



NACM *Southwest*

E-Credit News SEPTEMBER 2009

A Publication for the Credit Professional



David Watson, CCE

Welcome New Members

A O, Inc.
Apex Capital Corp.
Jon Azano, Attorney at Law
Metro Lumber Wholesale Co., Inc.
The Apparel Group

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A Message From Your Chairman

Greetings, Fellow Members –

Well, the kids are back in school, and in a couple of weeks it will officially be fall. And we are one step closer to the economic recovery that has been forecasted for the fourth quarter. The signs seem to be getting better – the stock market has made a nice comeback over the past few weeks. But in my personal opinion, we still have a long way to go.

Some interesting news announced yesterday – the American Bar Association has filed suit against the Federal Trade Commission over the proposed “Red Flag Rules”. The ABA contends that Congress never intended for lawyers to be covered by the rule. The feeling from many of us on the NACM Government Affairs Committee is that other industries may follow with their own lawsuits seeking exemption from the law. The general feeling is that the FTC overstepped the language and the intent of the legislation on this issue. NACM will continue to monitor this situation and keep you informed.

Hope you have a great fall, and that economic recovery heads your way soon. Keep NACM Southwest in mind when you need a collection agency to help you on those accounts showing no signs of recovery!

David Watson, CCE



National Association of Credit Management
STRENGTH IN NUMBERS

COMPLETE LOUISIANA LIEN SERVICES

available through

NACM Shreveport



For additional information please contact
Jerry Mathews at 318-222-4636
or jerrym@nacmsw.com

SAME DAY SERVICE AVAILABLE!
for the Shreveport/Bossier City area

NACM Shreveport 1625 Marshall Shreveport, LA 71101

SEARCHING THE CREDIT REPORT DATABASE

When searching for a report on your customer, remember: LESS IS MORE!

For example:

- Enter a phone number only (no company name or address)
- Enter ABC In rather than ABC Industries Inc

You'll retrieve more possible matches from which to choose.

Collections Perspective

Part of our work at NACM Southwest Commercial Collections includes listening to our members report on their disappointing experiences with collection agencies. Once in a while we are on the receiving end of those complaints, and we accept those comments as opportunities to improve our work.

Sometimes, though, it's clear that the sources of discord between creditor and collection agent could be resolved if both parties had a better understanding of their roles in the relationship. Here, admittedly from our perspective as a collection agent, we offer some tips to improve your interaction with your own collection agents...and thereby improve their effectiveness, and your recoveries.

1. Give your agent adequate information when you place an account. That information should include enough documentation to substantiate the debt, information to properly identify the actual debtor customer, and enough recent collection history so your agent won't repeat the same steps you've already tried – how will they know unless you tell them...?
2. Respond promptly and completely to your agent's requests for information and documentation, and to their questions. If you are using a good collection agent, they won't ask unless it's truly necessary to *help collect your money*. In other words, help them help you.
3. Never – ever – communicate directly with a debtor customer you've placed for collection without telling your collection agent. Preferably, don't communicate with them at all after placing their account, since doing so always undermines the credibility, and therefore the effectiveness, of your agent. Keep Sales and others out of the relationship as well, and let the agent do the work you hired them for.
4. Make your expectations clear. If you want your collection agent to report in writing every week, say so up front. If you don't want their emails or calls unless they are reporting on collections or defunct accounts, tell them. If the account you place is the hottest potato in your AR and your boss will be watching every move, make sure your collection agent understands what you need from them.
5. Say "Thanks" once in a while. Trust me – it's discouraging to know that we'll get a lashing if one of your accounts goes South, but no response at all to our confirmation of payment in full. Third party collecting is hard work with few rewards except the satisfaction of...working hard for our clients. When you take a minute to recognize our good work, it's like giving us a bonus.

We hope those of you who haven't placed accounts with us will give us a try, soon. We also hope our current clients continue to give us their honest feedback so we can keep improving our service. Whether you use NACM Southwest Commercial Collections or not, following these tips will make the outcome better for everyone.

