

E~Credit News

The Business Credit
Management Association
Wisconsin

April 2018

Inside this issue:

The Association Member Updates	2
Certified Check or Cashier's Check -- Which Is Better for You?	2-3
Letting Collectors Collect	3-4
What KPIs should a Global Credit Risk Manager have?	4-6
Have \$\$\$\$ Owed	6
Contact Information	7
Board of Directors	7
Industry Credit Group Meetings	8
Upcoming Events	8

LAST CHANCE TO REGISTER!

BARRY ELMS SEMINAR

April 17, 2018 | 9:00 AM—4:00 PM

The Complete Credit Professional, A Learning Experience You Will Put Into Practice Immediately!

This Exciting Interactive Seminar Will Give You All The Tools You Need To Achieve Your Goals And Maximize Your Career, Including How To:

- ◆ Build Confidence And Self-Belief.
- ◆ Develop Successful Relationships.
- ◆ Develop Strong Communication And Persuasive Skills.
- ◆ Effectively Analyze Corporate Performance.
- ◆ Understand How To Gain Agreement In All Credit Interactions.
- ◆ Learn How To Negotiate Like A Pro!

In The Morning...

1. 3 Keys To A Confident Credit Management Personality.
2. Building A Successful Partnership With Your Sales Team.
3. Understanding Bankruptcy Procedures And Spotting The Signs Of A Troubled Company.

In The Afternoon...

4. 6 Persuasive Skills For Effective Collections.
5. 5 Keys To Gaining Agreement All Credit Professionals Need.
6. 7 Keys To Negotiating Like A Pro.

Click [here](#) for the meeting announcement and more details.

Click here to register [online](#) for all events.

Scholarships available for up to \$100 per person to attend this seminar. Visit wccredit.org for more information about the program & to apply.

For your Personal Credit Health Webinar Series held in May

In cooperation with Associated Bank, the Association is proud to offer these Webinars that have been requested by many individuals, young and old. While identity theft is rampant, personal credit and financial management are not often talked about. However, the results of not understanding their importance can have devastating long-term consequences. Each of the four sessions is independent of the others, but attending all four programs will provide the most comprehensive understanding of how to manage your personal credit and identity protection. These sessions are designed to help you protect yourself.

MAY 4: IDENTITY THEFT – In this session we will learn how to protect your individual identity. Know what tools and resources are available to help you protect yourself, family and business.

MAY 11: UNDERSTANDING CREDIT SCORES – Learn how to improve your credit score, what makes up this score, how to make debt work for you and know what to watch for to avoid lowering your credit score.

MAY 18: BUDGETING & DEBT REDUCTION – We'll learn to create a personal budget that will help you live within your means. Managing personal finances is not always easy depending on circumstances, however you will receive tips on how to reduce debt and establish a plan for long-term financial health.

MAY 23: FIRST-TIME HOMEBUYERS – Whether you use the information from this program for yourself or to pass onto your children, this session will provide a thorough breakdown from start to finish to prepare you for the homeowner's experience. The information provided will eliminate any surprises you will encounter from the mortgage lender and others in this process.

Click [here](#) for the meeting announcement and more details.

15755 W Rogers Drive #200
PO Box 510157

New Berlin WI 53151-0157

(262) 827-2880 Phone

(262) 827-2899 Fax



Wisconsin
Credit
Association

NEW MEMBER REPRESENTATIVE

Ali Dowden
Dunn Lumber
Sharon Froelich
Cellcom

MEMBER NEWS:

Congratulations Natalie Schulze, Temperature Equipment Company on your promotion to Manager of AR and Administration.

Congratulations to Cindy Schultz, from Dunn Lumber, on her recent retirement. After 42 years, Cindy's moving on to her next career..... travelling, playing with her grandson, sleeping in, and just having a good time. Have fun Cindy!



If you have something you would like us to announce please send an email to admin@wccredit.org, Subject line: Member News

Certified Check or Cashier's Check -- Which Is Better for You?

