legal requirements such as the Sarbanes-Oxley legislation: where better place to look than the most reliable source, NACM?

NACM has been an educational resource for credit professionals for over 108 years. The NACM Resource Library continues the association’s important legacy of providing accurate, current information and resources to those working in the credit profession. The NACM Resource Library is located on the NACM web site, at www.nacm.org.
<table>
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<td>Wesco Distribution</td>
<td>Certified Expert Witness (CEW) Designation</td>
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<td>Wesco Distribution</td>
<td>Master's Certificate in ADR</td>
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<td>Janis Rowe, CCE</td>
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<td>Rebecca Harvey, CCE</td>
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<td>Distinguished Toastmaster Designation</td>
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<td>Retired</td>
<td>CFDD National DMA-Class B</td>
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<td>Donna Watson, CCE</td>
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<tr>
<td>Barb Klosterman, CCE</td>
<td>Mike-Sell’s Potato Chip Co.</td>
<td>Local NACM Chairman of Board</td>
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<tr>
<td>Wanda McPhillips, CCE</td>
<td>CEMEX, Inc.</td>
<td>Local NACM Vice Chairman of Board</td>
</tr>
<tr>
<td>Nancy Strathearn</td>
<td>KEN/API Supply</td>
<td>Local NACM Board of Directors</td>
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<tr>
<td>Barb Klosterman, CCE</td>
<td></td>
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<tr>
<td>Jill Detrick</td>
<td></td>
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<tr>
<td><strong>Denver</strong></td>
<td>Edgeguard, Inc.</td>
<td>CEW Designation</td>
</tr>
<tr>
<td>Maxine Wood, CCE</td>
<td>Denver Newspaper Agency</td>
<td>CBA Designation</td>
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<tr>
<td>Mary Salas, CBA</td>
<td>Wagner Equipment</td>
<td>CBA Designation</td>
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<tr>
<td>Alex Roise, CBA</td>
<td>Melco Embroidery Systems</td>
<td>CBA Designation</td>
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<tr>
<td>Clay Lauerman, CBA</td>
<td>Engbar Pipe and Steel Co.</td>
<td>CBF Designation</td>
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<tr>
<td>Heidi McPherson, CBF</td>
<td>Ellen Equipment Co.</td>
<td>CCE Designation</td>
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<tr>
<td>Art Gross, CCE</td>
<td>Grif-Fab Corporation</td>
<td>CCE Designation</td>
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<tr>
<td>Jacci Mason, CCE</td>
<td>Allied Building Materials</td>
<td>CCE Designation</td>
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<tr>
<td>Kelly Shock, CCE</td>
<td>Larson Distributing Co.</td>
<td>CCE Designation</td>
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<tr>
<td>Nancy Hoffman, CBA</td>
<td></td>
<td>NACM Colorado Credit Executive of the Year</td>
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<tr>
<td><strong>Detroit</strong></td>
<td>Mark IV Automotive</td>
<td>CICP Designation</td>
</tr>
<tr>
<td>Jan Spalding, CCE</td>
<td>NACM Great Lakes</td>
<td>Marilyn Daugherty Award Recipient</td>
</tr>
<tr>
<td>Elizabeth Hedke, CCE</td>
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<tr>
<td><strong>Detroit/Toledo</strong></td>
<td>Newton Manufacturing</td>
<td>Installed as NACM-National Chairman</td>
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<tr>
<td>Dawn Wallace-Cook, CCE</td>
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<tr>
<td><strong>Eugene/Springfield</strong></td>
<td>NorPac Foods</td>
<td>Local NACM Board of Directors</td>
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<tr>
<td>Lori Kimball, CBA</td>
<td></td>
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<tr>
<td><strong>Kansas City</strong></td>
<td>Premium Standard Farms</td>
<td>CFDD National DMA-Class A</td>
</tr>
<tr>
<td>Nancy Watson-Pistole, CCE</td>
<td>Sioux Mfg. Co., Inc.</td>
<td>Distinguished New Member of the Year</td>
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<tr>
<td>Shawn Ismert, CBA</td>
<td>Cooperative Finance Assoc., Inc.</td>
<td>Credit Professional of the Year</td>
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<tr>
<td>Richard Reed</td>
<td>Farmland Foods</td>
<td>Kansas City Presidential Citation</td>
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<tr>
<td>Larry Glenn, CBA</td>
<td>McDowell, Rice, Smith &amp; Buchanan</td>
<td>25-Year Award</td>
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<tr>
<td>Chris Marchewka, CCE</td>
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<tr>
<td><strong>Omaha/Lincoln</strong></td>
<td>Nebraska Cattleman’s Assoc.</td>
<td>Credit Professional of the Year</td>
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<tr>
<td>Sharon Foster</td>
<td>Carlson Systems, Inc.</td>
<td>BA cum laude Bellevue University</td>
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<tr>
<td>Chloe Gaines</td>
<td>White Cap Construction Supply</td>
<td>BA Bellevue University</td>
</tr>
<tr>
<td>Cindy Pallas, CBA</td>
<td>Warren Distribution</td>
<td>CICP Designation</td>
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<tr>
<td>Herb Dewey II, CCE, CICP</td>
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</table>
# Awards & Achievements (Continued)

