



www.wcacredit.org • 888-546-2880

March E-Credit News

Call us Toll-Free: 888-546-2880 | Website: www.wcacredit.org



March 15, 2023
9:00 – 10:00 AM CDT

**Learn
More**

“Cash is King” Order to Cash Process

The 11 Step Process for Effective & Efficient “Sales-to-Cash Success”

Many people are surprised that Order to Cash is the “True” collection process for most companies. It is!!!! You will learn the eleven step process of the Order to Cash showing you how each step done correctly will have a positive impact on your over dues. I.e. on the third step “contract payment terms and conditions”. Do you know, if the legal department signs a contract for 60 day payment terms vs. the company’s policy of net 30 days? Or the ninth step “Cash Application”. Often companies don’t apply payments timely or not at all, force the customer not to pay until cash application on their account is up to date. Neither of these two step examples are not necessarily under your direct control and this webinar shows how to control them.

New Contacts & Members

New Association Contacts:

- Amanda Bates ~ Cellcom A Division of Nsight
- Gary Bruck ~ Russel Metals-Williams Bahcall
- Rick Schadt ~ Briggs & Straton Corporation
- Andrea Safedis ~ Racine County Economic Dev Corp

New Credit Group Contacts:

- Metals & Industrial Suppliers Industry Credit Group**
Gary Bruck ~ Russel Metals-Williams Bahcall
- International Credit Executives Group**
Rick Schadt ~ Briggs & Straton Corporation



**If you have something
you would like us to
announce please
send an email to
admin@wcacredit.org**

Consider B2B Credit Card Surcharging to Counteract Inflation and Rising Costs

By Justin Main, Vice President, Payments, Billtrust

With inflation-weary buyers resisting price increases, more companies are looking for ways to improve efficiency and reduce costs to maintain profit margins. According to a May 2022 Gartner [survey](#) of 182 CFOs and senior finance leaders, “CFOs will increasingly turn to cost reductions if above-average inflation continues into the fourth quarter of this year, while also seeking efficiency gains through increased automation.” A June Gartner [survey](#) elaborates on exactly what CFOs are considering cutting, with M&A leading the way followed closely by investments in sustainability, as well as talent development.

Of course, the ideal scenario is to keep revenue growing while simultaneously cutting costs, but this is easier said than done. One operational expense often labeled as an accepted-but-necessary evil are credit card fees. But that’s changing as fees continue to rise. Even the U.S. Senate has taken notice by [considering legislation](#) against rising merchant fees. Of course, B2B buyers are a lot like consumers, and they want to hold on to their cash as long as they can. Plus, they like paying the way that makes the most strategic sense for them. And they love rebates. Which is why more and more of your B2B buyers are using credit cards for payment and why you should consider a cost-cutting, card acceptance strategy which includes surcharging.

Charging an additional fee to the price of a good or service to cover money lost in processing credit card payments offers great benefits to suppliers, but implementation can be tricky. Managing customer expectations and card brands, along with calculating fees which are compliant with card rules and varying state regulations, are daunting tasks.

So where do you start?

First, think about what makes accepting credit cards so attractive: customers pay faster, the chance of errors is reduced and it can foster better customer relationships because you’re letting the customer pay on their terms, not yours. Of course, you have to consider whether all the benefits justify the interchange fee cost, but it’s generally in your best interest to accept credit cards. Given that, suppliers are paying 1.5-3.5% fees on credit card transactions as more payments are going digital.

Surcharging can make sense if you have a significant number of customers who use cards or if you’ve previously decided not to accept credit cards because of interchange fees. But if you’re applying a surcharge to larger buyers, there’s a real risk that should be considered: it could create a challenging relationship issue if you’ve been already taking credit card payments and are now going to use a surcharging program. That’s why suppliers must be confident that they have the tools to notify and communicate with both their customers and the card issuers.