OK, here is the single-most viewed article ever – by 100-fold at Credit Today Online...

By R. Macias & J. Finely

A frequently asked question in the credit world is: "What is the difference between a certified and a cashier's check?" The differences are subtle. The major differences relate to who signs the check and who is obligated to pay.

Certified Checks

A certified check is the written acceptance for a specific check (essentially an acknowledgment), by the Bank, that the Bank's Customer's signature on that check (1) is genuine and (2) there are sufficient funds in the Customer's account to honor the check when it is properly presented for payment. The check is signed by both the Customer and the Bank.

Under the UCC, both the Bank and its Customer may be liable for the payment. ([UCC Sec. 3409 \(d\)](#)). You would probably be required to seek remedies in a lawsuit against both the Bank and the Customer if there is a problem with the certified check.

A Bank may impose conditions upon its certification (e.g., "Void after 60 days"). If the check has been certified by mistake or obtained by fraud, the Bank may correct its error by canceling the certification and notifying you (the "payee"), if you have not already acted "in reliance" on the certified check.

Such reliance, for example, would arise if you had shipped goods because you relied on the check. One problem with a "certified" check is potential forgery. The Bank is not obligated to pay on a forged certification.

Cashier's Checks

A cashier's check is a draft drawn by a Bank on itself, which the Bank agrees to honor when properly presented for payment. The Bank, not its customer, signs the check. ([UCC Sec. 3104\(3\) \(g\)](#)). This means that the Bank is liable to pay the check. Theoretically, the Bank has set aside funds from the Customer's account to reimburse itself when the check is presented for payment by the payee. In contrast to the certified check, you could seek remedies immediately and directly against the Bank if there is a problem with the payment of the cashier's check.

If either type of check is lost, destroyed or stolen, the Bank may require a bond or another security before reissuing the check. The Bank also may refuse to honor either type of check if there are material alterations (raising or lowering the amount, changing names or dates). Otherwise the Bank must pay the check when it is presented for payment in its unaltered original form. ([UCC Sec. 3412](#))



Certified Check or Cashier's Check -- Which Is Better for You? (continued)

Under certain circumstances, for example, the lack of a proper endorsement by the payee, the Bank may refuse to honor either type of check. Although it is not obligated to do so, the Bank may decide to honor a Customer's request for a stop payment on either type of check. However, the Bank does so at its own risk and, particularly for a cashier's check, it may be liable for damages for wrongful dishonor. ([UCC Sec. 3411 \(b\)](#)).

Most Secure: Cashier's Check

The normal follow-up to the frequently asked question about the difference is, "Which is better?" Cashier's checks are replacing certified checks as a favored payment method.

As a practical matter, there are fewer opportunities for forgery and disputes using a cashier's check. Since there may be problems with either kind of check, if you have any misgivings at all about accepting payment via either, you should call the Bank which issued the check to ensure there are no problems or questions that stop the bank from honoring the check.

Alternatively, if your customer has the funds for a cashier's check, the funds should be equally available for a wire transfer. Rather than waiting for either type of check (for which the customer probably will be required to pay a bank fee), you may want to remove the uncertainty by asking for a wire transfer. If the cost of the wire is an issue with your customer, you can always offer to pay, or give credit against future invoices, for the relatively small fee charged for a bank wire transfer.

Richard Macias is a creditors' rights and bankruptcy attorney in Sherman Oaks, CA. He can be reached at rcmaciaslaw@gmail.com and 213-842-3496. Jane Finely was formerly with the creditors' right firm of Creim, Macias, & Koenig in Los Angeles.

Letting Collectors Collect

Really effective collectors should be doing what they do best--pursuing delinquents, not answering routine customer questions or handling complaints. At this company, that realization--and a subsequent staff realignment--has produced a dramatic reduction in overdue accounts.