## Portland
- **David Erickson**, CCE, Alports Forwarding, Local NACM Board Vice Chairman
- **Yvonne Prinslow**, CCE, Pope & Talbot, Inc., Local NACM Board Councilor
- **Barbara Davis**, CBF, Liberty NW Insurance Co., Local NACM Board of Directors
- **Pat Jones**, Consolidated Supply Co., Local NACM Board Treasurer
- **Shirley Kaufmann**, CBF, Air Filter Sales & Service, Local NACM Board of Directors
- **Jeffrey L. O’Banion**, CCE, Northwest Natural Gas Co., CFDD National Mentor of Year
- **Lou Rice**, Pendleton Woolen Mills, NACM Oregon Foundation Board
- **Betty Beeson-Bauder**, CBF, Select Management, Inc., NACM Oregon Foundation Board
- **Barbara Davis**, CBF, Liberty NW Insurance Co., NACM Oregon Foundation Board
- **Jeffrey L. O’Banion**, CCE, Northwest Natural Gas Co., Chairman, NACM Oregon Foundation
- **Marjorie Dyrnes**, CCE, Select Management, Inc., NACM Oregon Foundation Board
- **Gabriel Smithson**, Air Filter Sales & Service, Nollison Memorial Credit Congress Schol.

## Salem/Albany
- **Lori Kimball**, CBA, NORPAC Foods, Inc., Local NACM Board of Directors

## San Diego
- **Noemi Marchesano**, CCE, Vycera Communications, Inc., CCE Designation

## Seattle
- **Debi Grable**, Coast Crane, Distinguished New Member Award
- **Bob Lucas**, NACM-BCS (Seattle), Distinguished Member Award
- **Leigh Johnson**, The Quartz Group, NACM National Instructor of Year
- **Mary McConnell**, Sakuma Bros. Farms, CCE Designation
- **Terry Downing, CBA, CCE**, Plywood Supply, Inc., Local NACM Board of Directors
- **Ruthanne Shay, CCE**, Cutter & Buck, Inc., Local NACM Board of Directors
- **Kelly Simon, CCE**, Rice Insurance, LLC, Local NACM Board of Directors
- **Kim Sizemore, CCE**, Star Rentals, Inc., Local NACM Board of Directors
- **Heidi Lindgren-Boyce, CCE**, Plywood Supply, Inc., Local NACM Chairman-elect
- **Jaime Beadnell**, Rinker Material, Level 1-Local Accreditation
- **Rowena Corpuz**, Food Services of America, Level 1-Local Accreditation
- **Martha Skomski**, Skyway Luggage, Level 2-Local Accreditation
- **Mary Stubben**, PCS Millwork, Level 2-Local Accreditation
- **Sandra Williams**, Glacier NW, Level 3-Local Accreditation
- **Delores Fizpatrick, CBA**, Food Services of America, Level 3-Local Accreditation
- **Jeremy Keenan, CBA**, Skyway Luggage, Level 4-Local Accreditation
- **Paulyne Vandersloot, CBA**, PCS Millwork, Level 5-Local Accreditation
- **Tracy White, CBA**, PCA Millwork, Level 5-Local Accreditation
- **Mary McConnell, CCE**, Cutter & Buck, Inc., Level 4-Local Accreditation
- **Kelly Simon, CCE**, Cutter & Buck, Inc., Level 5-Local Accreditation

