

Excellence

July, 2006

A newsletter for the members of Intermountain Credit Education League (ICEL)



**Thursday
July 13
ICEL
Summer
Celebration
Red Lion
5:30 p.m.
Details on
page 4**



President's Message

Larry Brooks, CPA, CCE
ARUP Laboratories Inc.

Give Me Some Credit!

Perhaps, during a conversation, you've heard someone make the following statement, "Hey, give me some credit." The general idea being put across is, "Hey, I'm not stupid! Give me some credit for having a brain in my head. Okay?" In other words, don't assume that I haven't done or am not doing what a person in that situation would be expected to do.

When we are engaged in the process of collecting receivables, we are dealing with individuals or businesses that have been given some credit. This type of credit is usually in the form of delivered goods or performed services, with the expectation of payment at a future pre-determined date.

Just like in the illustrative conversation, the person we are dealing with may appear to not "have a brain in his/her head." They may seem as clueless as possible about the debt you are calling about.

Well, GUESS WHAT! The truth of the matter is, they may not have seen the invoice or statement to which you are referring. They may be telling you the truth. The communication problem the two of you are experiencing may have less to do with "brain" power than with "train" power, which I'll explain later. However, with a little homework on your part, prior to making the call, you can increase the odds of having a productive vs. non-productive call.

What can I do? Here's a checklist you can use to help determine your readiness. It uses the acronym T R A I N to help you remember. Please note: Hopefully, most of these steps have been completed prior to the account getting to collection status. If not, it's up to you to take care of.

Totally **R**esearch **A**ll **I**nformation **N**eeded to answer any questions that the debtor may bring up.

Whenever possible, determine whether the invoice has actually been received. Has anyone verbally acknowledged receipt? If electronic, can you verify if and when it was received? If not, have you resent a copy? Were there any problems with the goods or services? If discounts were taken, were they proper in

reason and amount? In short, try to eliminate any legitimate reason for non-payment. Separate the reasons from the excuses.

When the outstanding balance has been agreed upon, your remaining goal should be to: a) Ideally, receive payment in full, or b) set up a realistic agreed upon payment schedule.

Always assume that the debtor wants to clear up the debt. Make that as easy for them as possible. The day of the heavy-handed collector is (or should be) long gone. The role of today's collector is to assist the debtor. The sincere, honest ones will appreciate your help and remember it for a long time. The other type, a tiny majority, you probably weren't going to collect without some third party help, anyway. But, in most cases, solving other's problems will put you as an ally in their mind, not an enemy.



Don't Forget!

**ICEL Summer
Celebration
July 13
Red Lion Hotel
5:30 p.m.**

ICEL Spotlight

by Caryil Nielsen, CBF
Valley Glass

Shawna Cannon Wind River Petroleum

Shawna Cannon started her employment with Wind River Petroleum in June 2005. Prior to Wind River Petroleum she worked for a Convenience Store for 4 years and JC Penney for 10 years. She has been working in the credit field for approximately 8 months.

Shawna graduated from Wood Cross High in 1985 and Stevens Henagar's in October of 2002.

She has lived in Utah all her life and has three wonderful children, Miranda 10, Kavan 9, Baleigh 3, and a great significant other-half, Troy Bagshaw.

Shawna's hobbies include gardening, yard work, and keeping up with her children. She is also, looking forward to attending her first class toward her CBA designation in August.

Shawna is a new member to ICEL and we would like to take this extra opportunity to welcome her.

2006 Credit Congress

by Bonnie Snider, CCE
Alder Sales Corp

The NACM Credit Congress this year in Nashville, TN was great. The classes were informative, entertaining and I didn't want to miss any of the knowledge. It was hard to choose which classes to attend.

NACM gave us a large book with the handouts for all of the classes. I thought this was a great idea. We were able to check out the classes in the book ahead of time. Now, we have lots of information about the classes we were unable to attend. There were up to ten classes at any one session time.

There were classes on bankruptcy, being legally compliant, collections, negotiation, letters of credit, customer visits, customer satisfaction, financial statement analysis, credit applications, Sarbanes Oxley and cash flow. There were also classes to improve your credit department such as team building and retaining your employees.

There were classes for self improvement such as time management, career building and getting noticed to be promoted. In every session there were so many classes

to choose from that you didn't feel you were wasting your time being at the conference.

If there is any way possible that you can attend next year's NACM Credit Congress, it would be worth it for your company and for you. Next year's Credit Congress will be in Las Vegas. It will be less expensive to fly or drive there than it was to go to Nashville and the hotel prices should be less. Now is the time to suggest that your boss think about the possibility of sending you to the conference. The information you can bring back to your credit department can make a big difference in your collections and in the morale of your department. Maybe the company can put it in the budget for next year. There are also scholarships available from ICEL and NACM.

I'll be going next year and I hope to see you there.



At Credit Congress: Sandra Brown, Schmidt Signs; Bonnie Snider, CCE, Alder Sales Group; and Tammi Russell, CCE, KSL, Inc.-Division of BIC

Collection Tips and Tricks

By: Michael C. Dennis, M.B.A., C.B.F.

