

Excellence

September 08

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

Thursday
September 11
ICEL Luncheon
11:45 a.m.

*Financial
Statements
For
Beginners*

Red Lion Hotel
151 West
600 South

Industry Credit Groups The Best Place For Current Information

President, Janae Jeffs, CCE, Muir Roberts Enterprises

As we face a challenging economy, we as credit managers feel it more than other departments. Problem companies become more troublesome, slow payers are even slower and our good companies that we never had to worry about suddenly become a worry. This is true for me and my company. Collection calls have been taking more and more of my time. That is why I would like to focus this month on Credit Industry Groups where I can go and get current credit information on my customers.

Our sales department is trying to drum up business and they are bringing me more and more credit applications. As I process them, I realize that I must be extra diligent. With today's financial outlook as Credit Managers we must maintain a healthy A/R. New customers must be able to pay their bills or we will have even more problems in the future. But where do we go for good, honest, CURRENT information? I have found one of the best sources is right at our finger tips: NACM Industry Credit Groups. These groups meet regularly with other companies in the same industry. Mine is the Food & Restaurant Suppliers Group where I have always been able to find out something new at each meeting. I ask my peers about specific customers and get current factual credit information. At the meetings I get a feel for how everyone else is doing. Am I alone or are other companies having the same problems? Industry group members have a wealth of knowledge and I have learned much from them.

If you haven't joined a group yet then get moving!! National NACM defines Industry Credit Groups:

Credit groups are an effective management tool. They permit credit professionals of different companies servicing the same customer, regardless of industry or trade, to compare information on collection history and provide a forum for the exchange of data as to the most recent payment practices. The purpose of exchanging information is to help group members segregate fiction from fact, so individually competent and realistic credit decisions about a customer can be made.

Industry Credit Groups

- Provide unparalleled networking opportunities
- Assist in the exchange of credit information on common customers
- Facilitate the receipt of, and analysis of, information to make unilateral credit decisions
- Provide the forum to discuss the latest developments on credit department procedures, equipment and other credit management functions
- Support the discussion of account information and delinquent account reports
- Adhere to federal antitrust guidelines. Acknowledgement: www.nacm.org

So don't let even one month go by without attending your credit meetings. You don't want to miss out on that important tidbit of information that may save your company money. And, if you do not currently belong to an Industry Credit Group, contact Julia Buck at 801-487-8781, ext. 119 or any NACM staff member.

Recharge Your Batteries!

by Kelley Kunz, CCE, Martin Door Manufacturing

Do you ever feel like you could be more knowledgeable? Do you second guess your decision on extending credit on a questionable account? Do you stress about the past due account you have to call weekly? Do you take home these concerns? Do you think about the check that should have been in the mail today when you are eating dinner?

I want to tell you the best stress reliever for my stress is ICEL. ICEL gives me monthly meetings that help recharge my batteries. After going to an ICEL meeting I go back to work with a better attitude. I want to try the tips or suggestions on better writing, organization, communication, how to achieve goals, and how to make a good impression. Through ICEL, I have found ways to become more knowledgeable. I have taken classes for the past few years on scholarships from ICEL. I have attended almost all the monthly ICEL meetings. I am confident in the decisions I make on extending credit. I make my calls to the same customers with a better attitude and have developed relationships that usually get me paid before others. I am confident I have done a good job and I am able to enjoy my drive home and leave my work at work.

I have also received the benefit of attending Credit Congress for the past two years. My boss has noticed the interest I have taken and has approved the budget for me to attend Credit Congress. Remember...if you don't ASK to attend these credit conferences, you will never get to go!

ICEL has given me the opportunity to make new friendships with people that go through a lot of the same stress I do. These friends encouraged me to continue on with my CCE when I thought I would be satisfied with my CBF. It felt so good when members of ICEL congratulated me on getting my CCE this year. I was able to meet a goal with the help of ICEL.

Please take advantage of all ICEL has to offer.

