



# E-Credit News

Wisconsin Credit Association  
15755 W Rogers Dr #200  
PO Box 510157  
New Berlin WI 53151



WISCONSIN CREDIT ASSOCIATION 262.827.2880

March 2009

## In This Issue

WCA Member Updates & News

### This month's topics...

1. Best Practices in Billing
2. What's Normal for Receipt of Funds  
After Credit Card Authorizations?
3. Case Studies in Credit Scoring:  
Sargento Accelerates Credit  
Approvals with Scoring Solutions
4. Solid as a BRIC?

Followed by  
Industry Group Meetings



By clicking on First National Merchant Solution's logo, you will be leaving this web site. Products and services accessed through this link are not provided or guaranteed by your Business Credit Management Association (BCMA). First National Merchant Solutions may have a privacy policy that is different from your BCMA Affiliate. Please review First National Merchant Solutions privacy policy.

## BCMA Members

[\\*NACM Credit Services, Inc.](#)

[\\*Pennsylvania Association of Credit Management](#)

[\\*Wisconsin Credit Association](#)

## EVERYTHING YOU WANTED TO KNOW ABOUT BANKRUPTCY...AND MORE!

Monday- March 9 - Neenah WI

Did you know that...In the next hour... 7 companies will file for bankruptcy...what if one of them owes you money or supplies? (Courtesy of DNB.com)

Do you know what your reclamation or preference claim rights are?

Should you treat companies who file Chapter 11 the same way you did a year ago?

Steven Cerasoli from McCarty Law will be the guest speaker. He is an Attorney at Law with McCarty Law in Appleton. Steve's practice areas are Creditor's Rights and Commercial Litigation. Steve will be happy to answer any of your bankruptcy questions. Click above to register for this CBMN Program.

## MEASURES OF PERFORMANCE & MANAGEMENT REPORTS

Tuesday - March 10 ~ Delafield WI

Dynamic credit executives plan and direct the credit, collection and AR functions of their organizations to foster growth, optimize cash inflows and improve performance in the day-to-day process of receivable management. Using valid measures of performance is critical in this process.

At our meeting, we'll look at reports to use in measuring performance as well as benchmarking and its value in allowing credit professionals an insight into how their respective departments stack up to industry standards in receivable portfolio management. Some data we'll look at comes from surveys conducted by the Credit Research Foundation.

A panel of international credit and finance members will discuss measures of performance and reports they use and share those processes with you.

Additionally, the "Auto Sector" and its impact on domestic and international business will be the focus of roundtable discussion. We will be joined by an expert financial executive in this area to lead the table talk.



**2008-09 Board of Directors**

**Executive Committee:**

Chairperson

Penny Conaty CCP, CPC

President

Darryl Rowinski CCP, CPC

Counselor

Adriana Sertich CCP, CPC

Director Emeritus

Wayne Crosby, CCP, CPC

**Directors:**

Abe WalkingBear Sanchez

Davy J. Tyburski

Lyle Wallis

Rob Lawson

Steve Kailas, Esq.

Seth Dizard, Esq.

Stu Sturzl, CCP, CPC

JoAnne Aerts CBA

Barry Elms

**Contact Us**

Phone: 262/827-2880

Web: www.wcacredit.org

Darryl Rowinski CCP, CPC X222

President & COO,

Chrys Gregoire X221

Administrative Support

Dianna Rowinski X225

Groups (including ICE) Education

Linda Chernault X232

Employment Services

Gail Venne, X223

Group Administrator

Lisa Schroeter X224

Credit Reporting/Group Services/ Data  
Transmission

Lee Pearce, CCP, CPC X231

Recovery

Sandi Chojnacki, CCP, CPC X228

Recovery

**ALL EMAIL ADDRESSES ARE:**

Firstnamelastinitial@wcacredit.org.

**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](mailto:BCMAEditor@CreditToday.net) with your idea!

**NEW ASSOCIATION MEMBER**

Angie Krizan

Cintas Corp

Rick Schultz

Systems Inc

**NEW ASSOCIATION REPRESENTATIVES**

Lisa Klitzman

Stock Building Supply

Peggy Johnson

Roy Houff Company

Larry Cohen

C B & K Supply Inc

**NEW GROUP MEMBERS**

**HOTEL & RESTAURANT INDUSTRY SUPPLIERS CREDIT GROUP**

Angie Krizan

Cintas Corp

**NEW GROUP REPRESENTATIVES**

**NATIONAL RADIATOR, AIR CONDITIONING & THERMAL PRODUCTS  
INDUSTRY CREDIT GROUP**

Reagan Fox

Proliance International Inc

**BUILDING & CONSTRUCTION MATERIAL INDUSTRY CREDIT  
GROUP**

Lisa Klitzman

Stock Building Supply

**IL FLORAL PRODUCT WHOLESALERS INDUSTRY CREDIT GROUP**

Lisa Klitzman

Stock Building Supply

**WISCONSIN/ILLINOIS HVAC INDUSTRY CREDIT GROUP**

Larry Cohen

C B & K Supply Inc

**PLUMBING & HEATING SUPPLIERS INDUSTRY CREDIT  
GROUP**

Larry Cohen

C B & K Supply Inc

**WCA MEMBERSHIP UPDATES**

Congratulations to Lisa Rusch, Werner Electric Supply on finishing her online Credit Law Course. Good going, Lisa.