Three years ago, Roger Bennett was assigned the task of integrating three credit departments (two Caterpillar Dealers and Titan Equipment Rental) into a Credit Shared Services Department. Today he is Director of Credit for MacAllister Machinery Company, a consolidated company made up of MacAllister CAT, Michigan CAT and Titan Rentals. Accounts delinquent beyond 30 days have plunged from over 35 percent in 2012 to 7.5 percent now.

Bennett readily admits that the improvement is attributable in part to a reinvigorated area economy. But staff realignments and reassignments in his 22-member Shared Services Department has also played a major role.

"We took a look at what our collectors, whose titles are credit analysts, were doing," he explains, "And we determined that a lot of what they do was fairly entry level, mostly administrative in nature. So we took out as much of the administrative work as we could, and we created a two-tier compensation system, compensating our collectors at a significantly higher rate than our administrative people."

Administrative duties included inquiries about customer statements, which had nothing to do with late pay. So it was very easy to move those duties over to an administrative function where staff was selected for their strong people skills. "This is a customer service environment," he notes. "They don't need collector skills."

In addition to answering customers' questions and dealing with disputes, these administrative personnel process some 3,000-credit apps annually, many for the company's large rental business. They pull D&Bs, do trade inquiries, get insurance certificates and do all the rest of the routine work like scanning hard files into the computer system. They put the packages together for the credit manager's decision, and, once he approves them, they enter the accounts into the computer system and prepare welcome letters.

Letting Collectors Collect (continued)

Working Remotely

Bennett's department, centralized under MacAllister Machinery, is now spread out all over Michigan and Indiana, both at company principal locations and in remote locations.

"Working remote wouldn't do it for everyone," he emphasizes, "but we do have some people with a lot of tenure, particularly our collectors, and they're the ones who've migrated to remote locations. We have a portfolio of 12,000 customers. Collectors are assigned a group of 2,500 customers that they have been calling forever and a day in some cases. When you have that type of customer-focused history, with track records, working at home or at remote offices makes sense.

"It comes down to managing your time," he continues. "If you're in an environment where you're not being bugged and bothered all of the time, you can focus, prioritize and get more done. I was afraid at first about managing people at remote locations. I had never done it. So we moved quite slowly and started with one person, then two, then three. The results have been solid, but, let me repeat, it's not everybody."

Administrative employees have the opportunity to advance to collector positions. All job openings are posted. "But for most of them, the last thing in the world they want to do is make that difficult collection call," notes Bennett. "For administrative positions, you're attracting a very different skill set. This is why collectors' time was wasted on these duties." How have department employees reacted to all of these changes? "Our employee survey results this year were the best we've ever had in the department," he says. "Morale is as good as it has ever been."

What KPIs should a Global Credit Risk Manager have?

Credit Today Senior Credit Executive Forum: What KPIs should a Global Credit Risk Manager have?

Considering your experience, what KPIs should a Global Credit Risk Manager have? I would like to have some reference points beyond the basic DSO or Overdue targets, unless you are of the opinion that these are 'THE' (and only) key performance indicators. Does anyone have any recommendations and/or experience what KPIs to implement at global level? Many thanks for your recommendations.

Credit Risk Management, Global Computer Hardware Manger

=====

Average Days Delinquent, for sure.

Director Credit, Media Company

=====

Here are some ideas from my global role perspective:

- ◆ Support global growth
 - ◆ Over credit limit management of orders or customers placed on hold because CL was exceeded
- ◆ How resolved?
- ◆ Credit limit re-evaluated and increased successfully without any associated bad debt?
 - ◆ of orders placed on hold because customer is past due
 - ◆ Are there reports/communications/dashboards you can develop and implement to keep Sales informed?
 - ◆ Agings? Why the customers are past due?

