

Askee: Marcroft

QUESTION: Recently the subject of shipping product to a UPS/Mailboxes Etc. type store came up again. In the past, we discouraged this because of POD issues and claims that "they didn't receive the product" (because someone else signs for it) were a problem. However, we have some dealers who work out of their homes rather than a retail store (doing custom installs) and they are not always home to receive shipments so they want us to ship the product to one of these type locations. What do you suggest, and what policies do other Credit Managers have about shipping to this type of location?

RESPONSE: I highly discourage shipping to blind locations that can easily be used as a front to avoid paying for products. Your regional distribution network provides for multiple product pick up locations, you have a dealer network that may be able to serve the smallest customers you serve and the nature of the products you sell could lend themselves to lien rights.

If you are shipping parts or replacements to the smallest of your customers, why sell on open account? See via credit cards for those transactions and simply ship it to the location requested by the consumer or small dealer. If you do not wish to do this, send those small installers to your dealers locations and let them act as a distributor to the smaller custom install guys.

If you are shipping to a job site, take advantage of lien laws regularly. From what I have seen the nature, size, and type of products you sell do not "typically" lend themselves to shipping to UPS stores, etc....

Much of this you probably already do so I am not telling you anything new perhaps. It is my experience that when this type of question comes to me it is because management or sales insist, "it's perfectly acceptable to do that or what's wrong with doing that?" is a question that is asked. That is when seeing or hearing something from a third, party is helpful. It allows you to do a sanity check with others and or share others advice with those who may otherwise do something that might not be in your company's best interests.