Although buyers might be slow to accept your decision to surcharge, good, transparent internal and external communication will help you maintain trust. Here are some things to consider when developing a surcharging program.

1. **You’ll need an understanding of card acceptance costs.** Card brands and state laws mandate that a surcharge can’t exceed the acceptance cost.
2. **You’ll need a formalized policy and strong communication.** A surcharging policy should be formalized in trade agreements and broadly communicated internally, ensuring buyers receive consistent information during all supplier interactions.

3. **You'll need to prepare your team for potential increases in ACH or check payments.** Surcharging can drive buyers to other payment forms which can lead to operational impacts and potentially additional costs. Credit, collections and cash application teams need to be prepared to handle more manual payments and decoupled remittances.

4. **You should consider a tech stack to administer your policy programmatically.** The right tech stack can execute a surcharge-as-a-service program across various channels with no human intervention. Look for turnkey solutions with flat rates where suppliers create the rules – such as partially surcharging by splitting the fee with price-sensitive customers, creating non-surchageable scenarios or offering buyers the option to switch to other non-card payment methods.

About the Author

Justin Main, Vice President of Integrated Payments for Billtrust, oversees integrated payments operations and sales enablement while ensuring positive outcomes for customers. He also sponsors emerging payments products to enhance Billtrust's best-in-class payments portfolio. He previously served in several sales capacities at Billtrust, as well as in a variety of sales management roles for companies including Dice and CareerBuilder.com. Justin has a Bachelor of Science degree from the University of Minnesota.



As originally published in the Credit Research Foundation Q3 2022 Credit & Financial Management Review

DO YOU KNOW.....

The Association offers credit reporting services?

AND....

DO YOU KNOW.....

You can get reports from multiple databases under one subscription?

PLUS.....

DO YOU KNOW.....

There is no "use-em" or "lose-em" penalties under our subscriptions?

NEED A CREDIT REPORT?



You don't have to pick just one database. You can have them all with our credit reporting subscriptions.

Yes, you read that right!

We offer credit reporting subscriptions, with no strings attached! You can get reports from multiple databases, under one subscription. And, the best part, there is no "use-em" or "lose-em" penalties; the units you purchase are yours until they're used up! Sound like something that would fit your needs?

Let The Association be your "go-to" for your credit reporting needs! Contact Gail or Chrys for additional information by emailing us at creditreports@wcacredit.org.



Critical Component To Help Manage Receivables and Collect Debt

By David J. Gengler
dgengler@kmksc.com
(414) 962-5110

When filing a lawsuit, one of the key factors to consider is where the action can be filed. As a general rule, most lawsuits relating to a breach of contract will be filed in the county where the defendant is located. However, there are many exceptions to this general rule. One important exception is that parties can agree in advance where any litigation will be commenced by including a provision in their contract specifying that the parties consent to a particular venue. These provisions are typically known as “venue provisions” or “venue clauses.”

Venue clauses can provide several potential benefits to a creditor. For example, a company based in Milwaukee, Wisconsin, may want to include a venue clause in its contracts that allows for any lawsuit to be heard in Milwaukee County, Wisconsin. Having the lawsuit heard in a creditor’s own “backyard” can benefit the creditor, as it is likely that many of its witnesses will be based nearby and it will be more convenient for those witnesses to appear in Milwaukee if the case proceeds to trial and they are required to give testimony (rather than having to travel to where the defendant resides). Additionally, filing suit outside of the county where the debtor resides will also make it more difficult for the debtor to contest the lawsuit, increasing the likelihood that the debtor will settle the dispute or decline to fight it.

There are two main types of venue provisions. The first are permissive venue clauses. These clauses specify that a case may be brought in a particular venue, or that the creditor has the option to file the lawsuit in a particular venue. By contrast, a mandatory venue clause requires a lawsuit to be commenced in a particular venue. These types of clauses should have precise language, for instance that any lawsuit “shall be exclusively brought” or “must be filed exclusively” in that specific venue.