Congratulations to Melissa Hammerand, Hajoca Corporation! She gave birth to Ryan Edward, a bouncing baby boy. He clocked in at a whopping 10 lbs, 10 oz. Congratulations & best of luck to all!

Congratulations to Dan Reich from Wagner, Falconer & Judd, Ltd. He and his wife welcomed in a son, Noah Vincent Reich who was born on October 9, 2008.

Congratulations to Nelson S. Martell from Wagner, Falconer & Judd, Ltd. He and his wife welcomed in a beautiful baby girl Natalie Jean Martell on January 7, 2009

Many happy returns to Jennifer Garvey, Coface who gave birth to a baby boy recently. We wish all of these Parents the best of Luck!

## EMPLOYMENT SERVICES

You cannot turn on the news without hearing the R word - Recession. It has more power as a self-fulfilling prophecy than an actual condition. It creates uncertainty to which people & companies react.

We have seen requisitions for new staff temporarily withdrawn this year, until things become more certain. Not **spending money or committing to long-term expenses** whenever there is an opportunity is how to manage uncertainty.

While you might not be allowed to replace/add a person, you may be able to obtain approval to hire a temporary candidate. **You want** someone for 6 months but your CFO will find a **contract for 60 days more attractive** because he/she can control the expense. Our contracts often last 6-12 months or more but can start with a minimal commitment. They can run that long due to the temporary person actually being hired.

We have excellent candidates available now for full-time permanent & temporary positions throughout the state. This is where to find experienced people that are effective immediately!

Please call WCA at 262-827-2880 Ext 232.

## DON'T FORGET



Credit reports offer low-cost credit histories you can use to predict risk and make sound credit decisions quickly

Credit reports are also important when you investigate a new customer, notice a change in a customer's payment practices, receive an unusually large order, or receive a number of inquiries about a customer.

WCA offers access to these credit-reporting databases under one single, generic report subscription. We use a unit system so you do not have to commit to one database and your subscription never expires!

A variety of credit reports are available from WCA: Dun & Bradstreet, Experian Business Credit Reports, CBCInnovis Triple Merged Business Owner Consumer Credit Reports, Equifax Small Business Credit Reports, Coface International Credit Reports, Equifax Small Business Credit Reports, Trade Group Exchange (TGX), and Equifax Canadian Credit Reports.

Call **Lisa** at 262-827-2880 Ext224 for more information or questions

## POSITION YOURSELF FOR ADVANCEMENT. DO NOT FORGET THE BCMA ACCREDITATION PROGRAM.

The Business Credit Management Association offers experienced individuals, the opportunity to earn professional accreditation. A Professional Accreditation is not just mere initials that look good on a resume or business card, but are evidence that the designee has attained a high level of expertise and knowledge in the field of Credit, Collections, Accounts Receivable, and Risk Management. BCMA offers two specific accreditations and each requires its own set of demonstrated skills, experience and knowledge to earn. Credit and Collection Professionals can immediately enroll and/or obtain professional accreditation in the Business Credit & Collection field. Check out the website [creditsociety.org](http://creditsociety.org), apply for and get started today!

## COLLECTIONS

Wisconsin Credit Association offers collection and recovery services. Our purpose is to provide our WCA member companies with a quality, professional and trustworthy recovery service, to assist companies of all sizes, industries and geographical locations. Our industry expertise, state-of-the-art systems, and telecommunications, allows us to extend our service and effectiveness on a nationwide basis.

Call Wisconsin Credit Association for further information at (262) 827-2880, or e-mail us at [collection@wacredit.org](mailto:collection@wacredit.org).

**PLEASE CONTACT *CHRY*S AT WCA, 262.827.2880 X221 TO REPORT MEMBER NEWS**

## 1. BEST PRACTICES IN BILLING

One of the best ways to reduce DSO is to make sure your invoicing processes are rock solid. If you have not reviewed your own procedures lately, here is Credit Today Editorial Advisory Board Member Bob Shultz's ([www.QuoteToCash.biz](http://www.QuoteToCash.biz)) list of best practices for invoicing. It is the format. Most billing today is accomplished with paper invoices. As billing is converted to an electronic format, it is essential for parties in the transaction to do thorough up-front work. This will insure that your customers' systems communicate accurately with your systems.