To place accounts with us, see Park Smith park@nacmsw.com or Delyn Simonis Delyn@nacmsw.com, at 972 518-0019.

NACM Southwest Education engage. your mind. your peers. your career.

TEXAS BOND & LIEN LAW

Monday, September 28th - NYLO Hotel, 1001 W. Royal Ln., Irving, TX - 8:00 a.m. - Noon
\$89 per person (includes breakfast)

Presenter: Greg Powelson, Director of NACM'S Mechanics' Lien & Bond Services
Call or e-mail Jeff Fulton at 972-518-0019 - jeff@nacmsw.com

ADVANCED CREDIT ADMINISTRATION PROGRAM COURSE DATES

ACAP II Credit Law - September 26, October 10, 24, November 7, 21
Instructor: Tom Tarrant, CCE

ACAP III Financial Statements: Interpretation/Credit Risk Analysis
Dec 5, 12, Jan 9, 23, 30

Course fee \$195 per person (excluding textbooks ordered from NACM National)
Call or e-mail Katie Sartin at 972-518-0019 - katie@nacmsw.com

ALL SOUTH CREDIT CONFERENCE

OCTOBER 21-23, 2009 - MARRIOTT WATERSIDE HOTEL - TAMPA, FLORIDA
Member delegate \$379 by September 21st
Hotel \$159.00 single/double by September 23rd
Register at nacm.org.

CERTIFICATION (CBA/CBF/CCE) EXAMINATION SCHEDULE

Test date 11/9/09 - application deadline 9/21/09
Test date 3/8/10 - application deadline 1/11/10
Test date 5/16/10 (at Credit Congress - application deadline 3/29/10)
Test date 7/26/10 - application deadline 6/7/10
Test date 11/8/10 - application deadline 9/20/10

News Items

Congratulations to Vi McBride (Davis Iron Works, Inc.), a founding member of the Waco Building Suppliers Credit Group, on her retirement August 10th. We wish Vi all the best and thank her for her faithful support of the Group over the years. Her devotion to attending meetings and participating in the exchange has kept the Group vital since the 1970's. We extend our sincere wishes for a happy retirement to her!

We are sad to report that G. E. (Larry) Lawrence, Executive Vice President/Manager of NACM Southwest from 1951 to 1986, has passed away at age 95. Larry brought the Dallas Association from a membership of 118 to over 1,000 at his retirement. We extend our condolences to his friends and family.

NACM Southwest's Workout & Insolvency Services

REMEMBER!

Take the initiative with financially distressed customers - Ask them to meet with creditors to explore win-win options.

Then call us!

If you find yourself serving on a Creditors' Committee - Tell them we can provide all the necessary support services.

Then call us!

Cut your losses, and support NACM Southwest - all at once!

Call Abby Odneal or Park Smith at 972-518-0019.

Trade Risk Group Scholarship Contribution Program

In cooperation with NACM Southwest, Trade Risk Group will donate \$500 to the Education Scholarship Fund for each credit insurance policy Trade Risk Group issues as a result of NACM Southwest member referral. With the increased interest in and use of credit insurance, this is a great way for members to generate education funds which can be used for a member's All South or National Credit Congress registration! For additional information, please contact NACM Southwest at 972-518-0019 or Jay Tenney at 214-496-9905.

Experian's Business Profile Reports

The Business Profile Report is Experian's most robust and comprehensive business credit report. The Business Profile Report presents a current, objective picture of how a business handles its financial obligations. Business Profile Report provides actual trade payment experiences, public record information, company, background and comparative data, placing a company's payment performance in context with its industry. The information is reliable, accurate and unbiased, allowing for an objective view of a company's overall financial health.

For more information please contact us at NACM Southwest - 972-518-0019.

**Please contact Michelle Lawrence if you have any information for the newsletter.
michellel@nacmsw.com, 972-518-0019 fax 972-580-9089**

National NACM Scholarship Foundation

NACM Scholarship Foundation, Inc., operated by NACM National, provides educational opportunities to credit professionals. Many people are unable to take advantage of the educational offerings National provides due to corporate or personal budget constraints. The Foundation strives to alleviate this burden for as many worthy credit professionals as possible so that they may continue their education and, in turn, be a stronger force in the business community.