Given the apparent benefits of filing a lawsuit in one’s own backyard, a creditor may wonder whether it should make it mandatory to file every lawsuit there. One important factor to consider when weighing that option is that the jurisdiction in which judgment is entered and the jurisdiction in which the judgment is enforced (e.g., the debt collected) may be different. Once judgment is entered, post-judgment collection options are available to be pursued if the defendant debtor does not voluntarily make payment arrangements. One of KMK’s most effective tools to collect on a judgment is a bank garnishment, where we obtain a court order instructing the bank to turn over any funds held in the defendant’s bank account. However, if the defendant and its bank are located in a different state, our judgment would need to be domesticated in the jurisdiction where the defendant is located before a bank garnishment can be pursued.

For example, if the creditor filed suit and obtained judgment in Milwaukee County (taking advantage of a venue clause), but the defendant debtor resided in Tampa, Florida, additional steps would need to be taken to domesticate the Wisconsin judgment in Florida before collection efforts were commenced. This would require additional time and costs involved in domesticating the judgment in the new venue, and both can vary by jurisdiction. Some states recognize a judgment entered in another state with a simple filing and a modest fee, while others require creditors effectively to file a second lawsuit to have the judgment entered in the new state. In those cases, it might be preferable to file suit in the jurisdiction where the debtor is located in the first instance.

There are many factors that should be considered when determining where to initiate a lawsuit if the creditor’s contracts have venue provisions. If the matter is highly disputed, a creditor would likely value the potential “chilling effect” of filing suit outside of the defendant’s home venue, even if a domestication of the judgment in another jurisdiction would be required before it can be

enforced. On the other hand, if the expectation is that the lawsuit will not be defended and the creditor's hope is to obtain a default judgment and pursue swift collection efforts, then a creditor could consider filing suit in the jurisdiction in which the debtor is located rather than incurring the additional time and costs involved in filing the initial lawsuit in one jurisdiction and then domesticating a judgment in a second jurisdiction.

Mandatory venue provisions can present obstacles to filing in the jurisdiction of the creditor's choice. For instance, if a Milwaukee-based creditor expects to obtain a quick default judgment and opts to file suit where the defendant is located, but the venue clause requiring suit in Milwaukee County is mandatory, the creditor should be aware of the potential risks in pursuing this strategy. For instance, a defendant could plead improper venue as an affirmative defense, asserting that the creditor filed the lawsuit in the wrong court and seeking dismissal of the lawsuit. While the creditor could attempt to waive the venue provision, ignoring a mandatory venue clause could potentially put the case in jeopardy of dismissal. In some instances, a court may even take it upon itself to verify that a lawsuit is in the proper venue and dismiss the action if the court concludes it was filed in the improper venue. The creditor would then have to refile the lawsuit in the jurisdiction provided in the mandatory venue clause, and then domesticate the judgment (once entered) in the jurisdiction where the debtor is located.

Many creditors acquire new businesses from time to time. When reviewing customer accounts that may need to be sent to collection, creditors should ensure that they review the contracts and terms and conditions (including credit applications) they have inherited for venue provisions, as the presence (or absence) of a venue clause can substantially impact the creditor's optimal collection strategy. A newly acquired company could have been formerly based in a state where the creditor does not currently have any business activity, but a mandatory venue provision could necessitate initiating suit in that state where now neither the creditor nor the debtor are located. This could result in additional time and expenditures that do not tend to benefit either party. In these instances, when possible, creditors should try to obtain a new credit application or other agreements with the newly acquired customers that contain more favorable terms, including appropriate venue provisions.

Creditors should consider reviewing and updating their credit application, contracts and terms and conditions to ensure that they reflect the terms most favorable to them, including a review of appropriate venue provisions. If you have any questions concerning updating your credit application and contracts, or drafting a new credit application and contracts, or have any questions about venue clauses, please contact KMK Attorneys Darrell R. Zall (dzall@kmksc.com) or David J. Gengler (dgengler@kmksc.com). Both can be reached at (414) 962-5110.