What KPIs should a Global Credit Risk Manager have? (continued)

- ◆ Customers on hold?
- ◆ Customers segmented in a risk/return matrix?
- ◆ Top X owing?
- ◆ Top X past due?
- ◆ Top X sales volume?
- ◆ Terms management reports
- ◆ Are there processes that involve sales that can be streamlined or automated via workflows?
- ◆ Are there training initiatives you can put in place to build or retain relationship with sales?
- ◆ Are their structured trade finance tools that your company needs to research and possibly implement to protect margins but also support growth?
- ◆ Supporting global platforms and global standardization efforts
 - ◆ Are there global systems that are used where you can track ROI based on usage and subsequence results like a collection tool? A third party collection agency?
 - ◆ Is there a process (or two) that needs to be improved? Can you work through those improvements and publish the results to show savings?
 - ◆ Are there global systems for you to research and possibly implement for credit/collections/deductions/cash application processes?
 - ◆ Is there a process you can automate to reduce paper or email traffic?
 - ◆ Standard format for policy and process documentation if one does not already exist?
- ◆ Dispute/deduction metrics
 - ◆ Top disputes in # and \$
 - ◆ Any resulting process improvements to reduce those disputes
 - ◆ Dispute resolution turnaround time?
 - ◆ Timesavings on automating dispute escalation/resolution?
- ◆ Savings
 - ◆ Letter of Credit discrepancy and amendment fees year over year
 - ◆ Process improvement savings in time or money value?
 - ◆ Labor savings?
 - ◆ Global vendor contract negotiations?
- ◆ Policy metrics to manage how well policy is being followed or if existing policy is effective?
 - ◆ Bad debt write-offs
 - ◆ Bad debt reserve levels

What KPIs should a Global Credit Risk Manager have? (continued)

- ◆ Exceptions by type and quantity according to your policy elements
- ◆ Training programs
 - ◆ Are there training programs you can put together for your local credit/collection leaders to assist them with technical or leadership skills?
 - ◆ Cash collection forecasting?
 - ◆ Mergers and acquisitions
 - ◆ If you have any, can you build a KPI around integrating a new business within X months?

Director, Global Customer Financial Services, Industrial Manufacturer

=====

At a Global Level, we look at:

- ◆ DSO
- ◆ Aging percentage
- ◆ % AR to Sales.
- ◆ AR as a % of 12 month rolling invoiced amount.
- ◆ CEI.

With each, we have a target at each plan and mid-year forecast periods that we agree with the global leaders.

Director Corporate Credit, Pharmaceutical Manufacturer

Thanks to Credit Today's Senior Credit Executive Forum!

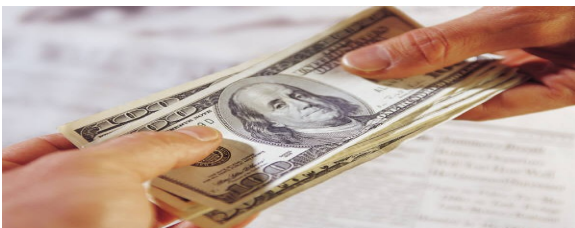
CREDIT TODAY

The premier online community & resource for trade credit execs

*"This and the above informational articles were provided by
Credit Today"*

To learn more about subscribing to Credit Today, check out
their web site at www.credittoday.net

THE WISCONSIN CREDIT ASSOCIATION COMMERCIAL RECOVERY SERVICES



YOU DESERVE TO GET PAID

The Association Can Help You Collect Bad Debts!

Our Recovery Service Department offers effective results. Regardless of whether your company is large, medium or small, the consistent common denominator of all business concerns is: Professional and Efficient Recovery Specialists who can help with your delinquent accounts.

Visit www.wcacredit.org/collections.shtml
to place your claim online

TSYS Merchant SolutionsSM (Partners)

Need credit card payment solutions for your business? Whether large or small, TSYS has the customized solutions to fit your business needs. BCMA partners with TSYS because they are focused on creating more value in our client relationships than ever before, and their voice has emerged as one of the most trusted in the payments industry. This true spirit of partnership, and the accompanying understanding that our success is determined by our clients' success, infuse everything we do. Whether you're LOOKING TO BEGIN ACCEPTING CREDIT CARDS, or LOOKING TO LOWER YOUR

CREDIT CARD SURCHARGE FEES...TSYS will help. Contact the Association at 262.827.2880. We'll put you in touch with a representative that will assist you. TSYS was named to Ethisphere's 2013 World's Most Ethical Companies List!