## Tacoma
- **Carole Hughes**, CBA, Nova Fisheries, CBA Designation
- **Cynthia Jaeger**, CBA, Utility Vault, CBA Designation, Level 3-Local Accrd.
- **Jennifer Gilliland**, CBA, Seattle-Tacoma Box, CBA Designation, Level 2-Local Accrd.
- **Martha Skomski**, Charlie's Produce, Level 2-Local Accreditation
- **Stacey Smythe, CBA**, Progressive International, Level 3-Local Accreditation
- **Laura Jones, CBA**, Commercial Finance, Local NACM Board of Directors
- **Kathy Hicks, CBA**, Pacific Industrial Finance, Local NACM Board of Directors
- **Debbie De Boer, CBA**, Miles Sand & Gravel, Local NACM Board of Directors
- **Laurie Farvour, CBF**, GENSCO, Inc., Local NACM Board of Directors
- **Tamara McCourt, CCE**, Pinnacle Capital, LLC, Local NACM Board of Directors
- **Lori Morrison, CBF**, Weyerhaeuser Company, Local NACM Board of Directors
- **Jaime Beadnell**, Plywood Supply, Inc., 2004 National Student of the Year

## Wichita
- **Ron Schulze**, Ritchie Corp., Local NACM Board of Directors
At the National CFDD Luncheon held recently during the National Credit Congress in Phoenix, Arizona, I was awarded the Distinguished Member Achievement award for Class B. This was a personal achievement, one I had only dreamed of heretofore, and yet a very humbling experience. To all of you fellow CFDD members who wished me well, I say “thank you”. To Nancy Watson-Pistole, CCE of Kansas City, MO, who was present to receive the same award for Class A, I say “congratulations”. I also congratulate Richard Heavener, CCE, Charlotte, NC who was the winner in Class B and unable to be present.

Another milestone that took place in Phoenix was the installation of Dennis Thomassie, CCE as the National CFDD Chairman. Congratulations to Dennis who is the first man to be the National Chairman. Dennis is a great person, very organized, very professional and very supportive of CFDD and NACM. He will serve us well.

For some of you who may not know about the early days of this (CFDD) organization, you should know it was previously called the Credit Women's Group. Yes, this was in the ‘Dark Ages’!! Prior to that there was no (or at least very little) educational and/or networking opportunities for those female professionals who worked in the credit field. During the mid-’70s many of the chapters changed their name to reflect the co-ed nature of our organization. In 1988, the Credit and Financial Development Division (CFDD) was established.

I am not familiar with any other organization that provides the number of educational opportunities for its members as you will find in CFDD. Our meetings are planned around learning opportunities. When you attend a CFDD meeting, whether it is a lunch or dinner meeting, you are not “just” going to a meeting. You are learning as well as networking. All attendees have the same goals—to learn more about the “wonderful world of credit”. Our conferences are not “just” get-togethers planned so you can travel. The agendas are planned around education.

Why do I say all of this? Because I am so proud of this organization and the way it is concerned about its members. Not only does it provide the opportunity for education/knowledge, it also provides the means! The number of local and national scholarships given each year is outstanding. CFDD not only believes in education, it provides the cash for accomplishing it. What a wonderful commitment and statement.

After 35 years of working in the credit field and 22 years of CFDD membership I am now retired. (Some of you are probably saying “thank goodness” or “it’s about time”!!) And, yes, it is time. However, I will continue to be a CFDD member and supporter. You may ask ‘why’ and it is because I still believe in CFDD and feel it is a vital organization to those working in the credit field.

I would like to leave all of you with a challenge to keep CFDD going strong. I challenge each of you to never stop learning, never stop trying and never quit!! Keep striving for more—more education, more learning, more skills. Become better at your job, become a better wife/husband, become a better mother/father, become a better co-worker/team member. There are no limits on how you can become better at anything you do. If there are limits (or you feel there are) it’s because you set them for yourself.

So my challenge remains to you and for you—Don’t limit yourself when you’re reaching for the stars. Keep reaching and reach for the ones farthest away.

Again, I say “thank you” for naming me as a Distinguished Member of CFDD. I will treasure the moment forever.

Beverly C. Zimmer, CCE
Retired Credit Manager
5518 Dull Road
Arcanum, OH 45304
Member of CFDD-Dayton Chapter
e-mail: bzimmer306@earthlink.net

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You Can Reach Members—Current Potential Through CFDD’s Professional Education Programs

Liz Hedke, CCE, NACM Great Lakes in Detroit, MI does...

We just ordered the Credit Policies and Procedures program from Millie. We at Great Lakes have used most of the CFDD National Educational Programs but it has been a while and several of them can certainly be repeated.

