



HOW TO EFFECTIVELY MANAGE TEAMS FROM A DISTANCE

NACM Professional Education Webinar Series

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Pam Krank
President
The Credit Department Inc. (TCD)
Pkrank@tcd.com



Agenda

- Remote Credit Management emergence
- Selecting the right team members
- Setting the example for team work at a distance
- Techniques to stay connected to each team member
- Opportunities for the latest cloud-enabled technology
- Ideal measurements to coach and lead from afar



TCD/PK Background

- 37 years leading Credit Departments
- 20 Direct reports including 8 remote
- 120 Global receivables personnel with dotted line responsibilities
- Oversee \$600 million in receivables assets with over 300,000 open items
- Lead consultant measuring effectiveness and efficiency of Credit Departments



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Why Remote Credit Management?

- Allows us to keep key talent
- Regional offices provide language/local cultural advantage
- Cloud technology enables a sharing platform through internet connection
- Cost reduction
- Inherited teams through acquisitions





Top Issues for Remote Credit Departments

- Multiple reporting structures
- Access to/redundant systems and processes
- Lack of cohesive Corporate Credit Policy/Credit account linkage
- Poor communication between locations/divisions
- Decentralized credit decisioning



Structure of Remote Credit Teams

1. Credit Director/Manager (Domestic)

- Most personnel in office
- Some work from home or in other remote locations

2. Credit Director/Manager (International)

- Multiple de-centralized teams
- Various regional locations





Recruiting Top Talent Remotely

- Experience to understand concepts
- Discipline to complete work without direct supervision
- Excellent track record
- Goal-oriented
- Reliability
- Motivated to work remotely
- Generally more educated





Key Ingredients to Successfully Manage a Remote Workforce

- Consistent workflow process
- **Specialization by work performed**
- Common technology
- Risk Centralization; Credit accounts
- Measurable work and results
- Strong leadership





What do we Need to be a Successful Remote Leader?

- Ability to stay connected
- Accessibility
- Measurements*
- Set clear expectations and goals
- Define every process, eliminating redundancy
- Strong data reporting capability*
- Deep understanding of motivation to keep people challenged and engaged
- Regular audits/reviews*





*Strong Credit leaders understand their most important role: to **remove obstacles*** preventing team members from accomplishing their goals.*

**time-wasting meetings, Sales objections, technology that doesn't work, remote connectivity issues, local management interference, etc*



*Challenge when leading from afar:
to effectively lead without a daily,
physical presence to all team
members.*





Leadership from a Distance

- Create the connection that physically doesn't exist; know your team members.
- Encourage team connections locally and remotely
- Create fun, team-building events
- Set the example!



Techniques to Stay Connected

- Daily Communication
- Provide leadership surrogates where possible
- Regular virtual team meetings
- Adequate travel
- Annual/quarterly/monthly in-person meetings
- One platform technology in *The Cloud*





Cloud Technology



Examples: Facebook, Amazon, Microsoft, Rackspace



How the Cloud Helps us Manage our Remote Teams

- Store processes, forms on Cloud drives
- Use one platform for managing receivables across multiple regions
- Updated processes & training materials
- Allows for travel freedom for employees





Top Tools for Managing Remote Locations

- Central repository
 - Collection notes
 - Credit analysis details
 - Important contacts such as Sales, Service
- Voice-over IP phones
- Electronic credit scorecards/databases
- Cloud-based files for easy access
- Instant messaging





Cloud Examples for Credit Management

- Cash application software: High Radius, Centreview
- Collection management: Workflow AR, cms, Anytime Collect
- Credit file storage, scorecards, database
- Efax virtual fax machines
- Tableau software reporting





**How do we oversee
productivity and results with
remote locations?**





Productivity Measurement Examples

Collectors

Hours worked	Calls made	Invoices worked	Calls per hour	Invoices per hour
40	280	1290	7	32.25
32	630	2400	19.6	75

Deduction analysts

Hours worked	Deductions worked	Deductions per hour
40	880	22
25	250	10

Credit Analysts

Hours worked	Standard Analysis	Analysis per hour	Comprehensive Analysis	Analysis per hour
39	107	2.75		
10			3	.33



Performance Measurement Examples

- Daily cash collected vs forecast
- Average days to pay vs predicted days to pay
- Changes in A/R aging buckets over time (Tableau) vs Sales Growth (real DSO)





Predicted vs Actual Results: DSO

Scorecards predict risk of default *plus* risk of slow pay

Customer may have low risk of default but high risk of slow pay (ie, construction)

Set up a field to measure days to pay beyond terms *predicted* and then measure against actual days paid beyond terms.





Predicted vs Actual Results: Bad debt Predicted vs Actual

- Assign risk codes to every credit account.
- Total highest risk categories that will most likely default
- Compare bad debt actual expense to predictive scores/balances.
- ***NO bad debt should be a surprise!***





Managing Remote Teams: What Doesn't Work

- Unclear expectations
- Work not easily measured
- Poor communication
- Inconsistent/non-existent training
- High turnover
- Lack of tools/technology
- Ineffective leadership





Ensuring Maximum Results

- Recruit and train talent remotely
- Separate job duties; centralize credit work
- Educate all on the policy and expectations
- Lead by example; constant communication
- Implement necessary tools and technologies
- Measure results; report on what matters!





Questions?

Pam Krank

800-451-0164 x 203

pkrank@tcd.com

www.tcd.com



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