*NACS Credit Services, Inc

*Pennsylvania Association of Credit Management

*The Business Credit Management Association Wisconsin

Contact Us

ALL EMAIL ADDRESSES ARE: [firstnamelastinitial@wcacredit.org](mailto:firstname.lastname@wcacredit.org)



Phone: (262) 827-2880
Web: www.wcacredit.org

Darryl Rowinski CCP, CPC X222
President & COO,
Membership
Director of Professional Service Firm Solutions

Lisa Schroeter X224
Data Transmissions
Group Services
E-Commerce
Credit Reporting

Chrys Gregoire X221
Administrative Support
General Questions/Information
Group Services

Dianna Rowinski X225
Director of Education
AP/AR
International & Industrial Group Administrator

Annemarie Breske X231
Director of Employment & Outsourcing Services
Resume Referral Services

Gail Venne, X223
Group Administrator
Credit Reporting

GOT AN IDEA?

Would you like to contribute to the BCMA Newsletter? The most important part is your idea. We can handle the polishing. Just write to us at BCMAEditor@CreditToday.net with your idea!



2017-18 Board of Directors

Executive Committee:

- Chairperson
Penny Conaty CCP, CPC, CBA
- President
Darryl Rowinski CCP, CPC
- Counselor
Adriana Sertich CCP, CPC
- Director Emeritus
Wayne Crosby, CCP, CPC

Directors:

- Abe WalkingBear Sanchez
- Davy J. Tyburski
- Rob Lawson
- Stu Sturzl, CCP, CPC
- Barry Elms

So Many ways that you connect to The Association

Website

Find us on Facebook

UPCOMING INDUSTRY CREDIT GROUP MEETINGS

APRIL 10, 2018

Fine Paper/Graphic Arts Industry Credit Group
Teleconference Call

APRIL 11, 2018

Plumbing & Heating Industry Credit Group
Delafield, WI
Regional Paper & Packaging Industry Credit Group
Book of Reports Only

APRIL 12, 2018

Food Suppliers Industry Credit Group
Madison, WI
Metals & Industrial Suppliers Credit Group
Book of Reports Only

APRIL 13, 2018

Electrical Suppliers Industry Credit Group
Waukesha, WI

APRIL 16, 2018

Building & Construction Materials Credit Group
Milwaukee, WI
Western Electrical Suppliers Industry Credit Group
Book of Reports Only



APRIL 18, 2018

Minnesota Electrical Product Suppliers Group
Brooklyn Park, MN

APRIL 19, 2018

Construction Industries Credit Group
Appleton, WI

APRIL 20, 2018

IL Fine Paper Industry Credit Group
Oakbrook, IL

APRIL 24, 2018

WI/IL HVAC Industry Credit Group
Rockford, IL

APRIL 26, 2018

Food Service Supply Hospitality Industry Credit Group
Menomonee Falls, WI



Visionary Leadership Results

2018 Educational Events

April 17

["THE COMPLETE CREDIT PROFESSIONAL" Barry Elms full-day Seminar](#)

May 4

[For your Personal Credit Health: "Identity Theft" Webinar](#)

May 11

[For your Personal Credit Health: "Understanding Credit Scores" Webinar](#)

May 18

ICE "Letters of Credit" Seminar ~ more info soon

May 18

[For your Personal Credit Health: "Budgeting & Debt Reduction" Webinar](#)

May 23

[For your Personal Credit Health: "First-Time Homebuyers" Webinar](#)

CHECK OUT OUR [CALENDAR](#) FOR MORE UPCOMING EVENTS.
YOU CAN TRUST THE ASSOCIATION TO ASSIST IN [RECOVERY](#) FROM YOUR DEBTORS ANYWHERE
IN THE WORLD.
LET THE ASSOCIATION HELP WITH [EMPLOYMENT OPPORTUNITIES](#).