

How to Create a World Class Credit Organization

© 2016. Michael C. Dennis. All Rights Reserved



Credit management is about more than debt collection. Organizations that create a truly 'World Class' credit function enjoys a wide range of competitive benefits including but not limited to:

- Improvements in internal controls and
- Enhanced credit risk management

There are a number of steps required for any company interested in building a world class credit and collection department, including:

- Getting to know your internal and external customers' needs.
- Paying special attention to the needs of your internal customers, especially your sales department.
- Remembering to focus of three things: The quality of work. The quantity of work. The turnaround time on work performed by your credit and collection team.
- Embracing new technologies. For example, there are any number of software enhancements available that can help manage risk, accelerate collections, and resolve deductions more quickly.
- Managing credit risks proactively, recognizing that both bad debts and DSO will improve if you make better credit risk management decisions.
- Finding, hiring and retaining the best and brightest employees for the credit and collection department.
- Building a lean and agile and responsive credit and collection organization.
- Spending time on strategic issues and challenges involving your department and your company as a whole. In other words, focusing on strategic issues rather than operational or tactical issues.
- Embracing industry best practices to make certain that work is done more efficiently.
- Benchmarking your department's performance against other credit organizations that are considered to be best in class.

Michael Dennis is one of our key instructors teaching various programs in our training collaborative. Michael is the author of "Credit and Collection Handbook" and "Credit and Collection Forms and Procedures Manual."