For those transactions billed by invoice, there are pitfalls that can delay payment. Make sure your invoicing procedures cover all of the following:

- Eliminate delays in mailing the invoice. Depending on how the customer's accounts payable policy and system are set up, the date of receipt of invoice may have a lot to do with when payment is made. Timely mailing is particularly important in industries with short terms of sale.
- Clearly state the terms of sale or due date on the invoice.
- As simple as it sounds, make sure the invoice is sent to the right location.
- Clearly, state the "remit-to" address.
- Avoid payments coming directly to the office.
- Do not include the company address on the invoice. A contact phone number/e-mail address will suffice.
- Checks sent to a bank lockbox are deposited faster. Checks going to offices get lost or worse. They can be intercepted, and fraud becomes an issue
- Question the need for statements. Companies pay invoices. Statements may clutter the desk in accounts payable and take away valuable processing time.
- Consider a "Summary Invoice." If there is a high volume of invoice activity, consider providing the customer a summary invoice. With proper backup this can reduce the time required for accounts payable to process payments.
- Accuracy cannot be overemphasized. Determine root causes if there are repetitive errors in pricing, product description, quantity, ship-to location, etc. Quantify the issue and report the problem quickly to all appropriate areas in the organization. Put a meeting together if necessary to brainstorm corrective action and fix the issue.
- Migrate to electronic bill presentment. This saves processing time and increases staff productivity. Technologies are available that eliminate mail delay and automate the billing payment relationship. The Internet has opened electronic interchange as a practical solution to companies of any size. Although this does not fit every industry or customer relationship, opportunities should be sought.

## 2. WHAT'S NORMAL FOR RECEIPT OF FUNDS AFTER CREDIT CARD AUTHORIZATIONS?

An informal poll on the Credit Today Forum revealed that, typically, it takes two to three days to receive money after a card is processed for payment. One member reported receiving funds in only one day from Visa and MasterCard. Everyone reported that it always takes longer to receive their funds from Amex, with a range of from three days to 6 to 10 days. The average for AMEX was about four days. One Forum member reported receiving funds for Discover card purchases in one to two days.

## 3. CASE STUDIES IN CREDIT SCORING: SARGENTO ACCELERATES CREDIT APPROVALS WITH SCORING SOLUTIONS

**Company name and location:** Sargento Foods, Inc.

**Description of business:** Sargento Foods is a family-owned and operated manufacturer and distributor of dairy products.

**Credit executive contact info:** Stu Sturzl, Sr. Credit Manager, [stu.sturzl@sargento.com](mailto:stu.sturzl@sargento.com)

**Annual Sales:** \$550 Million

**# Of customers:** 1000

Customer base characteristics: Sargento has three diverse business segments dealing with businesses of all sizes, from multinationals to one-stop shops. Its recipe-ready shredded cheese blends and sliced cheeses for sandwiches appeal directly to consumers, while its food service product line includes appetizers, cheese ingredients, and sauces. Sargento also sells high-end specialty cheeses via catalog and the Internet.

**Challenges:** Traditionally, credit-risk assessment at Sargento was a manual, paper-based process that entailed many steps, from sending out the credit application to checking the references and calling D&B to get a credit report. The process ended when all the insights gathered were used to make a decision and communicate to the sales team whether the new customer was approved or not. This arduous process took anywhere from two to three days, a timeframe which was not competitive within the industry. This exposed us to the real possibility of losing customers to competitors pending the credit decision. It also required additional effort from the sales team to keep our customers engaged while credit decisions were being made.

**Goals:** We wanted to speed up the credit decision-making process in order to remain competitive and ultimately retain more customers.

**Type of scoring solution:** Automated credit decisioning and portfolio management using a rules-based scorecard

**Vendor and Product Chosen:** D&B's RAM

**Costs:** Not available

**ROI:** Because credit approval decisions now take minutes instead of days, Sargento has been able to increase the number of new customers acquired on a monthly basis and to avoid hiring an additional credit staff member.

**Results:** We have reduced the credit risk-assessment time frame by at least 97 percent. The efficiencies achieved and time saved have been the most important benefits. We can now look at the whole portfolio in one centralized place and compare risk associated with various segments within minutes. The time saved in research and portfolio analysis is used to focus on the slow-paying customers and then work with sales to figure out ways to get paid faster.

Because the solution is scalable, we can run our risk assessment needs more efficiently. The resources conserved can then be allocated to research & development, new product development and sales initiatives to feed the bottom-line. Another benefit is compliance with auditing standards. Even though Sargento is a privately held company, the software allows us to demonstrate to our auditors a consistent and transparent credit-scoring model.