Here are another ten collection tips to consider using or sharing with your co-workers. As always, not every collection tip is right for every company or in every situation:

- Credit managers can and should read their collectors' on line credit notes to determine if their collectors are approaching delinquent customers quickly, systematically and diligently.
- Customers that offer to settle an outstanding debt for a fraction of the outstanding balance are not necessarily acting unethically. They are doing what is in their best interest. The decision about whether you should enter into these discussions must be made on the basis of what your company considers to be in its best interest.
- Customers often complain about pricing errors and use these errors to delay payment. The collector's goal is to deal with these complaints quickly and efficiently. In the case of the pricing complaint, reviewing the customer's purchase order will show whether the customer is right or wrong.
- Dealing with rude, belligerent, obnoxious, or argumentative

debtors cannot always be avoided. When you must contact them, do not allow their behavior to sidetrack you from the purpose of your call.

- Making unilateral concessions in the hope of convincing the debtor of your good intentions and with the expectation that the debtor will respond with a reasonable payment commitment is often wishful thinking on the part of the creditor.
- Never negotiate with clerks. Always make sure you are talking to a decision maker, and once you have reached the decision maker, keep the conversation focused on the outstanding debt.
- Never pass up a reasonable payment commitment based on a personality conflict you may have with the debtor's accounts payable representative[s].
- Try to make conditional concessions, such as this: If you agree to pay the past due balance today, I will take your account off hold and release the most critical order you have pending as an indication of good faith.
- Your assumptions will affect your actions and your collection results. Therefore, you must assume that delinquent customers can pay, want to pay, and will pay the past due balance when you contact them to discuss this problem.

- Your goal in requiring an explanation from a customer about a broken payment commitment is to make the debtor think twice before breaking another commitment to you and your company in the future.

Michael Dennis is the author of five books including "1001 Collection Tips, Tools and Techniques"

Looking Ahead

July 13: ICEL Summer Social, 5:30 p.m., Dinner & Bingo, Red Lion Hotel

July 25: Professional Designation Exam

July 12, 19, 26: NACM Credit Boot Camp, NACM Training Center

Aug 9: Conducting the Credit Investigation, NACM Training Center, Kevin Luing, CBA

Aug 16: Mechanic Liens for Dummies, NACM Training Center, Lisa Keller, CBA

Aug 18: NACM Member Summer Outing, Wasatch State Golf Course

Aug 23: Fall Semester begins

Oct 4-6: Western Region Credit Conference (Monte Carlo)

Las Vegas

Sept 25: Application Deadline for Professional Designation Exam (Nov 6 Exam)

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2006-2007 ICEL Board of Directors

President

Larry Brooks, CPA, CCE
ARUP Laboratories, 583-2787
brookslm@aruplab.com

Vice-President

D'Ann Johnson, CBA
Kenworth Sales, 412-4309
djohnson@kenworthsalesco.com

Councilor

Bonnie Snider, CCE
Alder Sales Corp 262-9700
bksnider@alders.com

Secretary & Membership

Sandra Brown
Schmidt Signs, 486-0193
pinneylady@hotmail.com

Nina Flurer, CCE
Beehive Glass, 474-2153
nina@beehiveglass.com

Patty Fullmer
BMC West, 565-3562
pfullmer@bmcwest.com

Marianne Maddox, CBA
AchieveGlobal, 523-5581
marianne.maddox@achieveglobal.com

Caryl Nielsen, CBF
Valley Glass, 801-399-5625
caryln@valleyglass.com

Newsletter, Toni Larsen
NACM BCS, ext. 101
hm. FAX 277-5498
horsinaround@sisna.com

ICEL Cool Summer Celebration

Thursday, July 13, 2006
Red Lion Hotel, 151 West 600 South
5:30 - 7:30 p.m.



Come join your friends and colleagues in a fun-filled evening at the Red Lion Hotel. Good food and most everyone takes home a prize.

Cost: \$20 Members
\$25 Non-ICEL Members
For reservations contact
Georgette Bevan at 487-8781, ext. 116
email: GBevan @nacmint.com

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ICEL INTERMOUNTAIN
Credit Education League

Recap June 8

"Culprit & Cure"

by Suzanne Ruskievicz, CCE
R Jorgenson Co.

Dr. Steven Aldana returned to give us the latest in nutritional information. He has continued the research he did to write his book, "The Culprit and the Cure". He presented to us the history of obesity in our country. Obesity has become an epidemic with diabetes and heart disease and early death as a result.

Obesity has grown from almost nonexistent in 1900 to epidemic proportions in 2005. Obesity comes from overeating and under exercising. So do not "biggie" size your meals and walk more.

His presentation was fresh and current in content. He is sponsoring a plastic coated pamphlet which rates the fast food choices giving calorie, fat grams, and carbohydrate information. The pamphlet is to be available in July.

Over all he gave a wonderful presentation of current information to help us recommit to a healthy eating habit.