These programs are excellent and packed full of very useful information. We have done several of them in a round table format with discussion leaders. That approach is not quite so intimidating for a member who might not feel comfortable in being the program “speaker”. This works great and generates a lot more discussion through the sharing of “true life” credit experiences.

CFDD National’s Professional Educational Programs can be ordered from CFDD Executive Director Millie DeMariano at 937.434.7869 or e-mail mdcfdd@aol.com. Course descriptions may be viewed at www.cfdd.org.
Thank you to CFDD for awarding me a scholarship that allowed me to attend the 108th NACM Credit Congress. This was the second Credit Congress that I was able to attend and I could not wait to get there. When I look back on that week it was filled with wonderful experiences. It took filling out and submitting a scholarship application which is something we should all be doing. Not only does it give us an opportunity to take advantage of such a wonderful educational resource, but we can then show our companies the value of our membership in CFDD.

The national staff does a great job of presenting to us the finest educational experiences. I would urge everyone to apply for a scholarship next year. It is so valuable to your education in credit, and what a great place to network with other credit professionals. I was able to meet an individual in the same field as mine and now I have a new credit friend.

I am always in awe of the sessions and what I can learn from them. It was difficult choosing from among so many, but choose I did. I started off by attending the first ever CFDD Mentor Training Workshop at the Credit Congress. It was a valuable session that I can use in becoming a mentor for my own chapter.

The General Session started with a tribesman saying a prayer and releasing spirits to a higher plane. From there we moved to the Keynote Speaker: John Kasich. He related a lot of great experiences from his book “Courage is Contagious” and pointed out to us how we are responsible for ourselves and our careers. I could relate to him and his message immediately and now will have the opportunity to read his book.

The Super Session featured Nancy Friedman and she spoke on “How to Be an Island of Excellence in an Ocean of Mediocrity”. This session gave me a great many customer service tips that I have already begun to use in my own work experiences. That is the beauty of attending these Conferences. You learn and then you take back to your work that new knowledge.

I attended two sessions by Chuck Cummings. In the first “Fraud Happens”, I learned the danger signs of fraud and how to analyze my financial statements and tax returns for potential problems. His next session was “Get a Life”. How many times have we felt that it’s the other guy’s attitude and not mine? We face many circumstances and how we approach them is how we achieve our success. From him I learned how to handle my attitude and that of others not only in my career but in my daily life as well.

Don’t forget that by attending these sessions you also get a library of handouts that prove to be very helpful when you get back home.

Keep all these benefits in mind when the time comes to budget for the next Credit Congress or CFDD Regional Conference. Attending works for you. I had a great time educationally and socially and I was able to make use of my hobby, photography. Now I have not only a wealth of information to help me in my daily activities, but also a pictorial history of another convention well done.

Thank you to NACM and CFDD for making it possible.

Meryl Coble
Financial Services Credit Analysis
Wesco Distribution, Inc.
Member of CFDD-Dallas/Ft. Worth Chapter
Thanks to CFDD for Help in Attending Credit Congress. I will forever be grateful for the opportunity to attend the 2004 NACM Credit Congress & Expo, in Phoenix, Arizona back in May. This opportunity was made possible by being a member of the Portland, Oregon Chapter of CFDD, as well as being the first recipient of the Rhonda Ollison Credit Congress Scholarship.

It really personally touched me that Rhonda's daughter, LaWanda, was at the meeting to actually present me with the scholarship. It certainly made this award that much more meaningful.

I was totally blown away at the many educational opportunities that were offered at the Credit Congress. It was often very difficult to pick a class, because sometimes they were being offered at conflicting times. I unfortunately couldn't be in two classes at once! The first general session speaker, John Kasich, a former congressman, was absolutely phenomenal. I couldn't walk fast enough to go buy his book at the NACM Bookstore, and then wait in line for him to autograph it for me. The second general session speaker was Nancy Friedman who is also known as “The Telephone Doctor”. Her program on customer service was truly awesome.

A specialized session I attended was Scott Tillesen's class aptly entitled “Delivering Value to the Customer, and the Credit Lifecycle”. This class gave me some ideas for strengthening our customer relationships back at my company, Pacific Detroit Diesel, and helped me to better understand the causes of risk.

At Pacific Detroit Diesel, we also do a lot of work for many different divisions of the United States Armed Services, so I sat in on the WAWF class. This really helped me to better understand how this new electronic invoicing system that the government is switching to really works.