#### **4. SOLID AS A BRIC?**

"It used to be said that emerging markets were places where they had emergencies," points out historian Niall Ferguson in "The Ascent of Money." And certainly, it was the endemic fraud and corruption in these markets that contributed to, and in many cases caused, these emergencies. So, the business world has welcomed the high-tech industry of India as a burgeoning force reassuringly free of these age-old problems in that country.

Then came the Satyam Computer Services scandal, with founder and chairman B. Ramalinga Raju confessing that he had fabricated about \$1 billion in cash at the company and padded profit margins. It is also alleged that he's forged bank deposit documents and siphoned off money by allegedly making up more than 10,000 employees.

At this writing, Ramalinga's attorney was contending that the accusation of "diversion of funds is nothing but imagination." But the business world was reeling, and Satyam clients were busy trying to determine whether they could rely on this company for vital data processing.

Only a few days after the Satyam case broke, Coface announced that two other members of the BRIC (Big Rapidly Industrializing Countries) quartet, Russia and China, had been negative-watch listed. Coface warned of the effects of excessive competition on China's private sector, squeezing profit margins. A slowdown in growth will increase Chinese companies' payment defaults.

Business-to-business payments in Russia deteriorated last year, mainly due to "deficiencies in corporate governance." We take that to mean legally sanctioned fraud under a loopy legal system. Coface sees the country as now severely affected by the crisis, particularly from the drop in oil prices. Russian companies' foreign debt has surged 140 percent in the last three years, which should result in further payment defaults.

---

To learn more about subscribing to Credit Today, check out our web site at [credittoday.com](http://credittoday.com)  
Month-End Credit Reporting Could Use a Makeover

Annual Credit Card Benchmarking Survey-Credit Cards Increasingly Integral to B2B Collections as Online Acceptance Grows

Credit Card Survey- Respondents Offer Up Advice on Web-based Credit Card Interfaces

2008 Credit Card Survey- Advice and Lessons-learned For Those Thinking of Setting Up a Credit Card Account

Where Credit Cards Don't Work

## **UPCOMING INDUSTRY CREDIT GROUP MEETINGS**

### **MARCH 9TH**

IL Wholesale Floral Suppliers Credit Group  
Oakbrook IL

### **MARCH 10TH**

Fine Paper/Graphic Arts Credit Group  
Milwaukee WI

### **MARCH 11**

Plumbing & Heating Industry Credit Group  
Waukesha WI

### **MARCH 12TH**

Food Suppliers Industry Credit Group  
Madison WI  
Metals & Industrial Suppliers Credit Group  
Brookfield WI

### **MARCH 17TH**

Building & Construction Materials Credit Group  
Milwaukee, WI

### **MARCH 18TH**

Minnesota Electrical Product Suppliers  
Brooklyn Park MN  
Food Service Supply Hospitality Industry Credit Group  
Milwaukee, WI

### **MARCH 19TH**

IL Fine Paper Industry Credit Group  
Elmhurst IL  
Construction Industries Credit Group  
Appleton WI

### **MARCH 20TH**

SE Electrical Suppliers Credit Group  
Milwaukee, WI

### **FEBRUARY 24TH**

Western Electrical Suppliers Credit Group  
Madison WI  
WI/IL HVAC Industry Credit Group  
Rockford IL

---

## **EDUCATION EVENTS**

### **MARCH 9**

#### **EVERYTHING YOU WANTED TO KNOW ABOUT BANKRUPTCY AND MORE!**

Did you know that...In the next hour... 7 companies will file for bankruptcy...what if one of them owes you money or supplies? (Courtesy of DNB.com). Do you know what your reclamation or preference claim rights are? Should you treat companies who file Chapter 11 the same way you did a year ago? Steven Cerasoli from McCarty Law will be the guest speaker. He is an Attorney at Law with McCarty Law in Appleton. Steve's practice areas are Creditor's Rights and Commercial Litigation. Steve will be happy to answer any of your bankruptcy questions. Brought to you by CBMN.

### **MARCH 10**

#### **MEASURES OF PERFORMANCE & MANAGEMENT REPORTS!**

Dynamic credit executives plan and direct the credit, collection and AR functions of their organizations to foster growth, optimize cash inflows and improve performance in the day-to-day process of receivable management. Using valid measures of performance is critical in this process.

### **MARCH 25**

#### **MN LIEN & BOND WEBINAR!**

This session will provide step-by-step guidance in the preparation of the forms necessary to use and benefit from construction lien and project bond claims. Every supplier and construction contractor doing business in Minnesota should be familiar with the law.

Our leader, Bill Hennessey from Wagner, Falconer & Judd Ltd will bring his eight years of MN Construction and Collection Law experience to this valuable session.

[Click here](#) for an updated event list including future events and closings