ICEL Spotlight Trudy Schouten, Western States Equipment

by Connie Steed, CCE, Rasmussen Equipment

Trudy worked many years at National Semiconductor working through levels and spending most of her time in training & statistical process control. She then worked for the University of Utah Hospital as an accounting specialist in Medicare Medicaid. That was a real challenge. After doing other miscellaneous accounting jobs, she started with Western States Equipment in 1998, beginning as a temporary accounts payable clerk and has been Office Manager/Credit Manager for the past several years.

Trudy attended West High school & has graduated with honors from the school of hard knocks. Along the way she has attended many classes at Salt Lake Community College including Credit Management, Financial Analysis, and Credit Law. As a member of NACM & ICEL, she has attended many seminars and has been able to attend Western Regional Conference. She has served as Chairman and Vice Chairman of the Equipment Industry Group.

She was born & raised in Salt Lake City and is the baby of six children. She is a divorced single mother of two wonderful sons. Her oldest, 18, has moved to Silverton Colorado. Her younger son, 14, lives in Copperton with his father. Trudy and her boys value their time together. She is grateful to have the opportunity to be the care giver of her mother with Alzheimer's.

She enjoys spending time with family & friends & loves camping, racing (any kind of motor racing), bowling, hockey and Wendover. She believes "life is what you make of it, make it good." ...Live well, Laugh often, Love Much.

August ICEL Re-cap

by Erin Doll, CBA, Mountain Contractors Supply Group

This month our guest speaker was Kurt Weiland. He spoke on cutting the costs of poor writing. This was a fabulous luncheon and in my opinion, one of the best this year! Kurt gave us group exercises to help demonstrate how much money is lost due to poor writing skills. Everyone in attendance participated in the exercises and offered a lot of feedback to Kurt's questions and examples. Based on our group, we determined that each of our companies lose an average of \$85,000 a year due to poor writing!

One of the examples he used was an actual memo written by R.M. Boisjoly in July 1985 regarding the problem with the O-rings on the space shuttle booster rockets. Because of the way it was written, it went largely ignored until the space shuttle explosion in January 1986. Mr. Boisjoly wrote the way he was taught in high school—full paragraphs, technical language, big words, and the conclusion at the end. Kurt then gave us an example of the same memo rewritten that may have saved the lives of all onboard the Challenger and millions of dollars.

Kurt explained that most of the time documents that are meant to make us do something instead are largely ignored. He also taught us some easy techniques to improve our writing. Kurt presented 5 keys to productive writing that save money and time.

1. Tell your readers what you want them to do. Be obvious. Help them understand what you want.
2. State your purpose at the beginning of the document. Don't force your readers to search and wonder.
3. Use a lot of white space in your document. Use lists, bullets and boldface print. Use a right margin.
4. Keep your paragraphs, sentences, and words short. Write paragraphs no more than six lines long. Write sentences that average fifteen words. Use words with one or two syllables.
5. Use conversational language. Write the way you speak. Use pronouns and contractions. Use active voice. Get rid of bureaucratic language.

One rule to remember is the 10-3-45 rule. The subject or point of our document needs to be clear in 10 seconds or 3 sentences or 45 words or less.

ICEL September Luncheon, Thursday, September 11, 11:45 a.m. Red Lion Hotel, 151 West 600 South, SLC, UT

“Financial Statements For Beginners” by Doug Darrington, CCE, Altaview Concrete

Have you ever wished you could look at a financial statement for a new or existing customer and to your surprise, or possible horror, they provided one for you to review and analyze? Then, after you look at the balance sheet and income statement, you haven't got a clue how to use the information to help you make an educated credit decision? This session will cover the basics of how to read a financial statement, how to pick out those items that are useful to a credit professional, how to analyze basic accounting ratios, and how to use the information to help you in your day to day job.

Doug Darrington, CCE, spent ten years analyzing financial statements for wholesale oil jobbers with Sinclair Oil Corporation and is currently the credit manager for Altaview Concrete. He graduated with a bachelor's degree from Brigham Young University and has an MBA from Utah State University. Doug has worked in credit and has been a member of NACM for about 25 years. He is currently serving on the NACM Board of Directors.

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