With all of the knowledge that I was able to absorb while at the Credit Congress, I feel like I earned a mini degree, and that it definitely will help me to advance in my career as a credit manager. The speakers in all of the classes that I attended definitely knew their stuff. I also felt fortunate enough to be able to bring all of the things that I had learned back to my company, so that I could share it with the other personnel in our credit department. I look forward to attending many more NACM Credit Congress & Expos in the years to come. I also look forward to being a long-term member of the CFDD-Portland Chapter. Thank you, again, for awarding me the Rhonda Ollison Scholarship.

Gabriel M. Smithson
Pacific Detroit Diesel Allison
Member, CFDD Portland Chapter

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**Program Picks**

<table>
<thead>
<tr>
<th>Chapter/Topic</th>
<th>Speaker/Presenter</th>
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<tbody>
<tr>
<td>Charlotte</td>
<td>State of the State&lt;br&gt;Corporate Fraud&lt;br&gt;Running Credit More Effectively&lt;br&gt;Fraud&lt;br&gt;Wal-Mart Stores' Growth &amp; Market Disruption&lt;br&gt;Electronic Funds Transfer</td>
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<tr>
<td>Dallas/Ft. Worth</td>
<td>Test Your Credit Knowledge (based on Jeopardy)&lt;br&gt;Alternative Dispute Resolution—Mediation&lt;br&gt;Sarbanes-Oxley Overview&lt;br&gt;Who's Driving You Crazy?&lt;br&gt;Escheatment</td>
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<tr>
<td>Dayton</td>
<td>Stress Management&lt;br&gt;Disaster Planning—What You Need To Know&lt;br&gt;Economic Conditions&lt;br&gt;Identity Theft&lt;br&gt;Serious FUN-damentals for Success</td>
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Program Picks (Continued)

Denver
Internet and ACH
Deduction Management
Ethics 4 Everyone
Small Claims Court
Credit Manager
Credit Manager
Credit Manager
Credit Manager
Credit Manager

Eugene/Springfield
Principles of Leadership & Team Building
Consultant/Public Speaker

Kansas City
Preparing Yourself & Team to Excel
Building Better Business Relationships
Overcoming Debtor's Excuses—Roundtable Discussion
Is It Legal or Is It Ethical?
Achieve Your Career Potential by Using Emotional Intelligence
Manager
Senior Partner
Credit Managers
Bankruptcy Lawyer
Career Coach

Omaha/Lincoln
Practical Credit Management
Mediation—An Alternative to Dispute Resolution
To Extend Credit (Or Not To): Case Studies
D&B: The Right Report, for Whom & When to Use Them
Bankruptcy: Preferential Payments
Chapter Members
Attorney
Attorney
D&B Representative
Rep from NACM-Chicago

Portland
Creditors Rights in Bankruptcy
Bankruptcy from the Trustee's Point of View
Bankruptcy from the Debtor's Position
The Credit Profession: Where Have We Been, Where Are We Going?
Mentoring: Why It's Good for You and Those Around You
Dealing With Different Personalities
Attorney
Attorney
Attorney
Director of Credit & Collections
Director of Credit
Credit Manager

Salem/Albany
Oregon Budget/Financial Outlook
Negotiation Techniques
A Look at Emerging Computer Technologies
State Senator
Credit Manager
IT Manager

San Diego
Credit Applications and Guarantees
How to Survive Your Boss
Goal Setting and Planning
Financial Planning, Estates and Trusts
Credit Presenter
Consultant
Motivational Speaker
Certified Financial Planner

Seattle
We Have a Judgment—Now What?
Current Collection Statistics & Trends
Understanding FCC Faxing Regulations
Attorney/Professor
Local NACM Representative
Attorney/Professor

Tacoma
Time Management
Public Speaking
How To Monitor Your Computer Health
Sales Manager
Public Speaker/Trainer
Physical Therapist

Wichita
Credit Trends & Fraud Protection
Identity Theft
International Company Profiles
The Credit & Sales Relationship
Representative from TransUnion
Rep from Better Business Bureau
Rep from U.S. Dept. of Commerce
Credit Manager

Note: Program Picks have been listed with Chapter headings. Please feel free to contact the individual CFDD Chapters that presented any program topics that may interest you for further information or details. Contact information may also be requested from your CFDD Area Director, if necessary, or any CFDD National Officer.