If you are in need of scholarship dollars to attend nationally organized seminars and events, go to nacm.org/education/scholarship for information and applications.

NACM Southwest Scholarship Fund

The NACM Southwest Education Fund is designed for ALL NACM Southwest members who contribute to the fund. It provides a great opportunity to help keep the costs affordable for the educational seminars and events that your association offers.

With your contribution, you and your company, as well as your fellow credit professionals, help provide the opportunity for low cost educational events that help elevate the level of the credit profession and professional.

The next time you receive your invoice, please consider the minimal \$10.00 per year education fund contribution. The beneficiary of the fund may be you and your company!

Industry Credit Groups

NACM Southwest industry credit groups allow credit professionals in the same business fields to engage in round table discussions of the current debt-payment practices of specific customers. We offer over 30 local, regional and national credit groups. They represent an incomparable business tool, allowing credit managers to separate "fact from fiction" - easily and dependably.

For more information, please contact us at 972-518-0019.

e-mmediate - An Electronic Payment Product

Adversity Breeds Innovation - "e-mmediate" - a blend of EFT and check guarantee that reduces transaction costs and takes the headache out of deliveries

Let's face it. These are tough times for the building supply industry, and most others for that matter. Every dollar on your receivables including cash COD sales is precious. Economic downturns, such as the one we are in now, breeds uncertainty, increased stress, and fears of not getting paid. Job performance and even jobs can be affected.

As the guardians of the company purse, credit managers must search for ways to reduce transaction payment costs and still facilitate sales.

Finally, a new cash management tool is available to help you greatly reduce the cost of accepting payments, particularly in the area of COD sales.

Do you routinely accept credit cards for COD's and wish there was a secure but less expensive alternative?

Do you have to pay common carriers to pick up checks and wait a week or two before it is deposited and lose the cash flow benefit of having your money sooner?

Do your drivers forget to pick up checks?

Do you have customers who are not present at time of delivery causing scheduling headaches where the payment process is interrupted impacting your delivery routes?

Do you wish your drivers could concentrate on making quick "on time" deliveries and not get delayed by waiting for a check?

Do you have cash account sales that are COD or drop shipments that must be shipped same day?

Do you have rental equipment customers that want to extend the rental period without having to drop off another check?

If you answered "Yes" to one of the above, then read on.

Many NACM members are familiar with American Check Management's check guarantee program as well as their ACH (Electronic Funds Transfer) service. Some of you have even requested a hybrid of the two services and after listening to your input and requests; ACM has blended the two programs together. It is called "e-mmediate", immediately guaranteed electronic funds.

Basically, the only tool needed is internet access. The web-based screen prompts you for the essential "check" information and within seconds an approval number is given. Life EFT, the funds are in your account two business nights later regardless of whether there are insufficient funds (including account closed). Unlike traditional check guarantee there are no reimbursement delays, no back office administration such as internal tracking or accounting of NSF'S, and warranty violations are eliminated. There is even an extended cut off time for deposits.

Sounds similar to a credit card transaction? From a cash flow standpoint, you receive your money in a similar time frame. One big difference, however, is cost. E-mmediate is 30% - 40% less than a credit card transaction! If some of your current credit card transactions could be replaced with an equally beneficial option that cut your credit card operational costs by nearly a full percentage point then not only do you help you cash flow, but you can put significant profit dollars back on your bottom line. That's worth getting excited about!

Let's put this into real dollars and cents. If you average monthly cod credit card expense is \$2000 per month and you could reduce your transaction costs by 35%, how much would be your annual savings? Answer - \$8,400!!! Furthermore, if your profit margin is 5%, then an \$8,400 savings is equal to an additional \$168,000 of sales!

So if you want to simplify your cod cash payment transactions, dramatically reduce your transaction fees, and enhance the credit department's contribution to the bottom line, during these adverse economic times, then consider the benefits of the e-mmediate option. You'll be glad you did.

For more information, contact Rudet Fountain at rudet@acmef.net.