

Get Your Money

A Newsletter by Assegai Communications

www.getyourmoney.co.za

Volume 25 / 2007

Dear Reader

Reading time: 4 minutes

IN THIS ISSUE:

- Tough Times Have Begun!
 - Courses on CD - learn in your car!
 - Co-Operation Essential
-

TOUGH TIMES HAVE BEGUN!

Two factors are driving up the 'Collection Difficulty Index' - the banks are force-feeding credit to the market in advance of the National Credit Act moving into full force and interest rate rises are increasing the squeeze on consumers. How can there not be difficult times ahead? Are you resisting the urge to join the credit splurge or are you counting your real profits instead, by exercising restraint?

OUR COURSES ON CD

It's time to sharpen your money recovery skills - attend courses, or listen in your car - we have plans to release our courses on CD's this year. Approximate timeline:

- **March:** "Changing Habits" (for professionals and micro / small business owners). This is a motivational program to help you change your mindset on money recovery.

- **April:** "Get Your Money Sooner", (the 2-hour seminar for professionals and small / micro business owners).
- **May:** "Debt Collection By Telephone"
- **June:** "The National Credit Act Summary"

Watch this space for news of these handy, affordable learning tools.

CO-OPERATION ESSENTIAL

I've said it once and I'll say it again – the SALES team and CREDIT departments have to work together as a team. It is essential to the survival of a business! There will be friction. It's understandable, as they no-doubt have very different points of view – especially when it comes to issues such as credit limits, credit holds and credit applications. While the sales team will focus on the sale and keeping the client happy the credit department will be looking at the clients credit history and ability to repay its debts.

Here are some tips to get them working together as opposed to having them pull each other in opposite directions.

- **DISCLOSURE:** Both departments must realise that withholding information from each other could cost the business money. A policy of honesty and full disclosure will go a long way in strengthening relations.
- **IMPROVED COMMUNICATION:** Both departments need to establish a goal of providing correct, detailed information timeously to the relevant person / department. Encourage frequent meetings between the departments, to open up lines of communication and to assist in resolving grievances productively.
- **RESPECT:** Instil a sense of respect for each other's jobs. The salespeople expect prompt answers to their queries in order to furnish the client with information or explanations. The credit department also needs to be thorough when extending credit or increasing credit limits. As it is their responsibility to ensure that the client is financially secure and able to repay the money due to the business. What good is a great sale, if you are not going to get paid for your goods or services?
- **CONSISTENCY:** The decision making process must be consistent if the operations of the credit department are to have any credibility. If sales people are allowed to go to management to have decisions by the credit department overturned in order to push sales through, the processes of the credit department will become arbitrary.

- **LISTEN:** Ignoring the opinions of either department is counter-productive. Differences of opinion should be resolved to the satisfaction of both departments by way of an acceptable compromise. Always look for a win – win – win outcome (for sales, credit and the client). While such an outcome may not always be attainable it must be the goal.
 - **MEDIATE:** Never allow disagreements to become full-on arguments. This will usually generate into a personal attack. Stick to the issues! Have a set system in place to deal with these disagreements. Each party should be allowed to state their case before a final decision is made.
-