January KMK Commercial Counsel Newsletter

Upcoming Webinars

In the age of globalization, information and nano-technology, one cannot help it but be bombarded or even paralyzed by information noise and clutter. What can credit professionals and companies do to succeed? Simply, seek the fundamentals—the



universal approach that will lead them through the maze to help sell and grow revenue and profit.

This session will be useful for credit professionals and businesses of any size looking to evaluate new ways to increase sales and bring value to their companies. Participants will be presented with specific ideas to evaluate their business environment and develop an action plan checklist.

We all need to understand the value of credit and its economic impact.

THE FINE ART OF CREDIT MANAGEMENT

April 19, 2023

9:00 – 10:00 AM CDT

[Learn More](#)



MAY 17, 2023
9:00 – 10:00 AM CDT

Best Practices In Business-To- Business Debt Collection

[Learn More](#)

In this interactive program, we will discuss and explore ways to it more likely that you will meet your collection targets. How? In three ways.

First, by examining how to avoid the most common mistakes collectors make every day.

Second, by describing best practices in business-to-business debt collection in practical terms.

Third, by offering practical strategies and suggestions for implementing collection best practices quickly, efficiently, and inexpensively.

In the age of globalization, information and nano-technology, one cannot help it but be bombarded or even paralyzed by information noise and clutter. What can credit professionals and companies do to succeed? Simply, seek the fundamentals—the universal approach that will lead them through the maze to help sell and grow revenue and profit.

This session will be useful for credit professionals and businesses of any size looking to evaluate new ways to increase sales and bring value to their companies. Participants will be presented with specific ideas to evaluate their business environment and develop an action plan checklist.

We all need to understand the value of credit and its economic impact.



PHONE POWER COLLECTIONS THE 6 STEP PROCESS

June 21, 2023

9:00 – 10:00 AM CDT

Learn
More



Credit Professional Alliance

Credit Management Association
The Business Credit Management Association Wisconsin
Business Credit Intelligence
Mountain States Commercial
NACS Credit Services, Inc.

UPCOMING INDUSTRY CREDIT GROUP MEETINGS



March 8, 2023

Regional Paper & Packaging Industry Credit Group

Teleconference Call

Plumbing & Heating Industry Credit Group
TBD

Iowa Plumbing Heating Electrical &
Construction Industry Credit Group

Teleconference Call

March 10 2023

Metals & Industrial Suppliers Credit Group
Teleconference Call

March 10 2023

Electrical Suppliers Industry Credit Group
Pewaukee, WI

March 14, 2023

Fine Paper/Graphic Arts Industry Credit Group

March 15, 2023

Food Service Supply Hospitality Industry
Credit Group

Delafield, WI

March 16, 2023

Construction Industries Credit Group
Appleton, WI

March 17, 2023

IL Fine Paper Industry Credit Group
Teleconference Call

March 20, 2023

Western Electrical Suppliers Industry
Credit Group
Madison, WI

March 21, 2023

Building & Construction Materials Credit

Book of Reports

March 15, 2023

Minnesota Electrical Suppliers
Credit Group
Brooklyn, MN

Group

Milwaukee, WI

Minnesota Fine Paper Credit Group
Teleconference Call

For more information, contact:
BCMA - Wisconsin Credit Association
(262) 827-2880
www.wcacredit.org



www.wcacredit.org • 888-546-2880

Stay Connected by following us on Social Media



Business Credit Management Association Wisconsin | 15755 W. Rogers Drive, PO Box 510157,
New Berlin, WI 53151

[Unsubscribe chrysg@wcacredit.org](mailto:chrysg@wcacredit.org)

[Update Profile](#) | [Constant Contact Data
Notice](#)

Sent by chrysg@wcacredit.org powered by



Try email marketing for free today!